

HOUSE OF ASSEMBLY

Thursday, March 20, 1975

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

BUILDING SOCIETIES BILL

His Excellency the Governor's Deputy, 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.

ASSENT TO BILLS

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

Aged and Infirm Persons' Property Act Amendment,
Crown Lands Act Amendment,
Fair Credit Reports,
Friendly Societies Act Amendment,
Justices Act Amendment (Warrants),
Planning and Development Act Amendment (City Plan),
Real Property Act Amendment,
Road Traffic Act Amendment (Signs),
Wheat Delivery Quotas Act Amendment (Committee).

PETITION: MOOROOK IRRIGATION AREA

Mr. ARNOLD presented a petition signed by 31 residents and growers of the Moorook irrigation area stating that the aged channel irrigation distribution system was causing excessive seepage, a high water table in adjoining properties, and a health hazard to residents, and praying that the House of Assembly would ask the Government to seek additional funds to enable the rehabilitation of the system to be completed in advance of the schedule date announced by the Lands Department.

Petition received.

PETITION: FEMALE TITLE

Mr. MILLHOUSE presented a petition signed by 248 electors of South Australia stating that the introduction of "Ms" in referring to all females by Government departments was not in accordance with the desires of the females themselves and was considered to be an invasion of their civil rights, and praying that the House of Assembly would instruct all persons including those in Government departments to revert to the correct usage of the terms "Mrs." and "Miss" where applicable.

Petition received.

MORPHETT VALE SOUTH-WEST PRIMARY SCHOOL

The SPEAKER laid on the table the report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on Morphet Vale South-West Primary School.

Ordered that report be printed.

QUESTIONS

THEATRE 62

In reply to Dr. EASTICK (March 6).

The Hon. D. A. DUNSTAN: The administrator of Theatre 62 Regional Company Incorporated, has advised that, if the company is wound up (and I emphasise again that this decision has not yet been made) all possible will be done by the steering committee of the company to refund to subscribers an amount equal on a pro rata basis to unused proportions of their subscriptions.

HOUSING TRUST LAND

In reply to Dr. EASTICK (March 5).

The Hon. D. A. DUNSTAN: During the financial year 1973-74, the South Australian Housing Trust sold a total of 456½ acres (about 184 hectares) of land, some in the Christies Beach area and some at Elizabeth and Smithfield, to the South Australian Land Commission. The area of the land purchased from the trust is 184.9 hectares, comprising 10.75 per cent of the total area of land acquired or purchased by the commission. While the transfer of land from the trust to the Land Commission does not increase the total area of land in public ownership in the State, it does make the land available, through the agency of the commission, for development outside the building programme of the trust. The transfer is consistent with earlier public statements by the Government, and with the agreement between the Australian and South Australian Governments.

PAY-ROLL TAX

In reply to Mr. BECKER (March 6).

The Hon. J. D. CORCORAN: The Pay-roll Tax Act requires that an employer, who during a month pays, or is liable to pay, wages at a rate in excess of \$400 a week, is to apply for registration in accordance with the Act, and subsequently pay the tax. Some sporting bodies and their affiliated clubs (including league football clubs) have registered and paid pay-roll tax since 1971, and those tax payments have included payments made by some clubs to their players. Those clubs who have not registered can not, in all fairness, expect to be released from their obligations under the Act. The State Taxes Department has been lenient on penalties in such cases of non-compliance, and a reasonable time is allowed for payment if the bodies experience difficulty in paying arrears of tax.

During the last month various sporting bodies, including some South Australian Football League clubs, have been contacted and informed of their obligations under the Pay-roll Tax Act. Whilst the Act contains exemption for some organisations (for example, religious and public benevolent institutions) I see no reason why sporting bodies or their affiliated clubs should be exempt from the provisions of the Act, as it would create a dangerous precedent and would be unfair to the many other organisations that have requested exemption and have been refused.

CATTLE SALES

In reply to Mr. RODDA (March 4).

The Hon. J. D. CORCORAN: The Minister of Agriculture informs me that the Australian Agricultural Council has not considered recently liveweight selling of cattle. When the honourable member asked this question, he may have had in mind a report published in 1974 entitled "Code of Practice for Liveweight selling in Victoria" or his constituents may have noticed some recent publicity on present investigations by a Select Committee of the Victorian Parliament into all aspects of the meat industry in that State. It is evident that the honourable member is well aware of the contents of the report of the inter-departmental committee on South-East stock saleyards, which on pages 22 to 26, describes the main issues surrounding liveweight selling of cattle and which, for various reasons, contains no firm recommendations on this system, but chooses instead to highlight its complexities and advantages and disadvantages. My colleague considers that, since much investigation into liveweight selling of cattle has already been undertaken, there is now sufficient evidence on which to base any eventual decision on the

matter, and there could be no justification for further discussion by State Ministers of Agriculture. However, two members of the inter-departmental committee studied the various methods of livestock marketing in other States, and I suggest that, should the honourable member require further information on liveweight selling, he contact Mr. P. W. Brownrigg, Agriculture Department, Adelaide, who was Secretary of that committee.

