

HOUSE OF ASSEMBLY

Tuesday, March 23, 1971

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

AGENT-GENERAL 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.

LAND TAX

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

That in view of the failure of the Labor Government effectively to relieve the rural community of the burden of land tax, this House censure the Government for its blindness to the present rural crisis and its lack of sympathy for country people.

Parliament should be concerned with all sections of the South Australian community, and the many areas of concern are shown in different ways as this House deliberates on the future of the State and considers the matters that members raise. The matter mentioned in the motion is one area that has been forgotten by this Government, which is propelled by forces determined to redistribute the economy of this State and the wealth of persons within it at any cost, as demonstrated by the unsympathetic attitude of the Treasurer, his Ministers and his back-benchers in regard to country areas. Whilst the Minister of Labour and Industry (as shown by his comment this morning) tries to influence Parliament from outside on matters concerning secondary industry, and whilst the Government busies itself with this matter, country areas are languishing under the harsh taxation measures that this Government intends to pursue. If anyone should require confirmation of the existing problems in country areas he can read long lists of items in various newspapers and periodicals. The debates in this House, too, have recorded these problems. To begin my argument I quote an article in the *National Times* of March 22-27, which is referred to as Australia's national weekly of business and affairs, and which, when referring to the problem of the wool industry, states:

Beyond strikes and price confrontations in the cities, Australia faces a much bigger crisis in the country. How long has the wool industry got . . . 10 years, 20 years? The once

great Australian wool industry has its back to the wall fighting for survival. Independent and objective experts are forecasting its virtual extinction within the next two decades.

The drama of the demise of this huge industry has largely been lost in the welter of words, excuses and politics which have surrounded it. In fact it is an economic crisis of a dimension not experienced in this country since the depression. It puts the troubled dairy and wheat industries in the shade—but coming as it does on top of their problems only accentuates the mounting problems of the Australian countryside. There is no question of the Government restricting outputs of wool substitutes as State Governments do for butter.

The article continues:

The prospect of ghost towns: it may sound melodramatic to say that at least 500,000 jobs and thousands of long-standing family fortunes stand to be wiped out. The now prosperous country centres will become reminiscent of ghost towns.

If there is any doubt about the existence of the problem, a study of the current literature would define it for anyone who does not recognize it. This motion should be unnecessary: long ago the Government should have recognized the problem that I now define. The facts are known to us and can be seen by us all. It is not a mythical problem: it is a problem of rapidly collapsing country land values and a harsh land tax based on values that are no longer current. Who are the people in trouble? They are not mythical people but individuals and their families who, somewhere in the countryside in South Australia, depend for their livelihood on running a country property. One can take typical examples. One is of people anywhere in the sheep industry section who may be running 3,500 sheep and who, if they bought the property at a reasonable price in recent years, would have paid at least \$70,000 for it; they would have plant and stock valued conservatively at \$15,000; they would have an investment (if they obtained it in the last few years) of at least \$85,000; and they would have a gross income of between \$10,000 and \$12,000. Such producing units could be in the Mallee, on Eyre Peninsula, in the Mid North or Lower North, and they could be producing 6,000 to 9,000 bushels of wheat or perhaps running 500 breeding ewes. Some of these people could have an investment in recent times of \$60,000 in plant and \$10,000 at least in stock and equipment, giving a capital value of \$70,000 and probably a gross income of \$10,000.

Another example is of persons who could have a property in the Adelaide Hills or in an area south of Adelaide and could be involved to the extent of 18,000 breeding ewes for producing fat lambs for the South Australian or interstate market. A conservative property value, if the property had been acquired fairly recently, would be \$100,000 and with stock and plant valued conservatively at \$20,000, the total investment would amount to \$120,000. The income of such a person would be no more than \$15,000 gross.

Another example is a property anywhere in South Australia supporting one family and carrying perhaps 100 cattle, as well as producing a mixture of grain and sidelines, representing an investment in recent years of perhaps \$90,000 and a gross income of between \$10,000 and \$11,000. These people are not nameless individuals: their names appear on the land tax files in the department and are easily recognizable and available to the Treasurer or any other Minister. These people are in trouble (in economic distress) and, relying on the land, must pay this land tax. In 1958-59, for example, a wheatgrower received \$1.31 a bushel for his wheat; in 1967-68 he received \$1.47 a bushel; and in 1968-69 through to 1970-71 he received \$1.10 a bushel, with the promise of an expected payment of 10c in July this year in respect of the 1968-69 pool.

Therefore, the net income from wheat has declined significantly over this period from \$1.31 up to a peak of \$1.47 down to \$1.10, with a meagre expectancy of a further payment when the pool is finalized. In 1958-59 a barleygrower received \$1.12 a bushel for his product. Members who represent growers know how much the value of barley has declined from that figure. The tables show that the value of oats has been declining significantly; indeed, this is always an unpredictable figure. The only bright spot is seen in relation to the price of cattle, and this involves a mixed benefit to the thousands of South Australian producers who are now forced into stocking cattle, paying tremendously increased prices for breeders (not just for meat stock). High prices for beef at present represent a penalty in regard to hundreds and possibly thousands of South Australian producers who seek to participate in the only area that offers any way of their extricating themselves from their present position. In 1958-59, the average

price of wool was 44c, and this has declined over the 11-year period to a present average price of 28c (a decline of 36 per cent).

Looking at this declining picture, one can find a fall in the final gross revenue return of many primary producers. This applies to such an extent that a tale being told in country areas is that, when asked to buy a raffle ticket, a person asked, "What is the prize?", and was told, "A bag of wheat". He was told that the second prize was two bags of wheat and the third prize three bags of wheat. Apart from the matters to which I have referred, the decline affecting wheat is worsened greatly because of the imposition of quotas, which are necessary so that declining overseas markets can be apportioned. Nevertheless, these quotas have a great effect on the gross incomes of the primary producers to whom I have referred. Therefore, I have established without challenge the decline in rural incomes.

Have costs declined in respect of the producers who are asked to pay this land tax? A moment ago, I spoke about the higher prices applying in respect of breeders. If an owner wishes to quit his sheep stock, for every 1,000 sheep he owns he is likely to get about \$3,000. In recent months, a price of \$1 a sheep for very good sheep has been paid in country areas. A sum of \$3,000 for 1,000 sheep would not be a conservative estimate. If the producer wishes to restock his property with cattle, the only profitable animal now available in the grazing field, to replace that 1,000 sheep with 100 cattle will cost about \$10,000. In seeking to establish their properties on a profitable basis, producers must face great expense.

The consumer price index has increased significantly. In constant terms, in 1958-59 it was 114 and in 1969-70 it was 144, an increase of almost 40 per cent. However, unfortunately one cannot say that rural producers' costs have merely increased across the board by 40 per cent in that time, as greatly increased costs have been passed on to them. For example, a tractor that cost \$3,000 in 1958-59 now costs over \$4,000. I know that great competition applies in respect of the supply of farm machinery. The decline that has hit rural producers has also affected machine suppliers, so that the cost of machinery is somewhat shaded by the intense competition. The rise in the price of a tractor from \$3,000 to over \$4,000 represents an increase of over 30 per cent.

The price of one wellknown make of car (and every farmer must have a car) has increased from \$2,102 in 1961 to \$2,566. The price of a header has increased from \$3,800 to \$5,700, an increase of 50 per cent, that increase also being shaded somewhat by the intense competition. One of the most significant items facing country people is the cost of repairs, an important item that always appears on the expense side of the balance sheet. In 1961, the hourly charge for repairs recommended by the Automotive Chamber of Commerce was \$2.53. In 1970, it was \$4.90, an increase of 94 per cent. Rail freight for wheat has risen by 37 per cent from 1955 to 1965, and by 29 per cent from 1966 to 1971. Council rates in country areas, levied to serve local needs and to provide roads and services, amounted to \$4,546,000 in 1961-62, whereas in 1970-71 about \$8,000,000 (an increase of 77 per cent) was raised in country areas.

Interest rates for rural producers have increased by between 1½ per cent and 1¾ per cent within 10 years. The cost of standard grade petrol has increased from 30.8c to 36.4c a gallon in the last 10 years, whereas the cost of supergrade petrol has increased from 33.3c to 39.8c and the cost of distillate from 29.2c to 34.2c in the same period. All these significant and continual cost increases must be borne by the primary producers. It is no wonder, therefore, that the debt of rural people in Australia has capped \$2,000,000,000. While all these things to which I have referred appear on the profit and loss accounts of firms and business enterprises, they have also increased the living expenses of the family unit. In this respect, many people in the country have failed to estimate the full impact of these costs, as the increase has applied not only to the items of which I have spoken but also to the living costs of the family unit. There has, therefore, been a double-barrelled effect because, as the losses on many properties have mounted, so the amount available for living expenses has declined. Indeed, this has happened to such an extent that for some it is a continual annual loss.

I have had supplied to me a list of legitimate expenditure that would be incurred on a farm carrying, say, 3,500 sheep, with an expected income of about \$12,000 a year. Certainly, the present wool income from such a property would have decreased to about \$3 a sheep. An average of 28c a pound is now obtained for wool, a property of the size referred to producing an average of 10 lb.

to 11 lb. a sheep. Therefore, one cannot, by selling additional stock obtain a greater gross income than \$11,000 to \$12,000. I should like to refer to a conservative list of expenses incurred on a farm such as this. Living expenses would amount to about \$1,500 a year; superphosphate would cost about \$1,600 for the same period; rates and taxes would amount to about \$500; car and vehicle registration could cost about \$150; mortgage repayments could amount to \$1,500 annually (this could vary with varying circumstances); and interest payable to stock firms or banks could amount to \$800 a year. I remind members that, if they under-estimate these points, they will not do justice to the present situation. An examination of stock firms' accounts would show that much money is lent throughout the State on stock mortgages. Other annual costs are as follows: insurance, (fire, property and life) \$600; wool selling and shearing \$2,000 (or 20 per cent of the total value of wool clip); fuel and oil \$500; repairs and maintenance \$1,000; wages (casual) \$300; new pasture established and renovations \$800; and veterinary needs \$200.

That is as far as this list goes, but anyone knows that in the end of the year accounting many other miscellaneous items will make that cost much higher. The items I have listed total \$11,550. If we adjust the mortgage payment and deduct \$1,500 to cover the cases where the land is freehold, we still have a cost not much less than \$10,000, without considering the miscellaneous items that would be certain to increase the total by about \$1,000. Therefore, this property has reached a situation of not making a profit, yet it carries 3,500 sheep, which used to be a significant number in the rural field in South Australia.

All these ingredients point to a crisis of great magnitude. Whilst these cost increases have been occurring, the average weekly earnings in South Australia have increased from \$38.60 in 1958-59 to \$69.90 in 1969-70. The ingredients so far as the rural community is concerned are a continual decline in rural income to individual rural producers, a continual acceleration in increases in costs, an increase in average weekly earnings of people not associated with rural production, and a "no profit" situation for far too many rural producers. These factors spell "crisis" and they cannot be denied. Therefore, it is evident that no community such as ours can pay a tax that is not related to profitability.

If profit is obtained, one has at least something with which to pay tax. However, rural organizations of the type I have mentioned cannot possibly pay a tax that is levied on capital valuation.

In saying that, I must define the impact of land tax itself. Valuations by the Valuer-General are no longer realistic in the light of present-day values. Recently a property in the Mid North was sold for \$10 an acre less than the price for which it had been sold in 1964. A property on Eyre Peninsula that is being offered for sale is unsaleable. Hundreds of properties throughout South Australia are not attracting buyers and many of the valuations being placed on unimproved land at present will not be sustained on the basis of sale prices, less the cost (or anywhere near that cost) of improvements that have been placed on the properties.

There is no point in the Treasurer or anyone else relying on a legal point that the valuations have been made at June 30 last year. This means nothing to a producer who will have to walk off his property because he cannot make enough money to maintain himself and his family. This Parliament has power to examine this matter and the basis on which the Government raises money by land tax. The land tax valuation of one property at Snowtown has been increased by 25 per cent; the valuation of a property at Naracoorte by 25 per cent; and the valuation of a property at Kimba by as much as 1,600 per cent.

Let us now consider actual valuations. At Waitpinga, south of Adelaide, valuations generally have increased by 100 per cent, one property that was valued at \$19,800 now being valued at \$35,570. The tax payable on that property will increase from \$59.20 to \$98.74. In the Port Lincoln area valuations have increased generally by between 50 per cent and 150 per cent, and in one case unimproved valuation has increased from \$20,000 to \$63,000, which means that the land tax payable will increase from \$60 to \$336. Valuations in the Kalangadoo area have increased by between 25 per cent and 30 per cent. A property previously valued at \$40,000, on which land tax was \$200, is now valued at \$52,000 and the tax payable is \$220. At Summertown, in the Adelaide Hills, valuations have increased by as much as 540 per cent. One property of 392 acres, which was previously valued at \$17,000 and on which \$48 was paid in land tax, is now valued at \$94,700 and the land tax payable will be \$804.60.

Valuations on Kangaroo Island have increased by between 250 per cent and 800 per cent. One property that was previously valued at \$8,400, on which land tax was \$11.33, is now valued at \$21,740 and the land tax is \$42.27. At Port Kenny, on Eyre Peninsula, a property previously valued at \$17,000 is now valued at \$90,000 and the land tax will increase from \$48 to \$720. The valuations of three other properties on Eyre Peninsula have increased from \$11,520 to \$28,980, from \$7,230 to \$32,940, and from \$2,830 to \$20,390. A property in the South-East, although supporting several families and being owned, I am told, under a company arrangement, will pay land tax of more than \$12,000 a year.

They are examples of the impact of land tax in country areas. I have mentioned a property carrying 3,500 sheep on which the owner has made a loss. The owner of such a property, in the Naracoorte area, would expect to have an unimproved value, under the present valuation, of \$40,000. His land tax would be \$120. A man in the Mid North, in the Mallee, or on Eyre Peninsula, with a minimum production of about 6,000 bushels of wheat and carrying 500 ewes will pay about \$90 in land tax, if he is lucky. His gross income would be \$10,000. A property carrying 1,800 ewes and producing 1,800 lambs a year and perhaps having a gross income of \$15,000 will probably pay land tax of between \$500 and \$600 and the type of expense I have outlined will have to be met in addition.

Significantly increased land tax, ranging from \$50 to \$150, will be paid on the many properties that we have throughout South Australia that carry an admixture of various forms of productive capacity. This is the type of problem that confronts rural operators today. What are the politics of this situation? In our term in Government, we became increasingly alarmed at the impending impact of the new quinquennial assessment and we decided that something must be done. We found that in other States land tax was being abolished and we considered that there was a need to phase out rural land tax. In so doing we believed we should leave a small tax on rural properties so that the matter would be properly accepted by the community, as there might have been some objection in the community to the complete abolition at that time, nearly 12 months ago. We put forward a policy at the last State election saying that we should, first,

reduce rural land tax by 50 per cent in the next financial year (which is the financial year that we are now entering) and, 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. In total, that was a reduction of between 70 per cent and 80 per cent.

We did this in the knowledge that other States were taking direct action in this matter. In 1968, the Victorian Budget provided for the removal of land tax on land used for primary production. In New South Wales land tax on rural land was progressively reduced and totally abolished as from November 1, 1970. Land used for primary production in Western Australia is exempt from the payment of land tax. This was the scene as we looked around Australia, and it was the backdrop to our action in relation to the abolition of this tax. The Australian Labor Party also had a policy speech, which the Deputy Premier gave at Gawler. He made some interesting statements at that time, if taken at their face value (as I say they were, by the rural people), when he spoke of rural taxation. He spoke first about succession duties, and I quote the following report that appeared in the *Advertiser* of May 12, 1970:

Detailing Labor's plans for succession duties, Mr. Corcoran said remissions would be given to a spouse inheriting a house and to inheritors of smaller estates. Additional remissions would be given to inheritors of primary producing properties.

"Then, in view of the grave difficulties in the rural sector, we will act to increase exemptions on land tax for primary producing property. We will not increase land tax, and we will review the assessments due to go out in July, since they were made before the current rural recession had affected land values."

More than 80,000 Australian farmers had taxable incomes of less than \$2,000 and just under 40,000 had incomes below \$1,400, Mr. Corcoran said. This was a level no Government should accept.

The Deputy Premier said, "We will not increase land tax." To whom was he speaking? Was it to the man with a property valued at \$40,000 or \$60,000? Did he qualify his remarks? Of course not, and he misled the rural population of this State. What did the Treasurer say after the farmers' march? Several people in my district who attended that march came away from it believing that the Treasurer would help them, because he had promised to reduce significantly land tax and succession duties. I quote an excerpt, as follows:

Now it is quite clear that the time has come to stop the ruin of Australian agriculture, and the only way to do this is by the ballot box. We must have a change of Parliament and a new approach to solving the nation's rural economic problems.

That was referring to the total scene. The Treasurer continued:

Your speakers today have talked about the quinquennial re-assessment for land tax in South Australia which is due this year. One of the first actions of my Government upon taking office was to examine the valuations which have been made for land tax prior to our taking office. They have all been revised. We have taken a complete survey to see where land values have fallen, and appropriate adjustments have been made to the land tax valuations as a result, which will affect the notices going out under the quinquennial re-assessment. In addition to this there will be a reduction in the land tax rates on primary producing property as well.

What does the Treasurer mean by "a reduction in land tax rates"? From the examples I have given to the House there has been no reduction in the land tax rate but there has been an increased valuation, an application of the same rates, and an application of an exemption. The Treasurer had not defined it properly; it was not an alteration of rates, and was not expressed as such, but it was an exemption or concession in respect of certain taxation. As the Treasurer knows, the rates apply to increased valuations to such effect that beyond a certain valuation there is increased taxation. Other examples I have given bear this out, but if the Treasurer considers that my examples are not typical he should examine the files.

The Hon. D. A. Dunstan: I have.

Mr. HALL: Yes, and let him examine the files of the Stockowners Association of South Australia and of the United Farmers and Graziers of South Australia Incorporated, and he would realize that many people have complained about the tax. That is the political situation. Farmers have been led up the garden path in relation to the so-called concession. What did the Treasurer say when the Stockowners Association approached him? The association has issued a report to its members and has outlined its approach to me and to the present Treasurer. The report states that the executive has taken the following action:

A joint approach with the United Farmers and Graziers of South Australia to the former Premier, Mr. Steele Hall, on March 20, 1970. He later gave an undertaking that, if returned to power in the State elections then pending,

his Government would reduce primary producers existing land tax payments by 80 per cent over two years.

I qualify that statement: the reduction is between 70 per cent and 80 per cent; it is in the high 70's, I think. The report continues:

Following the change of Government a further joint deputation asked the present Premier, Mr. D. A. Dunstan, on August 13, 1970, for an immediate reduction of \$500,000 in State land tax paid by rural producers, with phasing out of the entire tax over a period of years. The Premier agreed to reduce the rates of land tax on rural land below \$200,000 unimproved value and to make re-assessments in the various areas of the State to take into account falling land values.

Anyone who had land with an unimproved value of less than \$200,000 could only draw the conclusion from that report that he would pay less taxation: no other conclusion can be drawn from that statement. It is playing with words to say that there is any other meaning to it. The report continues:

Further representations were made by joint deputation to the Premier on November 26, 1970. He stated that his Government had set out to reduce land tax by \$1,100,000 in the rural sector and increase it heavily in the metropolitan area in the Bill at that time before Parliament. This was as far as the Government could go at the moment, he said.

Of course, members know that the approximate total of rural land taxation is \$1,100,000: I do not know whether the figures in that statement are wrong.

The Hon. D. A. Dunstan: I am afraid they are.

Mr. HALL: I cannot imagine the Treasurer promising \$1,100,000, although he implied that any land with a valuation of under \$200,000 would receive an advantage because of a reduction in land tax. When the Land Tax Bill was being debated I warned the House, saying:

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.

I suppose the rural community could be excused for listening to the Treasurer at the farmers' march, and ignoring my warnings. I remind the Treasurer of the trouble that developed in 1931 when there were about 35,000 objections to the assessment. There will

certainly be thousands of objections to the present assessment, and these objections will be the only means of protesting against a Government that will not listen. There is an undeniable economic argument against the further imposition of rural land tax. The present position, which involves falling rural income and rising rural costs, can only point to a crisis.

Few people would dare project present trends five years hence. There is no light to see at the end of that projection. What will happen if the recent increased costs associated with the inflationary spiral are applied to this sector, as they will have to be applied? How will the Budget to which I have referred today be affected in, say, two years' time? The position must be considered not only now but also, for instance, next year, when the full impact may be known. It is not difficult to understand how the increased land tax valuations will increase the water rates of many primary producers. Does the Treasurer understand how country lands water rating depends on the unimproved value determined in connection with land tax? Does he understand that rural producers on Yorke Peninsula, in the Mid North, and in other parts will now be paying 37c an acre a year, without excess, for their water supply?

Does he know that in the Booleroo country lands and Coonalpyn Downs water districts they will be paying 45c an acre; that in other areas, including Strathalbyn, they will be paying 49c an acre; and that in others, including South Hummocks, they will be paying 57c an acre, as a result of this revaluation? The Government should show obvious support for the troubled rural industry, just as it shows support for secondary industry. We have provided money for secondary industry and, through Government agencies, have been able to make arrangements in regard to the lease or purchase of factories at beneficial interest rates. The Treasurer has recently been involved in helping the wool-scouring firm of G. H. Michell and Sons Pty. Ltd., a matter in which I was deeply involved when in office. One applauds this assistance to South Australian secondary industry, but why should the assistance be one-sided? Should some of the costs of this type of operation be borne by a depressed industry, such as the one I have described today? Should \$1,000,000 or even \$500,000 be taken from the rural sector and paid into general revenue?

Money cannot be taken in this way from an industry that is showing a loss in regard to more and more producers each year, yet this is what the Government apparently intends to do. The depressed industries concerned are still important to the rest of the community and must have the minimum requirements to survive. The people concerned are purchasers of the goods and services supplied from other sectors and, in terms of money, are responsible for a third of South Australia's production. Yet in their present difficulties, these people are subjected to the amount of taxation that I have described, ranging from \$12,000 down to \$25. No case can be made out for continuing this form of taxation. The Government knows that the increased valuations across the board would yield it sufficient land tax to abolish rural land tax without loss of revenue; in fact, there would still be an increase in the revenue from land tax.

Rural industries have continued to decline, and I am sure the general community recognizes this; indeed, one sees evidence of that recognition throughout the community. The general community would, without question, support abolishing rural land tax. In the face of the action taken in the other States, this is the only policy to adopt. It is futile for the Treasurer to argue that this tax is required in connection with the Grants Commission. The other States that set the standard acknowledged by the Grants Commission do not have this tax and, in addition, land tax in other areas in South Australia is high by Australian standards.

Bearing in mind the position applying in the other two States concerned, the Treasurer can fully justify to the Grants Commission the abolition of this tax. There is no argument anywhere for retaining what amounts to a complete extraction from the rural industry of money that it cannot afford to pay (the extraction of a tax that is completely unrelated to profitability). I direct the Treasurer's attention to the way in which he ended his letter to the trade unionists of South Australia, namely, "Yours fraternally"; it would be good for the rural industry if he could show a little of that fraternal feeling towards those engaged in that industry, instead of keeping such a feeling purely for certain sections of the community. This Government owes the rural sector a sympathetic hearing and it should take action in keeping with that of the other States in this matter. Until it takes that action, we

will continue to denigrate the Government for its unsympathetic attitude to the policy of phasing out land tax in rural areas.

The Hon. D. A. DUNSTAN (Premier and Treasurer): I have listened with great attention to the Leader and to his analysis of the present ills of rural industry and the impact on the rural sector of the community of the imposition of South Australian land tax. The interesting fact is that in the whole course of his speech the Leader cited little in the way of factual information about the impact of this tax in the rural area. The Leader did refer to the remarks made by the Deputy Premier in the rural policy speech delivered on behalf of this Party prior to the last State election and also to the promises that I made at the farmers' march. Every one of the things that this Government said it would do in relation to the rural land tax has been done. I will deal in detail with what has been presented to us in the way of difficulties in respect of the State's finances. An examination of the Government's policy with regard to land tax and the provisions made accordingly in amending the legislation earlier this session show clearly that we are not blind to the present rural problems and that we do not lack sympathy to country people; on the contrary, in the face of major difficulties with the Revenue Budget, we have made great efforts effectively to relieve the rural community of some of the impact of taxation. As members will know, from the report I made on February 23 after attending a most unsatisfactory meeting with the Commonwealth in Canberra, all States have major problems at present in meeting the additional costs of wage and salary awards and in meeting the unavoidable commitments which must arise from the provision of education, health and other essential services at barely minimum levels, and this includes providing those services to the rural community.

In the absence of any firm offer of further Commonwealth funds towards meeting these problems, the States have no alternative to increasing their own taxes and charges. My Government has accepted its responsibility to do this, and members know what revenue-raising measures we are implementing. I have also made clear our efforts to keep our expenses under control and to economize wherever practicable, but without cutting essential services to dangerous levels. In this climate the Government must ask the whole community to be prepared to share in the

efforts necessary to finance services for that community, and accordingly to contribute more in taxes and charges.

Being mindful of the present problems of members of the agricultural and pastoral community, the Government not only refrained from seeking from them increases in land tax revenue but in fact also introduced legislation which is expected to have the effect of reducing somewhat the actual tax paid in respect of rural land. The extra tax imposts have been loaded on to the non-rural community. We are raising extra money from the metropolitan water district to subsidize country water supplies. The extra taxes will come heavily from the non-rural community, which is making a significant contribution in order to see that the extra costs and charges cited by the Leader are cushioned to the rural community and that the rural community does not make a commensurate contribution to the extra costs to the State of running our services, compared to the contribution made by the non-rural community. Is that being blind? The Leader has cited increases in costs. Does he think that those increases in costs affect the rural community alone? They affect the whole State and every enterprise in it.

The best information presently available indicates that the aggregate assessment for all rural land is about 25 per cent greater than the assessment made five years earlier. That takes into account differences in values from sales in some areas and significant improvements in development and facilities; and it has taken into account falls in values in certain areas. A most comprehensive survey has been made in order to obtain valuations that the department can justify. In a while, I will give some instances of the effect on the rural community of what has happened with regard to land tax. It is most interesting to note that the Leader on this occasion cited only cases of increases in land tax payments, and overall that is what has been cited in the publicity issued by the Stock-owners Association and the United Farmers and Graziers of South Australia Incorporated. However, the cases of reductions in land tax have not been referred to at all.

In a little while, I will give to the House in detail random samples taken from each area surveyed by the Valuer-General. These are statistically rendered samples and have not been loaded in any way; they will show the picture. Had the Government not introduced special concessions for rural land in the Land

Tax Act Amendment Bill last year, it is estimated that the application of previously existing rates of tax which were applied under Liberal Governments would, by virtue of the progressive scales, have increased the yield of tax from the rural area by about 40 per cent. The present yield from land tax on rural properties is estimated to be about \$1,100,000 a year and, in 1971-72, without an alteration in the effect of impost, the application of those rates to rural areas would have increased this sum to \$1,550,000. However, the amending Act passed earlier this session provided for significant concessions to be given in respect of rural land.

I will show generally how significant these are and how widespread is their effect. The tax is to be reduced for rural properties by 40 per cent of the rates presently applying for properties valued up to \$40,000, and for reductions equal to 2c for each \$10 of unimproved value for properties valued at more than \$40,000. For the latter higher valued properties, the concession will be about 33 per cent on properties valued at \$50,000; about 18 per cent on properties valued at \$100,000; and about 10 per cent on properties valued at \$200,000. The effect of the concessions will probably be to reduce the potential yield of about \$1,550,000 from rural land at the previous assessment and at previously existing rates to about \$1,000,000 or a little less. I repeat that our proposal is actually to reduce the yield of land tax from rural land from \$1,100,000 in 1970-71 to a little less than \$1,000,000 in 1971-72 in conditions under which the Government is forced to seek increased contributions from the community generally towards meeting increased costs. When I introduced the amending legislation last October, I explained why it was not possible to impose even greater concessions, when I said:

A new valuation of all land subject to tax will apply after June 30 next and, since it will be five years since the present levels of value were determined, it is to be anticipated that these will be generally higher than at present, possibly by about 30 per cent on average. In the earlier stages of the revaluation it had appeared that the increase in value of rural lands would have been appreciably greater than this, but the Government, on assuming office, called for a revision in the light of the recent fall in prices of primary products and the consequent fall of rural land prices. As a consequence of this revision, the rural land revaluations have been reduced below the preliminary figures by about one-third on average.

The Government is aware that the present tax rates on metropolitan and town land are rather higher than those levied in most other States. On the other hand, the valuations of such lands generally remain lower than in all States except Tasmania. Moreover, as many other Government taxes and charges in South Australia remain below those of other States—

and still do after the last set of imposts—it is considered reasonable that the present rates of land tax on such lands should continue, subject to the proposed surcharge on metropolitan land for parks and open areas. For primary-producing land, the Government proposes to maintain the special statutory exemption of \$5,000 and to reduce the existing rates by two-fifths for such land with an unimproved value of not more than \$40,000, with a rebate at the rate of 2c in each \$10 of unimproved value for lands valued beyond \$40,000.

Yet the Leader says that there has been no change in the rates payable. I continued:

These reductions are proposed in the light of existing problems affecting primary producers generally, particularly the difficulties in marketing primary produce and consequent diminution in returns. Unfortunately, there does seem a prospect that these difficulties are rather more than temporary. It must be pointed out, however, that the impact upon the State Budget of measures designed to assist rural development and promote rural land values is much greater than in other States.

Yet this remains a matter for attack upon this State by the Commonwealth Government before the Grants Commission. I continued:

These measures include provision of rural water supplies—

we in this State do this not semi-governmentally but governmentally out of Loan moneys, and the impact on the State Budget of the cost of those services is then taken into account by the Grants Commission—

irrigation and drainage works, and low-rated rail transportation, all of which operate at very heavy losses. Some recovery by way of land tax to prevent an excessive imbalance in the economy is accordingly reasonable and desirable.

Members will recall that I pointed out in my statement on February 23, and at other times, that, as a claimant State in receipt of special grants on the recommendation of the Commonwealth Grants Commission, South Australia, if it wished to have Budget results comparable with those of the standard States of New South Wales and Victoria, and to provide social services of comparable standard, must be prepared to tax and charge overall (that is, in the aggregate) as heavily as do those States. It is useless for members to come

here and say, "New South Wales and Victoria are not charging the same amount in land tax as we are on rural land; therefore, it will not hurt us when we go before the Grants Commission", because there are other areas of taxation in which we are not charging the rural sector as much as are other States. The aggregate needs to be comparable. In this situation, each concession in one area must be matched by a comparable additional effort in another area, and obviously we have to look very carefully at what concessions we can afford, or, in other words, what concessions it is reasonable to give to one group while at the same time looking for compensating additional effort from other groups.

In considering the impact of land tax on the rural community, it is interesting to look at the amount of tax that is to be borne by properties of particular values and to see how many properties, and what proportion of all properties, lie within those values. Representatives of United Farmers and Graziers have suggested that the concessions South Australia gives on land tax will not begin to touch the sides in the rural community, as hardly anyone will be affected by them. However, let us look at the facts. In answer to a question regarding soldier settlements on Kangaroo Island a few days ago, I pointed out that next year the land tax on a property with an unimproved value of \$15,000 would be \$24, after allowing for the 40 per cent rebate, and that of 117 assessments in question all fell below the \$15,000 mark.

The Hon. J. D. Corcoran: That is on Kangaroo Island?

The Hon. D. A. DUNSTAN: Yes, but let us take the State as a whole. In South Australia just over 48,000 rural properties have been assessed. Almost 38,000 (or nearly 80 per cent of the total number) have an unimproved value no greater than \$15,000, and next year their land tax will be only \$24 or less. An unimproved value of \$40,000 is the maximum value at which the full 40 per cent rebate is applicable, and how many properties fall within that category? The answer is that 97 per cent of all rural properties do not exceed this level of unimproved values. Therefore, the complaints that are made here relate to only about 3 per cent of properties. It is not possible to be precise regarding the increases in valuations that have occurred in various areas. It appears, however, that the increases in the far West Coast

area and the South-East of the State have been higher than elsewhere and generally about three-quarters, or 75 per cent. For the central areas of Yorke Peninsula, the general picture is of a lesser increase of between 33 per cent and 40 per cent. In the Lower and Mid Northern areas the increase is less again (an average of about 20 per cent), whereas for the Murray Mallee and Murray irrigation areas there has been no increase overall.

I stress that these are broad overall indications and that there may be individual variations from the broad average. I have looked at a selection of individual assessments taken at random by the Government Valuer; these are statistically random samples. Indeed, I have stressed that this should be so in order

that there could be no suggestion that we had picked out special groups of property to give a biased picture. We wanted to get an effective, not a selective, picture of the increases or decreases in the tax payable.

I can find examples of marked increases in assessments and tax payable, as well as examples of increase in assessment but actual reductions in tax liability because of the concession the Government has introduced, and examples of assessment that have shown no increase or virtually no increase. Because they are important, I refer to the unimproved value of certain properties in 1965, the land tax paid in relation to those properties for that year, the 1970 unimproved value of the properties and the land tax for that year. They are as follows:

Area	1965 Unimproved Value \$	Land Tax \$	1970 Unimproved Value \$	Land Tax \$
<i>Northern:</i>				
Burra	34,300	154.40	40,010	120.00
Burra	8,130	10.44	9,260	8.52
Snowtown	2,330	—	3,600	—
Bute	10,580	11.16	18,060	31.34
Crystal Brook	6,030	3.44	7,940	5.88
Crystal Brook	6,290	4.30	8,210	6.42
Port Pirie	5,200	—	6,760	3.53
Port Germein	11,800	25.32	14,080	21.79
Port Germein	6,300	4.34	7,090	4.18
Wilmington	890	—	920	—
Jamestown	4,210	—	5,060	—
Hawker	4,720	—	7,090	4.19
Carrieton	13,220	32.88	17,000	28.80
Kanyaka	3,640	—	5,460	—
Orroroo	16,880	47.52	20,840	39.02
Peterborough	5,220	—	6,080	—
<i>Southern:</i>				
Tatiara	6,930	6.44	10,170	10.34
Tatiara	12,680	30.72	32,120	82.18
Tatiara	15,120	40.48	15,540	25.30

In the case of the last property referred to, there was no marked difference in the value, and the tax is now only \$25.30. I notice that the member for Mallee is taking close note of these figures. The table continues:

Area	1965 Unimproved Value \$	Land Tax \$	1970 Unimproved Value \$	Land Tax \$
<i>Southern:—continued</i>				
Tatiara	16,830	47.32	17,290	29.50
Lucindale	4,150	—	11,060	12.40
Lucindale	17,770	51.08	41,160	126.96
Beachport	5,920	3.08	14,440	22.66
Coonalpyn Downs	6,240	4.14	9,600	9.20
Naracoorte	3,600	—	4,480	—
Penola	7,250	7.50	12,100	16.39
Penola	5,640	2.14	6,530	3.06
Tantanoola	5,580	—	9,260	8.52
Millicent	3,710	—	7,420	4.85
Gambier	1,780	—	4,020	—
Lacepede	15,070	40.28	29,380	69.77
Robe	10,350	17.84	28,060	65.01

Area	1965 Unimproved Value	Land Tax	1970 Unimproved Value	Land Tax
<i>Western:</i>	\$	\$	\$	\$
Elliston	3,850	—	18,850	33.24
Streaky Bay	19,110	56.44	35,670	97.61
Lincoln	3,900	—	9,760	9.52
Lincoln	2,790	—	3,300	—
Lincoln	3,390	—	4,220	—
Kimba	2,770	—	18,940	33.45

In the case of the last property mentioned, there was a significant change in market values on sales shown in the area and, in addition, there was marked improvement in services on the property. The table continues:

Area	1965 Unimproved Value	Land Tax	1970 Unimproved Value	Land Tax
<i>Western:—continued</i>	\$	\$	\$	\$
Franklin Harbour ..	4,900	—	5,920	—
Cleve	3,360	—	23,680	49.25
<i>Eastern:</i>				
Robertstown	740	—	1,110	—
Robertstown	1,080	—	1,870	—
Berri	3,740	—	3,700	—

In the case of the last property, a fall in value was shown. The table continues:

Area	1965 Unimproved Value	Land Tax	1970 Unimproved Value	Land Tax
<i>Eastern:—continued</i>	\$	\$	\$	\$
Barmera	1,700	—	1,700	—
Eudunda	3,920	—	6,780	3.57
Morgan	3,220	—	5,930	—
Robertstown	12,390	29.28	19,660	35.18
Browns Well	5,930	3.10	6,290	2.58
Browns Well	6,210	4.04	7,030	4.07
Karoonda	1,230	—	4,310	—
<i>Central:</i>				
Encounter Bay	9,020	13.40	16,040	26.50
Yankalilla	3,600	—	5,600	—
Strathalbyn	3,300	—	5,030	—
Mount Pleasant	17,120	48.48	28,390	66.20
Mobilong	9,980	16.40	19,540	34.90
Mobilong	3,630	—	7,880	3.70
Mobilong	3,430	—	6,260	2.52
Kingscote	1,090	—	11,790	15.17
Meadows	21,080	66.48	32,940	86.22
Mount Barker	7,350	7.84	11,940	15.77
Gumeracha	11,720	24.80	16,500	27.60
<i>Yorke Peninsula:</i>				
Kadina	12,200	28.00	18,300	31.92
Yorke town	3,780	—	4,200	—
Yorke town	6,170	3.92	8,170	7.54
Clinton	12,030	23.44	26,640	59.84
Central Yorke Pen. . .	13,610	34.44	19,560	34.94
<i>Lower North:</i>				
Mallala	7,510	8.58	7,780	5.57
Freeling	5,250	—	6,520	3.05
Mudla Wirra	30,770	126.60	31,960	81.41
Owen	27,310	103.86	34,370	92.98
Balaklava	14,880	39.52	21,920	42.91
Port Wakefield	12,050	27.00	18,060	31.35

For the Leader to represent that the results of the combination of the increased quinquennial assessment and the reductions in rates made by the Government to the rural community in relation to land tax is to place an impost generally on the rural community is untrue and completely unfair. What we have done is not to take more from the rural community at a time when we are asking every other section of the community to give some help to the situation facing every State in the Commonwealth. We have tempered the situation to the rural community and have raised money by other means to assist it further. In these circumstances, how can it be said that the Government is blind to the problems of the rural community?

It is noticeable that the Leader cited the words used in the policy speech and by me at the farmers' march but that he could not show one way in which we had refused to carry out what we had said we would carry out: we have done it. It is remarkable that not one word has been said in relation to those rural properties in respect of which there have been decreases in land tax. The picture he has endeavoured to paint for the rural community in South Australia is that it is receiving no relief, and that is blatantly false. For the Leader to cite properties with the kind of values to which he has referred as being typical of the rural community, when in fact the properties on the basis of those costs represent less than 3 per cent of rural assessed properties in South Australia, shows how much objectivity there is in this motion and how much politics.

The Hon. D. N. BROOKMAN (Alexandra): No matter how the Government twists and turns on this issue, it cannot get away from the fact that this is a revenue-raising measure, levied on the people who should not be asked to pay increased taxation. The original purpose of land tax, as is well known to all members, was not to raise revenue but to subdivide large estates. That is how it started in the United Kingdom and here. If anyone wants to argue with that statement, I will quote a former Leader of the Labor Party in this House (the late Mr. O'Halloran) who, in 1952, stated what I believe was the Labor Party policy then and, I think, still is, when he said:

Labor believes in progressive land tax for the purpose of breaking up large rural estates—the larger the estate, the higher the rate of tax. It was not intended to be a revenue-producing tax. The Commonwealth land tax was instituted by a Labor Government with

the intention of bringing about subdivision which most State Governments were not prepared to achieve by legislation.

That is what Mr. O'Halloran said about it; he said it was not intended as a revenue-producing tax. We all know that the subdivision of large rural estates has gone far enough. Not one member would disagree with that statement, and we can prove it by the fact that the Minister of Lands is at present discussing measures for providing economic relief to farmers through moneys provided by the Commonwealth Government, which Government the Labor Party criticizes so heartily. These measures will help off his property the man who has no economic future on the land, and they will help the man who has some economic future, by enabling him to buy the property of his uneconomic neighbour. As I have said, a Labor Minister is participating in this scheme, and there can be no point in imposing land tax these days for the purpose of breaking up large estates.

Many estates of average size are not doing sufficient to meet the present-day conditions being imposed on them through rising costs and falling returns. We know that land tax comes largely from the metropolitan area and that rural land tax represents a comparatively small proportion of the \$7,500,000 total expected this year. The Treasurer, who put the figure at \$1,100,000, quoted many figures and read so fast and at such great length that I noticed many of his own supporters had to concentrate by closing their eyes. However, the Treasurer cited a case in which only \$24 was being imposed in respect of a property on Kangaroo Island. Even in that case, the people concerned do not think the sum is insignificant. I have a letter here from a settler who regards this matter as a disaster. People in this position are worried about not only the \$24 but also the increased assessment in relation to water rating and council rates that will be increased similarly. Nearly a year ago, the Leader promised to reduce rural land tax in this State by 80 per cent in two years, but the situation has deteriorated rapidly since then. In the 10 months or so since the Leader made that statement the situation has deteriorated rapidly, largely because of the fall in wool prices.

Today, we can see no justification for imposing a rural land tax, yet the Government is apparently blind concerning this matter. The Treasurer and the Minister of Works have undoubtedly quoted themselves correctly, the Minister of Works having said, "We will not

increase land tax; we will review the assessments to go out in July, since they were made before the current rural recession had affected land values," when delivering his Party's policy speech prior to the last election. However, the Government has not taken proper cognizance of the recession in rural land values that has occurred since. I suggest that, if anyone wants to buy a property on Kangaroo Island, he come to me, for I can refer him to hundreds of properties there that he could buy at reasonable prices, yet the assessments in respect of those properties have increased by as much as 700 per cent.

Although I and many people closely connected with the Parliament did not take part in the farmers' march last year, nearly everyone who took part in it thought that the Treasurer said he would reduce land tax. However, the Treasurer has been correctly quoted to the extent that he did review the assessments and included some concessions in the Bill that we have considered. However, many people (far more than 3 per cent) are paying increased land tax in respect of properties that are virtually unsaleable today at the prices on which the assessments are based. I instance the case of one property of 1300-odd acres on which, after taking into account all the rebates that have been offered, the land tax is \$1,911 a year, and that is not a particularly productive property; it is no more productive than are many other properties of a similar size and, in fact, it is less productive than some. The reason for these higher assessments is that the properties concerned are only about 35 miles from the metropolitan area, although there is no subdivision in the area.

The people concerned are paying about \$1.50 an acre a year in regard to freehold property in order to enjoy the "fun" of farming! When drawing up accounts at the end of the year, farmers must include such items as wages (everyone knows wages have risen steeply), fuel prices (these have risen in certain areas), expenses (including repairs of all kinds on a farm), cost of fertilizers, insurance rates, interest rates, and cartage costs. All these costs have either been static or have increased, yet in nearly all cases returns have been reduced. I think the Treasurer said that we were asking the rural community to share some of the burden that the rest of the community has to share. However, all the costs to which I have just referred are costs that cannot be passed on by the farmer, whose

position in the community is unique in that respect. When the time comes, everyone but the farmer gets an increase; the farmer has to accept some form of market, whether an option or private treaty market. In the wool industry, farmers have had a disastrous time in the last few months. South Australian agriculture is declining in many ways. The use of superphosphate has decreased 3½ per cent to 555,000 tons. The area of land fertilized is down by 16 per cent to 4,270,000 acres.

Returns are declining. If we take the average price received in 1960-61 to the end of June, 1963, as being 100, the figures of the Bureau of Agricultural Economics show that the returns by farmers went to 107 from 100 in 1968-69, and dropped to 99 in 1969-70. That is an actual decline in spite of increased costs. The quarterly figures of the bureau show the figures as follows: September, 1969, 100; December, 102; March, 1970, 103; June, 95; and September, 91. That shows a figure of 91 in September compared with 100 eight years before. That is what has happened to prices received by the farmers. On the other hand, let us consider prices paid. The years 1960-61 to 1962-63 are taken to represent 100. By 1968-69, the figure had increased to 120, and in 1969-70 it was 121. The quarterly figures are as follows: September, 1969, 120; December, 120; March, 1970, 121; June, 122; and September, 123. Prices paid are 123 in September as against 100 eight years before. According to the bureau's figures, the ratio of prices received to prices paid has dropped from 89 in 1968-69 to 78 in September last year. That is why I say that South Australian agriculture is declining.

Primary producers are the residuary legatees of the country's economic problems, because they cannot pass on their costs. It is no good saying that they must share the burden with other members of the community. When other members of the community have a burden to carry, either their wages or the prices of their products are increased. Primary producers do not have this advantage, and that is what the Government cannot understand. The Government has not yet shown that it understands the difference between the problem of primary producers and the problem of other people in the State. Why can we not meet the situation here as Governments in New South Wales and Victoria have met the situations there?

We are frequently told when charges increase (and we were told this last week in respect of betting turnover tax) that this is to bring us into line with the Eastern States, meaning the metropolitan areas of Sydney and Melbourne. Why can we not follow the Eastern States in this case? This State has always had some cost advantage in regard to production particularly in respect of secondary industry, but that is being destroyed. At present the Eastern States can do without rural land tax, so we should follow that lead. If it is fair to follow the Eastern States when it comes to increasing charges, surely it is fair to follow them in the case of land tax.

Why do we seek to censure the Government? We have given the Government plenty of warning of what might happen; the Leader spoke about this matter during the Estimates debate last year. The Government should know about rural prices. Only the other day, when the new buildings at Urrbrae were being opened, the Minister of Education referred to economic difficulties in this respect. Although I do not have the full transcript of his speech, I can say that he pointed out the pressures on the rural community, saying that to survive these people must adapt to changing conditions. Apparently the Minister well understands that there are difficulties in the rural areas. Why does he not do something about this by relieving these people of the burden of rural land tax as, in the light of their present difficulties, these people should not have to pay this tax? The Government takes pride in the fact that it has acted on this matter in reviewing the assessments. However, it has reviewed them only until July, 1970. Perhaps it has not considered fully the drop in values that has occurred since July, 1970. If it has considered that decrease, how can it possibly claim that some properties on Kangaroo Island are seven times as valuable now as they were in the previous five-year period?

Since July, 1970, land values have undoubtedly dropped, and this can be shown in various parts of the country. A case can be made by comparisons of sales made at various times. These comparative sales are few. One sale in a district is all that is necessary to justify maintaining a high unimproved value in that district. Everywhere farmers are hanging on in the face of a slow decline in their conditions and a rapid decline in the values they are receiving. Because they are hanging on, values are not so readily obtain-

able. If another assessment were made, some areas would show a considerable reduction in land prices. If anyone wants to buy land on Kangaroo Island they have only to come to me and I will put them in touch with several farmers who will sell land at a very reasonable price, considering prices paid a few years ago.

We seek to censure the Government for not acting properly. All that the Government has done has been to give partial relief which has, in effect, maintained the returns for rural land tax at the previous level. It has prevented an increased return from this form of taxation. It is time the Government put its policy into operation and recognized that this is not supposed to be a revenue-producing tax. The original purpose of land tax was to break up big estates, and that purpose has gone at least as far as it should go, if it has not gone further in some cases. I support the motion.

The Hon. J. D. CORCORAN (Minister of Works): I support the Treasurer's remarks, and am surprised that the Opposition has based the debate on such narrow grounds. I should have thought members opposite would take the opportunity, while they were talking about the ills facing primary producers today (ills that we do not deny exist), to refer to the policy of their Commonwealth colleagues, which has a far greater effect on our primary producers than does the payment of land tax. However, in this respect there has been a noticeable silence. The Leader touched on the situation regarding wheat and wool, although I noticed that he completely avoided the wine industry. The member for Alexandra, supporting his Leader, said that land tax was never intended to be a revenue-raising measure but that its sole purpose was to break up large estates. I ask the honourable member, if it was not a revenue-raising measure, why it is that since its inception land tax has been applied not only to broad acres but also to household blocks. Of course it is a revenue-raising measure, as the honourable member well knows.

The honourable member also charged this Government with not carrying out the promises it made prior to the last election in its rural policy speech, or in the statements subsequently made by the Treasurer at the farmers' march. However, the Treasurer has told the House how the valuations were reviewed and how, because of the conditions then obtaining, they were reduced by about

one-third. The honourable member knows, as does every other member, that a Bill which altered the incidence of land tax was introduced during the early part of the session. The honourable member and his Leader should know that had this not been done the Government would have collected, on present values, about \$1,600,000 in rural land tax. However, the mere fact that land taxes have been reduced means that the Government will collect less than \$1,000,000 in rural land tax next year, and at least \$100,000 less than it has collected this financial year. The Government has certainly done what it promised in this respect.

Certainly, members opposite can take isolated cases in which there have been increases. However, members should not ignore decreases that have also occurred. The Government did not say that there would be a reduction across the board. Indeed, the measures it introduced last year should have indicated clearly that a two-fifths rebate was to be given on properties with an unimproved value not exceeding \$40,000, and that a reduction of 2c would be made for each \$10 value of a property above \$40,000. The Government has never claimed that taxes would be reduced across the board. Indeed, the Government has honoured the promises it made regarding land tax prior to the last State election. It is clear, too, that the Treasurer has backed up what he said on this matter at the farmers' march.

The argument has been advanced that, because of the parlous condition of the rural or primary industries today, the Government should remove this impost on primary producers. However, surely there are many and much more effective steps that can be taken to assist the people in their plight. All members know that the Government does not have the financial resources to do anything effective in this respect and that the responsibility for this situation falls fairly and squarely on the Commonwealth Government. The member for Mallee would agree with me in this respect, because when speaking recently in a debate concerning the rural industries he made a similar statement. He recognizes the true position, as does the Government: that 80 per cent of the people of this State on rural land who pay less than \$25 or less a year in land tax would not be put off their properties as a result of their making that payment. Indeed, the 97 per cent

who own properties with an unimproved value of \$40,000 or less would not be affected either, as members know.

Members know, too, that this Government has financial problems that were not apparent when these rates were struck, and, in the light of those financial difficulties, it is even more apparent that the Government cannot suddenly do without \$1,000,000 in land taxes. That money would have to be found somewhere else, and, as the Treasurer pointed out, people living in the metropolitan area are subsidizing services provided to country people. The Treasurer referred briefly to the provision of water, the loss on which in country areas amounts to about \$6,000,000, whereas a profit of \$2,000,000 a year is made in the metropolitan area. Therefore, the Government is still losing \$4,000,000 overall. That is one of the things the Government is doing to assist people in the rural areas. Of course, these people have been helped in many other ways. The real problems facing the rural industry can be solved not by the State Governments but by the Commonwealth Government.

The member for Alexandra said that a Labor Minister of Lands was presently negotiating with the Commonwealth Government on rural reconstruction but, although that is correct, this Government is not very happy with the deal the Commonwealth Government is giving the farmers of Australia under this scheme. Indeed, this Government has indicated its hostility about the conditions which are laid down and which will affect people in this State applying for assistance, if it can be called that. Although the Commonwealth Government has offered \$100,000,000 to all the State Governments to enable them to proceed with this scheme, everyone knows that that amount will not enable the States even to scratch the surface.

Mr. McAnaney: Not if you take it away from them.

The Hon. J. D. CORCORAN: As the member Heysen well knows, it will not even scratch the surface. What effect have wheat quotas, about which we have heard very little, had on the farmers of this State? The member for Alexandra says that the amount of fertilizer purchased and spread by farmers has fallen. However, surely wheat quotas rather than land tax payments would have affected the amount of superphosphate that farmers were able to buy and spread. This Government realizes that the

problems facing the rural industries can be solved only by active Commonwealth Government participation, and that they will not be solved by our removing the imposition of land tax from rural areas. Indeed, every honourable member realizes this. It may help a little, when balancing everything up, for everyone in South Australia to realize that, no matter what industry one is involved in, or whether one lives in the metropolitan area or in the country, we are, as South Australians, all part of South Australia. We cannot completely relieve people in the rural industry of their obligations in comparison with the needs of people living in other parts of the State, who are contributing towards the State's total economy.

I support the Treasurer, who has adequately demonstrated with his examples that there are certain areas in South Australia in which values have been heavily increased. There is no doubt that this is so, especially in the southern part of the State and on the West Coast. However, every person has the right to appeal against a land tax assessment, and, if the Valuer-General has erred, I am certain that the court would consider the current difficulties facing an appellant. The valuer must try to substantiate his case before the court and, if he cannot, naturally the court will adjust the valuation, so the amount of land tax payable will be altered. Anyone who thinks he has been treated unjustly has the opportunity to appeal. That is the only way the matter can be tackled properly. An independent body will decide whether the valuer or the owner of the land who thinks he has been treated unjustly is right.

I think anyone who considers that he has been treated unjustly should take the opportunity to appeal. I support what the Treasurer has said in speaking to the motion, and I do not consider that the Leader has been entirely sincere in his speech. To say that the Government is blind to the needs of the rural industry is completely fallacious. I could list the many things that this Government has done or has tried to do with the Commonwealth Government to assist rural industries, but I do not want to delay the House.

Mr. NANKIVELL (Mallee): I support the Leader and shall say why, although briefly, because I understand that the Minister of Education also wishes to speak in the debate. First, whilst it may have been said that I supported the theory that the only authority responsible for doing something about the

position of the farming community is the Commonwealth Government, I also say that, unless the State Government gives a lead in these matters, this Government cannot expect to get Commonwealth aid. This has been pointed out clearly in other instances in which Commonwealth aid has been sought, such as in the case of drought or frost. The Commonwealth Government asks what the State Government will do to show its sympathy and to show that it intends to recognize the problem. This also applies to the situation that the rural community is in.

We have no detailed background knowledge of the financial position of the farmers of this State, even though I tried to get that information. We have no detailed knowledge of their problems and we have no legislation operating at present by which we can help the farmers, whereas the State Governments of New South Wales, Victoria and Queensland are showing their concern about the problem and are acting on it in their own right.

I listened with interest to the figures given by the Treasurer when he replied to the Leader. I do not doubt that they are a random sample of actual figures but I suggest that they have been chosen in a random way from special points. The Treasurer drew my attention to the situation in Tatiara. I point out that I know the situation there. Whilst in the hundred of Tatiara there have been reductions in land tax, that is not so if we refer to the Tatiara council area. Tatiara can be referred to in a much broader context than that in which the Treasurer referred to it in giving figures. I have made a quick calculation of the figures given by the Treasurer, and I think I am right in saying that, of the 72 cases listed, there were reductions in only 10 cases.

The Hon. Hugh Hudson: In land tax?

Mr. NANKIVELL: Yes, in the land tax figures given by the Treasurer. Those reductions do not balance out the increases resulting from the fact that in most of these cases (about 60) there have been increases. Despite what has been said, it would be hard to accept that there would not be some increase in tax in this area. My other point is that I consider that it is splitting hairs to say that the Government has kept its promise to the farmers who marched in protest in July last year. True, there has not been an increase but there has been a reduction only in respect of a new assessment, and I

firmly believe that those farmers considered that the reduction would relate to the existing assessment, not to the new one.

I do not want to recount in detail the situation in which the farming community finds itself. My Leader and the member for Alexandra dealt with that extensively this afternoon, but I want to say that the basis of this argument on land tax centres around the unimproved value of land. It has been said that adjustments have been made for what has transpired since June 30 last, when this valuation was made. That may be perfectly correct, and that is because extremely few, if any, sales can be considered to be genuine. For example, a mortgagee sale is not genuine, and a person who finds that he has no hope is forced to accept the market price, and that is not a genuine sale.

We face an explosive situation, as institutional lenders in this State have realized. There are no problems about lending at present, because there is no money. A person cannot get money to buy a property. The institutional lenders and banks are not lending on land at present. They have a tight policy on lending money to persons in rural areas, because they say that they are subsidizing the primary producer by being required to give a reduced interest rate in the rural sector.

It is well known that these institutions can lend their money at 8½ per cent if they can extract it from the rural sector and, in their opinion, it is proper business to do that as far as possible, but, because of lack of confidence, they are not lending in the rural sector. There is a complete lack of confidence facing the future of primary industries. I submit that this unimproved value is based on a false foundation and that, immediately someone puffs the pack of cards that has been stacked up, the pack will collapse around our ears.

The question whether the Commonwealth Government or the State Government should be doing something does not get us away from the fact that at present we need to establish what is a realistic value of land. The land values that we are working on until June 30 are based on sales made when people had confidence in the industry. I am speaking now from personal experience. They are sales of property made during the period from 1965 to 1970, when wool brought 50c a pound, when sheep were sold at \$7 a head, and when there were no wheat quotas. In those times people negotiated the sales that are being used largely as the basis of this assessment. However,

that situation regarding sales does not prevail now. We have wheat quotas and there is no international grains agreement. There will be difficulties about sales of our products and in future first payments will be reduced. The price of wool is down to between 20c and 29c a pound and the price of sheep is down to between \$3 and \$4 a head, and the people do not have confidence.

Persons who bought at these prices have lost liquidity and they are holding on. This is why there are no land sales. The people are hanging on and institutions are frightened to push, in case they cause a catastrophe. I repeat that the basis of these values is false, and that will prove to be so. The Treasurer has referred to the relationship of the values to June last year, but I repeat that the situation then was different from the present position. At this time last year prices were different, so were prospects, and, in addition, so were costs. The margin of profitability in the rural community has gone, and this Government has some responsibility to show that it understands the present position. I accept the argument that it is in a difficult financial position, but it will be in greater difficulties if land prices crash and the present situation deteriorates in country areas. The Government has some responsibility to recognize the problems and, since the situation has developed, the Government has a responsibility to show good faith in this matter. As a matter of principle, I believe that the Government should show that it respects the problems, understands them, and is attempting, at great difficulty, to do something to assist people in their difficulties.

The Hon. HUGH HUDSON (Minister of Education): I oppose the motion. First, in reply to the member for Mallee I point out that the examples quoted by the Treasurer were for full production, but there are 21 other cases where the tax paid was about the same. I emphasize that the present position about land tax involves a prospective reduction in the amount of land tax paid by rural properties of at least \$100,000 for 1971-72 compared to this year. Total land tax collections over the whole State have increased substantially. It is a puzzle to most people, when one speaks about land tax, to appreciate that almost 90 per cent of land tax revenue in the new five-year period will come from built-up areas of the State, and that only 10 per cent or 11 per cent of land tax revenue will be paid on rural properties. That figure is worth remembering.

People in the rural areas represent just over one-third of the population, but only 10 per cent of the land tax revenue comes from those areas. When we consider the proportionate effort that the Government is demanding from the community for the payment of land tax, it is clear that the effort in contributing this tax falls more heavily on the metropolitan area. Some favourable treatment has been given to rural producers. Just as water rates involve a subsidy by the metropolitan area to country users of water, just as rail services are subsidized by the whole community, just as education services means a subsidy by the whole community, so also, in the collection of land tax, favourable treatment is given the rural producer, compared to the treatment meted out to the rest of the community.

Because of a lack of economies of scale in relation to many country schools, the cost of educating a child in country areas is higher than it is in the metropolitan area. The cost of a child at primary level is about \$250 a year; that is a recurrent cost, excluding all building costs. The cost for secondary education is about \$400. A person living in a rural area would probably find that, at secondary level particularly, the cost to the Government of providing that education in rural areas is about \$450 to \$500 a child. A person living in a rural area, with four children at school, two at primary level and two at secondary level, receives a service that costs the community about \$1,500 a year. Whence does that money come? Only a part of it comes from State taxes, the rest coming from the Commonwealth Government income tax reimbursement grant.

Rural rebates are available, and the percentage of revenue contributed to State education costs by rural producers is considerably less than would be demanded on a principle of equality of treatment. I do not argue that existing subsidies that apply to rural producers should not apply. In the present circumstances there is a good argument for them. However, it is fair enough to point out that the present circumstances are not of our making and that, even if rural land tax were abolished, the difference it would make to the small rural producer would be almost insignificant. Let us consider the case of a woolgrower whose gross income from wool is \$4,000 a year. If a 5 per cent rise was achieved in the price at which his wool was sold it would represent an additional \$200 to that grower. That amount would probably be eight or 10 times greater than the land tax he would have to pay.

I emphasize the figures given by the Treasurer: 38,000 of the 48,000 rural properties in the State have a valuation of \$15,000 or less on unimproved land values. Further, the land tax paid on the 38,000 properties is \$24,000 or less a year. The Treasurer also pointed out that 97 per cent of all rural properties have an unimproved value of \$40,000 or less, and that a rural rebate that applies to no-one else would apply to at least 40 per cent of these properties, and in some cases there would be a complete exemption. I do not minimize the extent of the difficulties facing our rural community at present. However, if Opposition members believe that abolishing land tax in country areas would solve these problems, they must have another think. Under the rural reconstruction scheme proposed by the Commonwealth Government the State Government will be acting as the agent, and can make loans to rural producers for carry-on finance at 4 per cent and for capital accretion to increase the size of a property at 6½ per cent.

How many Opposition members can say that the rate of return from a rural property would be 6½ per cent or more at present? How many could say that the rate of return on a rural investment would be 4 per cent or more at present? Yet the colleagues of Opposition members want to force the States to accept a rural reconstruction scheme that contemplates the lending of money at a rate of no less than 4 per cent. Opposition members must know that the Commonwealth Government's rural reconstruction scheme is completely and utterly inadequate. It cannot achieve its purpose and it will, in fact, do nothing effective to assist the rural community in South Australia. Is the Leader, in reply, prepared to tell this House that the rate of return on investment in rural production in South Australia is greater than 4 per cent, or greater than 6½ per cent? If he is not prepared to say that, what comment does he have on the scheme that his Commonwealth brothers have brought down? Is he prepared to condemn the scheme and to say that it is totally and grossly inadequate?

This is where the Opposition's attack ought to lie today. We should not have this rather pathetic spectacle of the long Country Party tail on the Opposition wagging the small Liberal dog. Let us put the issue beyond doubt. The rural community is in difficulty at present, and the State Government is in

difficulty, because of the actions of the Commonwealth Government. The State Government has asked all other sections of the community to pay increased taxation because of the problems that we are currently facing through rising costs. We have agreed that the amount of rural land tax collected should be reduced by \$100,000, yet the Opposition has the hide to try to censure the Government in these circumstances, when it knows that the financial condition of the States has been brought about by the attitude of its Canberra colleagues, and when it knows that the rural reconstruction scheme proposed by its Canberra colleagues is completely and grossly unrealistic and has no chance of success.

Mr. HALL (Leader of the Opposition): No-one could have more clearly demonstrated the need to carry this censure motion than has the Minister of Education, who immediately tried to reduce this matter to a Party political struggle, accusing this side of wagging its Country Party tail. I accused this Government of governing for sections of the community and not for all of it. The Minister of Education and the Treasurer say it is reasonable to charge some land tax on the rural community today, but I say that it is utterly unreasonable to do so, because money cannot be obtained from nowhere, and losses cannot be added to in this way through the Government's persistent taxing on a capital basis unrelated to profitability.

Mr. Curren: The same as your receipts tax on primary products.

Mr. HALL: The stupid remarks of the member for Chaffey will not hold water in this House. The Minister of Education prated on about the dire condition of the rural community and said that people in this industry could not pay 4 per cent. Of course they cannot pay it. The Minister is arguing against his own cause. He says these people cannot pay 4 per cent, but they can pay land tax. What simpleton attitude is this? Why does the Minister use country and city comparisons? Why does he say the country receives so much subsidy that it must contribute by paying a tax that it cannot afford, when he knows that the producer is the only one who does not have an automatic adjustment to meet his costs? As the Minister is supposed to be an economist, he would know that the average weekly earnings over the last decade have risen from \$38.60 to \$69.90.

While the rest of the community is being catered for fairly satisfactorily, the rural community is at the mercy of an oversea export market and of, in many instances, import prices, unable to pass on its increased costs of production. Although the Minister acknowledges the conditions that exist within this industry, he refuses to help. Let us look at the examples the Treasurer concocted and at the type of random sample that gives an average rural unimproved value at Yorketown of \$8,000, an unimproved value at Mallala of \$7,000, and an unimproved value at Freeling of \$6,000. Are we children to listen to such nonsense?

Mr. Payne: You wouldn't understand that—

Mr. HALL: What on earth does the member for Mitchell know about these valuations? Does he say that a property of 400 acres at Yorketown is a viable property to consider in this examination? Does he consider that 250 acres at Mallala is a living area? Is 120 acres at Freeling a suitable size to consider in this argument? The Treasurer stands condemned concerning the survey he referred to. Why did he not consider real comparisons?

Mr. Langley: Give some!

Mr. HALL: That is typical of the member for Unley.

The SPEAKER: Interjections are out of order, and I am not going to remind members any further. If interjections continue, I will take appropriate steps. The Leader must be heard in silence.

Mr. HALL: What the rural community cannot understand is the halving, at least, of rural land values in the last five years. Government members may use any provision in the Act they wish to explain that fact: either valuations were wrong in 1965 or they are wrong now. They cannot have it both ways in this argument. Surely, if there is to be any benefit of the doubt, it lies with the industry that is in so much trouble today. The values used by the Treasurer are nonsensical. The district that I know well has the last recorded sale value of \$70, although land across the road from the property in question sold for \$140 four or five years ago, the valuation placed on that land being \$42 an acre for unimproved purposes and \$28 an acre for the purposes of clearing heavy mallee scrub, fencing it and watering it, and providing shed and house accommodation. Any member knows that that is nonsensical according to today's values. It is no use the Government's going

back 12 months before the real slide started and trying to satisfy a community in distress. This Parliament has the power to act; all it lacks is the will.

The Government is blind to every economist's assessment of the situation. The Treasurer has made little reference, if any, to actual instances that count for anything in this argument. Many members are aware of the declining values and can quote sales that have occurred as recently as in the last week or so. They know that hundreds of properties in rural areas are for sale but have no buyers. What do we do about the valuations regarding those properties? This situation continues, yet rural people who come to the city looking for jobs are expected to pay \$20 or perhaps \$200 in this area and to increase their overdraft to do so. As I said earlier, the rural debt in Australia is estimated at over \$2,000,000,000 and most of this is related to land. Do Government members understand that the part of the debt applying to South Australia that is backed by or related to land is taxable for land tax purposes and that a landowner, if he owns a \$50,000 property and owes \$20,000 on it, pays land tax on the \$50,000, paying land tax in respect of his debt? That is how stupid this is.

In the face of a comparison of estates, which undeniably shows the injustice suffered by people in rural areas, the Government has refused to abolish this tax on the flimsy ground that the Grants Commission is involved, whereas this argument fails because the other States have abolished similar taxes. All I can say is that there will be trouble in country areas. There is trouble now. Many properties will incur a larger tax after June 30. This land tax should be abolished. As people go off the land, every debt that is not paid from the proceeds of the sale or as a result of the bankruptcy will be that much greater because of this tax. The Government stands responsible for this blood toll it is taking from country people. Is it any wonder that I say it is blind and unsympathetic? I urge the House to vote sensibly and to support the censure motion.

The House divided on the motion:

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

Noes (24)—Messrs. Broomhill, Brown, and Burdon, Mrs. Byrne, Messrs. Clark,

Corcoran (teller), Crimes, Curren, Groth, Harrison, Hopgood, Hudson, Jennings, Keneally, King, Langley, McKee, McRae, Payne, Ryan, Simmons, Slater, Virgo, and Wells.

Majority of 6 for the Noes.

Motion thus negatived.

MARKETABLE SECURITIES BILL

Returned from the Legislative Council without amendment.

MOTOR VEHICLES ACT AMENDMENT BILL (REVENUE)

Returned from the Legislative Council without amendment.

HIGHWAYS ACT AMENDMENT BILL (FUND)

Returned from the Legislative Council without amendment.

QUESTIONS

TRANSPORTATION STUDY

Mr. EVANS (on notice):

1. How many properties have been acquired by the Government, or its departments, since May, 1970, along the following proposed M.A.T.S. routes:

- (a) Noarlunga Freeway;
- (b) Modbury Freeway;
- (c) Salisbury Freeway;
- (d) Hills Freeway;
- (e) Port Freeway;
- (f) The expressways; and
- (g) Hindmarsh Interchange?

2. What was the date of each acquisition?

3. What overall price was paid for the acquisitions in each of the above categories, respectively?

The Hon. G. T. VIRGO: The questions asked by the honourable member concern properties acquired on the routes of various M.A.T.S. proposals. Technically, acquisition is effected upon transfer of title following completion of formalities by the Crown Solicitor. These formalities frequently take a considerable time. It is considered that the question will be answered more satisfactorily by quoting figures of approvals to purchase made by me at the stage of completion of negotiations with the owners. The figures given cover the period from June 1, 1970, to March 18, 1971. The properties and the prices paid are as follows:

Project	Number of Acquisitions	Cost \$
Noarlunga Freeway	47	616,693
Modbury Freeway	23	384,760
Salisbury Freeway	12	153,495
Hills Freeway	7	98,300
Port Freeway	—	—
Expressways	5	275,125
Hindmarsh Interchange	6	260,500
Totals	100	\$1,788,873

Dates on which approval was given are as follows:

Date	No.
3.6.70	1
4.6.70	1
5.6.70	2
10.6.70	3
16.6.70	2
24.6.70	10
30.6.70	1
2.7.70	2
6.7.70	1
8.7.70	1
13.7.70	2
16.7.70	4
22.7.70	1
23.7.70	1
24.7.70	1
28.7.70	2
31.7.70	1
5.8.70	2
6.8.70	2
11.8.70	2
18.8.70	2
20.8.70	2
25.8.70	1
28.8.70	1
1.9.70	1
3.9.70	2
7.9.70	2
14.9.70	1
16.9.70	3
21.9.70	1
28.9.70	2
1.10.70	3
14.10.70	1
19.10.70	3
23.10.70	1
28.10.70	1
2.11.70	1
9.11.70	2
11.11.70	1
19.11.70	1
4.12.70	3
9.12.70	2
10.12.70	1
14.12.70	1
17.12.70	1
22.1.71	2
28.1.71	1
3.2.71	1
4.2.71	1
9.2.71	1
24.2.71	1
1.3.71	1
4.3.71	1
5.3.71	1
10.3.71	1
18.3.71	1
Total	100

GOVERNMENT APPOINTMENTS

Mr. BECKER (on notice):

1. Why did the Government advertise in the British magazine *The Economist* for a Director-General of Transport and a Director of Industrial Development?

2. How many advertisements have been placed in papers, magazines, etc., in Australia and oversea countries calling for applications for these positions?

3. What foreign papers, magazines, etc., have been used?

4. How much will this advertising campaign cost?

5. What salary and allowances are proposed for the office of Director of Industrial Development?

The Hon. J. D. Corcoran (for the Hon. D. A. DUNSTAN): The replies are as follows:

1. The Public Service Board and not the Government decided to insert advertisements in *The Economist* for a Director-General of Transport and a Director of Industrial Development because that publication is a journal read widely by a vast group of persons engaged in transportation and industry.

2. One insertion of an advertisement for these positions has been placed in *The Advertiser*, *The Australian* and *The Economist*.

3. Vide answer to question No. 2.

4. No advertising campaign has been undertaken apart from the insertions mentioned in paragraph 2, and the cost of inserting these advertisements is not yet known as accounts have not been received.

5. The salary in the advertisement has been quoted as up to A\$18,000 a year, subject to experience and qualifications. Travel and removal assistance will be given.

LOANS TO PRODUCERS

Mr. BECKER (on notice): What are the respective amounts of indebtedness outstanding under the Loans to Producers Act, 1927-1962, as at March 15, 1971, owing by the following industries:

- (a) distilleries;
- (b) butter and cheese factories;
- (c) fruit packing sheds, cool stores and canneries;
- (d) fishing and fish treatment works;
- (e) irrigation works; and
- (f) egg marketing?

The Hon. J. D. Corcoran (for the Hon. D. A. DUNSTAN): The respective amounts of indebtedness are as follows:

	\$
(a) Distilleries	2,940,859
(b) Butter and cheese factories	587,290
(c) Fruit packing sheds, cool stores and canneries	5,073,288
(d) Fishing and fish treatment works	885,428
(e) Irrigation works	354,911
(f) Egg marketing	298,371

ROAD TAX

Mr. GUNN (on notice):

1. What amount of road maintenance contribution tax has been collected in each year since its inception?

2. How much has been returned to district councils in each year?

3. What has been the cost each year of the collection of this tax?

The Hon. G. T. VIRGO: The amounts are as follows:

	\$
1964-1965	1,426,200
1965-1966	1,903,177
1966-1967	2,070,118
1967-1968	2,324,328
1968-1969	2,556,843
1969-1970	2,838,734

Specific allowances to district councils have never been made directly from moneys received from road maintenance contributions. Maintenance funds are allocated according to the overall needs of the State and, during 1969-70, \$10,270,000 of State funds was expended by council and departmental gangs.

The annual costs are as follows:

	\$
1964-1965	79,580
1965-1966	95,638
1966-1967	162,742
1967-1968	176,334
1968-1969	187,050
1969-1970	209,494

VALUATION DEPARTMENT

Mr. GUNN (on notice):

1. How many people are employed by the Valuation Department?

2. What was the cost of setting up the new office?

3. What was the cost in wages each year for the Valuation Department?

The Hon. J. D. Corcoran (for the Hon. D. A. DUNSTAN): The replies are as follows:

1. The present work force of the Valuation Department totals 151 officers comprising: Head of department; Valuation Division, 58; Administrative Division, 92.

2. At this stage, it is not possible to give a precise figure for the cost of partitioning, furniture, equipment and additional lighting,

as all amounts have not yet been brought to debit. However, funds were provided to the extent of \$80,000 for these items and it could be expected that the final cost will be in the vicinity of this figure. The annual rental of the area of R.D.C. House occupied by the Valuation Department is about \$46,000.

3. The annual wages bill for the department has been as follows: 1968-69, \$425,313; 1969-70, \$527,041; 1970-71 (estimated), \$613,221.

DIRECTOR-GENERAL OF TRANSPORT

Dr. EASTICK (on notice): To what maximum level of salary is the Government willing to negotiate with applicants for the position of Director-General of Transport?

The Hon. G. T. VIRGO: On March 16, 1971, in reply to a question by the member for Light, I replied that the salary of the Director-General of Transport would not be less than \$17,000 a year. The actual salary of this appointee will subsequently be determined after taking into account the selected applicant's qualifications and experience. No maximum salary has been considered, as it is felt that the selection of an arbitrary figure may discourage persons of extremely high calibre.

WATERWORKS ACT AMENDMENT BILL

The Hon. J. D. CORCORAN (Minister of Works) obtained leave and introduced a Bill for an Act to amend the Waterworks Act, 1932-1970. Read a first time.

The Hon. J. D. CORCORAN: I move:

That this Bill be now read a second time.

In recent years, both in Australia and abroad, rapid advances in technology and associated higher standards of living have placed a great strain on the earth's water resources and focussed attention on problems of water management. Members will realize that the implementation of a total plan for State-wide water resources management represents both a considerable task as well as one that should only be proceeded with on a staged basis planned to ensure that necessary priorities are met and that unnecessary measures are not introduced. At present, the most difficult water pollution problem facing the Engineering and Water Supply Department exists on the watersheds of the metropolitan reservoirs, which provide about half of our reticulated water supplies. These watersheds are unique in that they are particularly vulnerable compared with those in other States. Unlike the situation in

other States, our watersheds are largely inhabited; they come within less than 10 miles of the inner city (comparative figures for the other States: Sydney, 40 miles; Melbourne, 45 miles; Perth, 20 miles; and Brisbane, 80 miles) and are extremely accessible. They are also particularly attractive for rural living. Another factor that must be realized is that, because of our less favourable rainfall, the watersheds are relatively larger in comparison with their effective yield and this accentuates any potential pollutional effect.

Until a few years ago, the population of the Adelaide Hills was almost entirely rural with only a few small relatively stable villages scattered throughout the area. However, the pattern of development has changed markedly. This has to a large extent followed the infinitely greater access afforded by the Hills Freeway and by the provision of excellent secondary roads which together bring the metropolitan catchments closer to the city, in terms of travelling time, than are many of the outer plains suburbs. This accessibility has not only given rise to increased urbanization but, together with increased demands for primary products by the expanding metropolitan area, has stimulated animal husbandry and horticultural activities such as pig and poultry raising, dairying, sheep and cattle grazing, market gardening and fruit growing. Comprehensive surveys have been instituted to determine the degree of pollution, and there is evidence already that the waters of the metropolitan reservoirs are affected. For example, since the Second World War copper sulphate usage for control of excessive algae growths which give rise to colour, turbidity, odour and taste problems, has increased from virtually nothing to 90 tons in 1969-70. This year the department has already used 140 tons of copper sulphate, costing about \$100,000. Furthermore, over the last seven years the chlorine dosage rate has risen by more than 50 per cent. This lowered bacteriological quality of the water is a measure of increasing pollution.

These and other symptoms of impending pollution are similar to those observed and ignored in the United States and Europe 15 to 20 years ago, and the extent and nature of the problem have been widely documented. They must cause alarm in South Australia, and action is necessary now. For these reasons, the Government has initiated investigation so that proper measures can be devised and implemented to ensure that our water supply, this vital natural resource, is adequately managed so that the development of our State and our

living standards can continue and advance. This Bill has, therefore, been prepared following extensive investigations by qualified technical officers, including engineers and scientists. The Engineering and Water Supply Department has been assisted by the State Advisory Committee on Water Supplies Examinations, as well as the Public Health Department and other authorities.

This Bill is part of a carefully planned comprehensive strategy for total State-wide environmental protection and enhancement. However, as stated, such a plan must be proceeded with on a staged basis. The overall plan provides for the present short-term holding measures based on the overall policy. These measures will safeguard the position whilst further and necessary investigations continue. These include, for example, those already referred to as well as those being conducted by the Committee on Environment in South Australia, which was appointed by the former Government.

For the long term, the extreme reliance of this State on its water will demand the highest level of total management of our State water resources to preserve them for safe and healthy public water supply for industry, agriculture and community use; for fish and wild life conservation; and for the maintenance of an aesthetically desirable environment. This will call for State-wide water resources legislation providing for centralized planning and control of water resources development—including all aspects of water quality (that is, pollution control and quality management) and water quantity. This will avoid the almost insoluble problems of fragmentation of water resource control which currently face the U.S.A. and other overseas countries and enable the rational exploitation of our waters to proceed in the best interests of the people of South Australia as a whole.

The investigations already made have shown the need for short-term holding measures designed to prevent undesirable development in the meantime. As pollution is caused by the uncontrolled activities of man, both measures necessarily have been designed to prevent this. The first measure was taken last year when a regulation was made under the Planning and Development Act giving the Director of Planning power to refuse approval to plans of subdivision or resubdivision in respect of land within watersheds if, in the opinion of the Director and Engineer-in-Chief of the Engineering and Water Supply

Department, the approval of the plan could lead to pollution of a public water supply. This was a very necessary measure that provides power to control undesirable types of occupation in critical areas. It will permit urban-type development to be confined to existing township centres where the wastes can be collected and properly treated. Elsewhere it will be possible to maintain the rural character of the watersheds.

The Bill is designed to ensure that human activities in watersheds are such as can be pursued safely without danger of pollution. The amendments are being brought forward as an urgent short-term holding measure to provide much-needed control over undesirable pollution from rural and extractive industry on the watersheds. In essence, they will clarify existing clauses; give the Minister power to enter private properties to implement water quality improvement; and, most importantly, give the Minister power to make by-laws concerning water pollution control. The proposed by-laws will deal with such matters as disposal of animal carcasses, the zoning of watersheds to control more adequately the siting and operation of piggeries, poultry farms, dairies, stockyards, etc., and, when necessary, the control of quarrying and sandwashing to limit physical water quality impairment. The proposals are aimed, as much as possible, at minimum interference with existing activities while still preventing undesirable new activities.

It is pointed out that the present legislation under the Waterworks Act gives the Minister of Works general powers to restrain persons on watersheds or rivers from polluting the supply. The legislation is remedial rather than preventive and, today, is inadequate to stand the pressures of development. The enforcement of remedial legislation inevitably means hardship for the individual owner or occupier of land on which a source of water pollution has been established and the co-operation and goodwill of the community (so essential to water pollution control) is seriously impaired.

I will now deal with the Bill in some detail. Clause 1 is formal. Clause 2 amends section 4 of the principal Act by inserting certain definitions necessary or desirable for the purposes of this Bill. The definition of "stream" has been recast, and definitions of "watercourse" and "waterworks" have been added. Clause 3 inserts a new section 9a in the principal Act. This section provides for the delineation and naming of watersheds and the

division of watersheds into zones. Although the term "watershed" was already in use in the present Act (section 58), the effect of this provision will be that watersheds will be capable of precise determination. Provision is also made in proposed new section 9a for the division of a watershed into zones.

Clause 4 amends section 10 of the principal Act (which confers power on the Minister to make by-laws) by adding five new by-law-making powers. Generally the powers are related to the need for the prevention of the impairment of the water supply in watersheds. I have already adverted to the kind of by-laws that are proposed to be made and would remind honourable members that such by-laws are, of course, subject to parliamentary scrutiny in the same manner as regulations. The power proposed to be conferred will enable different degrees of control to be imposed in relation to different watershed zones.

Clause 5 amends section 12 of the principal Act, which sets out the powers of the Minister. The proposed new power provides for entry upon lands in a watershed with a view to reducing or removing sources of pollution. The exercise of this power is, in common with the exercise of all the present powers referred to in section 12, subject to the limitations contained in subsections (2), (3) and (4) of that section. Clause 6 restates section 56 of the principal Act with some modifications. It is extended to cover all sources of water in a watershed zone. The blanket prohibition on the entry of animals into streams has not been carried over into the new provision. The maximum penalty for an offence against the provision has been increased from \$10 to \$200.

Clause 7 restates section 57 of the principal Act, which deals with pollution of streams, etc., and again extends the scope of the section to cover all streams, etc., within a watershed. Again the maximum penalties have been increased to reflect the growing seriousness of the problem of water pollution. Clause 8 restates section 58 of the principal Act, which dealt with pollution within a watershed within the ordinary meaning of the expression. The emphasis of the restated provisions is now on the preventive aspects of pollution control rather than merely remedying situations of pollution after they occur. Only after an owner refuses to take appropriate steps can the Minister enter and carry out the appropriate preventive action. Penalties for breaches of this section have also been increased.

Mr. RODDA secured the adjournment of the debate.

PLANNING AND DEVELOPMENT ACT AMENDMENT BILL

The Hon. G. R. BROOMHILL (Minister for Conservation) obtained leave and introduced a Bill for an Act to amend the Planning and Development Act, 1966-1969. Read a first time.

The Hon. G. R. BROOMHILL: I move:
That this Bill be now read a second time.

On June 30, 1971, the four-year terms of office of the members of both the State Planning Authority and the Planning Appeal Board expire. The Government believes that this is, therefore, the appropriate time to amend those parts of the principal Act under and by virtue of which those bodies are constituted. These first years since the inception of the Act in 1967 have brought to light various shortcomings not only in those provisions that constitute the two bodies but also in the provisions that deal with procedures and machinery matters.

Much thought has been given to those shortcomings and to the aims and purposes for which the authority and the board were set up. The matters dealt with by both bodies have increased enormously since 1967, and the ensuing problems of efficiency and the expeditious dispatch of business will be remedied to a large extent by the amendments proposed by this Bill.

The principal object of the Bill concerning the State Planning Authority is to reconstitute that body with a better and wider representation of experts in the fields of local government, conservation, and aesthetics. With the rapid increase of interest in environmental matters, the Government has decided that one member of the authority should be an expert in that field. Under the principal Act as it now stands, one member of the authority is to be selected from a panel submitted by the Municipal Association of South Australia, a body that is now defunct.

The Local Government Association gives sufficient representation on the authority of persons actually involved in the practical workings of local government. The Bill provides that one member shall be a person who has knowledge of and experience in matters relating to or affecting local government, which will broaden the field from which a member may be chosen. It is self-evident that the hand of the Government should not be unduly fettered in the selection of persons who, as members of an authority such as this, so vital to the welfare of the community, should have

as broad and diverse a knowledge and experience as possible. At present, the Chamber of Manufactures submits a panel of names from which one member is selected, and the Bill now provides that the Chamber of Commerce shall join the Chamber of Manufactures in submitting that panel, thus not only giving one more body a voice but also widening the field from which the panel may be selected.

The Bill further provides that the present provision for one member of the authority to be chosen from a panel submitted by the Real Estate Institute of South Australia should be deleted. As members are aware, this Government has always been opposed to having, as a member of the authority, any person who is involved in the business of buying and selling land. In the past four years much criticism (by such bodies as the Town and Country Planning Association) has been levelled at the constitution of the authority, and this, while in no way being levelled at any of the individual members themselves, must have to some extent destroyed the confidence of the public in the work being done. If the authority is to be entirely above reproach and completely beyond the risk of bias, the proposed disqualification of any person who has or acquires an interest in the business of buying and selling land is an absolute necessity.

The Bill provides for the composition of the authority to be 11 members as at present, with an expert in local government matters and an expert in conservation and aesthetics replacing the representatives of the Municipal Association and the Real Estate Institute. The disqualification will apply to those seven members who are appointed by the Governor. For the Planning Appeal Board, the principal object of the Bill is to create a board that has no limit to the number of members who may be appointed thereto.

The Chairman of the board has now had ample experience in the day-to-day workings of the board, and all proposed amendments have been recommended by him. The disqualification relating to the holding of any interest in the business of buying and selling land is not to apply to members of the board, as it cannot be said that board decisions could benefit a member to the extent that the fundamental policies of the authority could possibly benefit a member of that authority.

The members of the board, apart from the Chairman, are to be such number of associate chairmen and commissioners as the Governor may appoint. The associate chairmen are to

be Local Court judges, and, as the detailed report on the relevant clauses will reveal, such associate chairmen will be able to relieve the burden of work now resting heavily on the present Chairman. Of the commissioners, at least two shall be persons having practical knowledge of local government matters, at least two shall be persons who are either members of the Royal Australian Planning Institute or who have appropriate qualifications and experience in town planning, and at least two shall have practical knowledge in public administration, commerce, or industry.

The minimum number of members of the board will be eight: the Chairman, an associate chairman, and six commissioners. The Government believes that the present considerable delay of up to about 10 months for the hearing of appeals will be greatly reduced. As the Act now stands, the board consists of only four members: the Chairman, one member chosen from a panel submitted by the Municipal Association and the Local Government Association, one member chosen from a panel submitted by the Adelaide Division of the Australian Planning Institute, and one member being a person who has practical knowledge in public administration, commerce, or industry.

Once again, the Bill thus provides that the members do not have to be selected from the comparatively narrow limits provided in the principal Act as it now stands. The Bill also ensures that the membership of the board can be increased over the years as the amount of business dictates. The improvements to the procedural and machinery provisions will be discussed in more detail when I deal with the clauses of the Bill.

In order to ensure that any appeals not disposed of by July 1 are not in any way prejudiced by the proposed reconstitution of the board, the Bill provides that the board, as presently constituted, may continue to function for the purposes only of completing all such unfinished business. I commend this Bill to honourable members, as it represents the continual effort to keep statutory bodies efficient, progressive, and abreast of the times. I shall now deal with the clauses of the Bill. Clause 1 is formal, and clause 2 amends the arrangement of the principal Act.

Clause 3 inserts into section 3 of the principal Act several new definitions of the various members of the Planning Appeal Board, which are self-explanatory. "The

appointed day" is defined as July 1, 1971, which is the operative day for the newly constituted bodies, keeping in mind that this amending Act will itself come into operation on assent. Clause 4 amends section 6 of the principal Act by up-dating the reference to the Australian Planning Institute.

Clause 5 amends section 8 of the principal Act, which deals with the constitution of the State Planning Authority. Paragraph (a) of the clause keeps the present constitution of the authority alive until the appointed day. Paragraph (b) is a Statute law revision amendment. Paragraph (c) deletes the provision regarding the member selected from the Municipal Association and inserts a new provision for the selection of a member who has knowledge of and experience in matters relating to or affecting local government. Paragraph (d) deletes the existing provision regarding the member chosen from the Chamber of Manufactures and inserts a new subparagraph that provides that a member shall be selected from a panel submitted jointly by the Chamber of Manufactures and the Chamber of Commerce. Paragraph (e) deletes the provision regarding the member selected from the Real Estate Institute and inserts a new provision for the selection of a member who has knowledge of and experience in matters relating to or affecting conservation or aesthetics. Paragraphs (f), (g) and (h) effect consequential amendments to the section.

Clause 6 enacts new section 8a of the principal Act. This new section provides that no person who has any financial interest in the business of buying, selling or developing land as proprietor, broker, agent or director of a company shall be eligible to be appointed by the Governor as a member. "Director of a company" is defined to include a person who has a virtual controlling interest in a company (that is, 15 per cent of the ordinary shares in the issued capital). It should be made clear at this point that such disqualification does not apply to the four *ex officio* members of the authority, namely, the Director of Planning, the Director and Engineer-in-Chief of the Engineering and Water Supply Department, the Commissioner of Highways and the Surveyor-General. Clause 7 effects a consequential amendment to section 9 of the principal Act.

Clause 8 amends section 10 of the principal Act, which deals with casual vacancies in the offices of members appointed by the

Governor, by inserting a provision that, where such a member acquires any financial interest in the business of buying, selling or developing land, his office shall become vacant. Clause 9 enacts new section 18 of the principal Act. This transitional provision provides that any application to the authority not disposed of before the appointed day shall continue to be disposed of by the authority as constituted after that day.

Clause 10 repeals all those sections comprising Division 3 of Part II of the principal Act which deal specifically with the Planning Appeal Board and inserts new sections 19 to 27a inclusive. New section 19 provides that the board as established under the principal Act shall continue, subject to the new provisions. New section 20 provides that the board, as now constituted, shall continue up until the appointed day and shall so continue after that day for the purposes of disposing of unfinished hearings. A person who is a member before the appointed day but not after that day may continue to function as and is deemed to be a member for the purposes of this section, but if he dies or is unwilling or unable to so function after the appointed day the Chairman can either fill the vacancy with a member of the newly constituted board or have the appeal or matter reheard by the newly constituted board. Members appointed to the newly constituted board are not precluded from functioning as a member completing such unfinished business. As the repealed sections of the Act are virtually kept alive for the limited purposes of this new section, certain Statute law revision amendments are, in effect only, made to old section 19 of the principal Act in order to cover the rather remote chance that an appointment may have to be made to the board in the interval between the commencement of this amending Act and the appointed day.

New section 21 provides that after the appointed day the board shall consist of the Chairman and so many associate chairmen and commissioners as the Governor may appoint. The Chairman and associate chairmen must be Local Court judges, can perform their duties as members of the board at the same time as their duties as judges, are appointed by the Governor for such term or otherwise as is published in the *Gazette*, and are eligible at the expiration of their terms of office to be reappointed. At least two commissioners must have practical knowledge of and experience in local government, at least two must be either members of the Royal Australian Planning

Institute or have appropriate qualifications and experience in town planning, and at least two must have practical knowledge of and experience in public administration, commerce or industry. A commissioner's term of office shall not exceed five years and he shall be eligible for reappointment by the Governor. The Public Service Act does not touch members in their capacity as members.

New section 21a provides that nothing contained in any other Act shall disqualify a member from being a member of the board at the same time as holding any other office. New section 21b provides for the members to be remunerated at rates fixed by the Governor and to be paid such travelling and other expenses as the Minister approves. New section 21c provides that a member may be removed from office on grounds of misconduct or incapacity. New section 21d provides that the office of a member (other than the Chairman and associate chairmen) becomes vacant on death, resignation, removal from office, bankruptcy, conviction of indictable offence or conviction of any other offence in respect of which the Minister discharges him. The office of Chairman or associate chairman becomes vacant on death, resignation (if accepted by the Governor) or ceasing to hold qualifications for appointment. New section 21e provides that the Chairman shall convene and preside at the hearing of appeals and other matters. During the Chairman's incapacity, absence or when he considers it improper for him to do so, an associate chairman shall convene and preside at the hearing of appeals and other matters, and for that purpose shall have all the powers and authorities of the Chairman. New section 21f provides that during the Chairman's absence or incapacity the Governor shall nominate an associate chairman to be responsible for administrative affairs that are otherwise the responsibility of the Chairman.

New section 21g provides that the places and times for the sittings of the board shall be fixed by the Chairman or, during his absence or incapacity, by an associate chairman. New section 21h provides that, notwithstanding any other Act, the powers and functions of the Board shall be as provided in this Act. Procedures may vary as expressly provided for in any other Act. New section 22 provides that the Chairman or, during his absence or incapacity, an associate chairman shall arrange the constitution of the board with respect to individual hearings. An appeal is to be heard by the Chairman, or an

associate chairman, and at least two commissioners. The Chairman or an associate chairman sitting alone may hear those aspects of an appeal being matters of adjournment or practice and procedure, either before an appeal (for example, an application for extension of time within which to lodge a notice of appeal) or during the hearing. Appeals and any questions shall be decided by a majority decision and, in the event of equal division, the presiding Chairman or associate chairman shall make the final decision. When an appeal or matter is being heard by particular members and one of them ceases to be a member, that appeal may, on the direction of the Chairman, either continue to be heard by the remaining members or be reheard by a freshly constituted set of members. The parties to an appeal may request that the Chairman or an associate chairman sitting alone hear the appeal, and this shall be done unless the Chairman directs otherwise.

New section 22a provides that all members of the board other than the Chairman and associate chairmen shall take an oath or affirmation on or after the appointed day, before performing any duties as a member. This applies to all existing members of the board who may take up office or function as a member after the appointed day. The forms of the oath and affirmation are set out in this section. New section 22b ensures that the board may effectively be split up into separate entities for the hearing of more than one appeal or matter at a time. New section 22c provides the general rule that hearings shall be in public except where the board directs otherwise. The board may have regard to the interests of justice, the confidential nature of the evidence, the expedition of procedures or any other matter it thinks sufficient when directing that a hearing or part thereof shall take place in chambers. In these circumstances the board may give directions as to the persons to be present, the prohibition or restriction of publication of evidence, and the exclusion of certain witnesses at certain times. A person who does not comply with such a direction may be fined \$500.

New section 23 provides for the procedures with respect to hearings. New section 23a gives the board power to correct accidental or clerical mistakes in its determinations. New sections 23b and 23c provide for the giving of evidence on oath or affirmation or by written statement verified by oath or

affirmation. New section 23d provides that any party to any hearing may appear personally or by counsel, solicitor or other agent. New sections 23e, 23f and 23g give immunity to the board and its individual members in respect of acts done in good faith and such protection to persons appearing on behalf of parties and to witnesses as they would have in a local court. New section 23h provides a penalty of \$500 for a witness who fails, without lawful excuse, to take an oath or affirmation, to produce books or documents or to answer questions other than incriminating questions. New section 23i provides the usual grounds which may constitute contempt, the penalty for which is \$500.

New section 24 provides that a certified copy of a determination of the board shall be evidence of such determination. New section 24a gives the secretary or a registrar of the board power, when acting under the direction of the Chairman or an associate chairman, to subpoena witnesses and to request the production of books and documents relating to any appeal or matter. The board may inspect and copy such books and documents. New section 24b gives the Chairman or associate chairman presiding at a hearing power to direct that any member sitting at that hearing who has any interest in the subject matter of the appeal shall not continue to so sit, and such appeal may, at the direction of the Chairman, either continue to be heard by the remaining members so sitting or be reheard by a freshly constituted set of members. New section 24c provides that the secretary shall notify the authority and all parties to any appeal or matter of the determination of the board or of the Land and Valuation Court, as the case may be.

New section 25 provides for the appointment of a secretary and such one or more registrars as the Governor thinks fit. If there is a secretary in existence on the appointed day, he shall continue in office. The secretary shall automatically be a registrar. The secretary and registrars may at the same time hold any other office in any branch of the Public Service other than the State Planning Office. These appointments are subject to the Public Service Act. A registrar shall attend at every hearing unless the presiding Chairman or associate chairman otherwise directs. New section 26 provides for appeals to the board and to the Land and Valuation Court and for references by the board of questions of law to the latter court. This

section is virtually identical to the existing provision in the principal Act and so needs no further explanation.

New section 27 provides the procedure for appeals. A person appealing need only state such matters in his notice of appeal as he is able, as in practice many decisions appealed against are not even set out in writing and at the best of times are bare of reasons. The board does not wish notices of appeal to be grounds for lengthy argument by opposing parties. The notice must be lodged within two months of the notice of the decision appealed against being given or being deemed to have been given. As many councils do not ever actually give any such notice, ample provision is made for a prospective appellant to apply for extension of time. As in the existing section, the board, on determining an appeal, must have regard to any relevant authorized development plan, the law applicable to the particular locality, the health, safety and convenience of the community, and the amenities of the locality. In urgent cases the board may give its determination orally and announce that the reasons for its determination will be given in writing later, and in such a case the time for appealing to the Land and Valuation Court is extended to 30 days from the time those reasons are given in writing. Existing regulations regarding appeals are preserved, with power to make further regulations. The board is given complete discretion with respect to publication of its determinations.

New section 27a gives the board special powers to ascertain whether all rightful parties who ought to be bound by its determination have been joined in any appeal or matter, and, if not, to so join them, and it may allow the amendment of any appeal or matter. A person so joined is bound by the board's determination and must comply with any direction given. This provision ensures that the board is not forced to hear and determine identical appeals, when one decision could effectively dispose of a particular area of dispute. The board has found that, in such cases as an appeal by a person direct to the board against the decision of a council, the authority is not technically a party but ought to be so joined and bound. Clause 11 amends section 78 of the principal Act, which deals with the power of both the authority and the board to inspect land and premises. A passage is inserted which permits the board to authorize certain persons

involved in an appeal to come within the ambit of such power. In the past the board has found that some counsel appearing for parties consider that they are not empowered under the principal Act as it now stands to enter any property or premises when the board carries out an inspection. The extension of this power to any person authorized in writing by the Chairman or an associate chairman will remove this difficulty.

Mr. MILLHOUSE secured the adjournment of the debate.

UNIVERSITY OF ADELAIDE BILL

The Hon. HUGH HUDSON (Minister of Education) obtained leave and introduced a Bill for an Act to provide for the continuance and administration of the University of Adelaide; to repeal the University of Adelaide Act, 1935-1964; and for other purposes. Read a first time.

The Hon. HUGH HUDSON: I move:

That this Bill be now read a second time.
It follows extensive discussion within the university concerning the revision of the constitution of the University of Adelaide and the other provisions of the University Act. Discussions have been held with the Education Committee, the Finance Committee, the (Academic) Staff Association, the Ancillary Staff Association, the Adelaide University Union, the Students Representative Council, the Graduates Union and the Standing Committee of the Senate. In addition, various student groups organized open meetings of students and staff from time to time to discuss the matter. The Bill thus represents the fruit of very extensive consideration and debate. On receipt of the first comments received from the various interested bodies, a special committee appointed by the council compiled the first draft for a new Act to take the place of the existing Act. This draft was referred back to the various bodies to which I have previously referred. Two further drafts were prepared and the third draft was accepted in substance by the council at a special meeting on July 9, 1970.

Not all the changes proposed by the various university bodies were incorporated in the council's draft, as some of the suggestions were mutually conflicting. The University Council sought to obtain a consensus of opinion, and this measure is believed to represent the most reasonable compromise that is likely to be obtainable. The major difference from the existing Act lies in the constitution of the

University Council. No change has been made in the existing provision for the appointment of five members of the council by Parliament—three by the House of Assembly and two by the Legislative Council.

However, under this Bill the number of members of the council is increased from 27 to 33. The Bill provides for the undergraduates of the university to elect from amongst their own body four members of the council. After allowing for those four members, the five members appointed by Parliament, and the Chancellor and the Vice-Chancellor (who are members *ex officio*) there remain 22 members to be elected by the staff and graduates of the university. Of these, one must be a post-graduate student, one a member of the full-time non-academic staff of the university, eight are to be members of the full-time academic staff and 12 are to be persons who are not members of the full-time academic staff. Transition arrangements are made whereby the new constitution of the council will become effective at the end of 1972.

The council agreed on the following matters of principle: (a) There should be only two *ex officio* members of the council—the Chancellor and the Vice-Chancellor. (b) The council should not have power to co-opt members. (c) There should be only two electoral bodies, as outlined above. (d) Provision should be made in the Act for recognition of the Adelaide University Union. (e) There should be no discrimination on grounds of sex, race or religious or political belief in the admission of students or the appointment of staff of the university. (f) The council should have explicit power to delegate authority and responsibility without divesting itself of the ultimate right and responsibility to transact any university business. (g) There should be an approximate equality in the number of council members who are closely associated by work or study with the university and the number of those whose employment does not lie with the university.

The provisions of the Bill are as follows: Clause 1 is formal. Clause 2 repeals the University of Adelaide Act, 1935-1964. Clause 3 sets out a number of definitions necessary for the purposes of the new Act. Clause 4 provides that the university shall continue as a body corporate. Subclause (2) provides that the university shall have full juristic capacity and unfettered discretion, subject to the law of the State, to conduct its affairs in such manner as it thinks fit, except that the

university has limited power to alienate its property without the consent of the Governor. Clause 5 provides that the university shall not discriminate against or in favour of any person upon grounds of sex, race, or religious or political belief. Clause 6 empowers the university to confer degrees. Clause 7 makes provision with respect to the office of Chancellor. Clause 8 provides for the office of Vice-Chancellor. Clause 9 provides that, subject to the new Act, the statutes and regulations of the university, the council shall have the entire management and superintendence of the affairs of the university.

Clause 10 empowers the council to delegate any of its powers under the Act to any officer or employee of the university. The delegation is not, however, to derogate from the power of the council itself to act in any matter. Clause 11 deals with conduct of the business of the council. It provides that eight members of the council shall constitute a quorum at a meeting of the council. Any decision of the council must be supported by the votes of at least four members of the council. Each member of the council is to be entitled to one vote on any matter arising before the council except that the chairman has a casting vote where the members of the council are equally divided. The Chancellor is to preside as chairman at any meeting of the council at which he is present. If he is absent, there is provision for his place to be taken by the Deputy Chancellor, the Vice-Chancellor or a chairman elected by the members present at the meeting.

Clause 12 provides for the constitution of the council. It provides that the Chancellor and the Vice-Chancellor are to be members of the council *ex officio*. Five members are to be elected by the Houses of Parliament. Twenty-two members are to be elected by the convocation of electors, of whom eight are to be persons on the full-time academic staff of the university, one is to be a person in the full-time employment of the university who is not a member of the academic staff, one is to be a post-graduate student, and 12 are to be persons who are not engaged in the full-time employment of the university. There are to be four members elected by undergraduates. Subclause (2) enacts a number of transitional provisions extending until the end of 1972, when the membership of the council will have been raised to the numbers contemplated by subclause (1). Subclauses (3) and (4) deal with the qualifications to be elected as a post-graduate member and as

an undergraduate member of the council respectively. Subclause (4) provides that an undergraduate member who graduates during the term of his membership of the council may continue as a member of the council until the expiration of his term of office. Subclauses (5), (6) and (7) deal with the term of office of those members of the council who have been elected by the convocation of electors.

Clause 13 deals with casual vacancies in the membership of the council. Subclause (1) provides that the office of a member of the council shall become vacant if he dies, resigns by notice addressed to the Vice-Chancellor or becomes incapable, in the opinion of the council, by reason of physical or mental illness of performing the functions of his office as a member of the council. Subclause (2) provides that, where a member of the council does not continue in the capacity in which he was elected a member of the council, he shall vacate his office on the day on which elections are next held of candidates for election in that capacity. Subclause (3) provides that a member elected to fill a casual vacancy shall have been deemed to be elected to the council when his predecessor was last elected a member of the council.

Clause 14 provides that no decision or proceedings of the council shall be invalid by reason only of a vacancy in the office of any member of the council. Clause 15 provides for the appointment of members of Parliament to the council. The procedure remains effectively the same as that existing under the present University of Adelaide Act. Clause 16 provides that elections are to be held in each year to fill vacancies arising in the membership of the council. Subclause (2) provides for the council to appoint a day for the holding of each election. The council is to appoint a returning officer, and the election is to be held in accordance with the statutes, regulations and rules of the university.

Clause 17 also deals with elections. It is stipulated that a member of the convocation of electors is entitled to one vote at an election. Similarly, each undergraduate is entitled to one vote for the election of undergraduate members. A person is not entitled to be a candidate for election in more than one capacity. Clause 18 provides for the constitution of the senate. The senate is to consist of all graduates of the university; all persons in the full-time employment of the

university who are graduates of other universities or have other qualifications recognized by the university; and all post-graduate students. The membership of the senate is thus rather wider under the terms of the Bill than under the present Act. Clause 19 deals with the conduct of the affairs of the senate. It provides for a quorum of 50 members. Any decision of the senate must be supported by the votes of at least 25 members of the senate. The Warden is to preside as Chairman over any meeting of the senate.

Clause 20 provides that the Governor is to be the Visitor to the university, with the powers and functions appertaining to that office. Clause 21 provides for the continuation of "The Adelaide University Union". This clause is inserted because it is desired to give statutory recognition to the union. Clause 22 provides that the council has power to make statutes, regulations and rules on certain enumerated matters. Any statute or regulation must, however, be approved by the senate. Upon approval by the senate, a proposed statute or regulation may be submitted to the Governor and, upon confirmation by the Governor, shall come into operation.

Clause 23 empowers the council to make by-laws regulating conduct and vehicular traffic upon the university grounds. These by-laws must also be confirmed by the Governor. Clause 24 provides for the summary determination of offence against the by-laws of the university. Subclause (2), however, enables the university to refer a charge to a tribunal established by statute of the university. Subclause (4) enables the university to apply the expiation principle to traffic offences. Clause 25 requires the council to report to the Governor, and a copy of the report is to be laid before Parliament.

Clause 26 is a provision specifically relating to land granted to the university under certain enumerated Acts. Clause 27 exempts the university from land tax. Clause 28 refers to the foundation of the university by Walter Watson Hughes. The indenture upon which the university was founded is set out in the schedule. The clause provides that the trusts of indenture shall so far as they are not exhausted continue in operation.

Mr. MILLHOUSE secured the adjournment of the debate.

ADJOURNMENT

At 5.38 p.m. the House adjourned until Wednesday, March 24, at 2 p.m.