COUNTRY ABATTOIRS

In reply to Mr. BLACKER (March 5).

The Hon. J. D. CORCORAN: The Minister of Agriculture informs me that he plans to introduce legislation to improve the standard of meat slaughtering and processing operations throughout the State. A draft Bill is being examined by departmental officers. However, the Minister intends to consult various sections of the meat industry on the proposal before presenting the legislation to Parliament and, at this juncture, he is unable to state definitely when the Bill will be introduced.

LAND PURCHASE

Dr. EASTICK: Can the Premier say what amount of State revenue will be lost as a direct result of the purchase by the Land Commission of land previously owned privately as well as land previously owned by the Housing Trust? In a reply to a question this afternoon, the Premier indicates that 184.9 hectares, or 10.75 per cent of the total land purchased by the commission, has been obtained from the trust. In addition, announcements have been made about a considerable area of land to be purchased from certain wineries in the Modbury and Tea Tree Gully areas. How much revenue will the State lose in respect of land tax and water rates that will no longer apply on land held by the Land Commission? I point out that, while the land in question was held by the Housing Trust, the trust had to pay land tax and water rates in connection with that land.

The Hon. D. A. DUNSTAN: I will obtain a report for the Leader.

Mr. MILLHOUSE: Can the Premier say what is the point now of the Land Commission's buying vineyard land at Modbury? This transaction is reported in this morning's newspaper, the first part of the report stating:

The South Australian Land Commission will acquire vineyards of four major South Australian wineries at Modbury.

The report states that about 390 hectares of land is involved and that all the vineyards produce high quality wines.

Mr. Gunn: Quite ridiculous.

Mr. MILLHOUSE: I have not said that, but perhaps that will come out in due course. The report then contains an apologia by the Premier about not being able to protect all vineyard land from subdivision. Later in the newspaper there is a report, I gather, of the proceedings of the National Congress of the Urban Development Institute of Australia in which the Premier is reported to have said that the Land Commission has been a spectacular success. The report states:

Through building up its land bank it had consolidated the lower (as compared with other States) price of land.

I do not know what that means, but I suppose it must have some meaning for the Premier. The report continues:

Co-operation with the Federal Government was the key in this.

It is now obvious that the rate of growth in South Australia (and therefore particularly in the metropolitan area of Adelaide) has slowed down. If the Borrie report

is at all accurate (and I am willing to accept that it is), growth is not likely to speed up again in the foreseeable future. From this fact one can conclude that the requirement of such land as I have referred to for subdivision has been greatly reduced. One can only see the activities of the Land Commission, and the commission itself, as a prime example of Socialist enterprise.

The SPEAKER: Order! The honourable member may not comment during an explanation of his question.

Mr. MILLHOUSE: Of course not.

The SPEAKER: Order! If the honourable member does not abide by the Standing Orders, he will be ruled out of order.

Mr. MILLHOUSE: Quite. I have given this explanation to allow the Premier an opportunity to justify what I should have thought (and I say this in all fairness) was an entirely unjustified speculative enterprise on the part of the Land Commission.

The Hon. D. A. DUNSTAN: The Land Commission was established in South Australia because land prices here were escalating at a rate similar to the escalation of disastrous proportions that has taken place under Liberal Governments in New South Wales and Victoria.

Mr. Venning: They are not bad cities to live in, though.

The SPEAKER: Order!

The Hon. D. A. DUNSTAN: The position is that a much higher proportion of the total cost of building a house goes to land price in Victoria and New South Wales than happens here—

Mr. Millhouse: Well, that's not—

The SPEAKER: Order!

The Hon. D. A. DUNSTAN: —and that similarly serviced blocks in the metropolitan area of Adelaide that will sell at about \$5 700 to \$5 800 would have an equivalent cost of \$17 000 in Melbourne and \$23 000 in Sydney.

Dr. Tonkin: That difference has always been there.

The SPEAKER: Order!

The Hon. D. A. DUNSTAN: The difference is much greater now than it used to be.

Mr. Mathwin: Nobody is buying—

The SPEAKER: Order! If honourable members continue to infringe Standing Orders, I shall have no hesitation in warning them, and then, if the infringement continues, in naming them.

The Hon. D. A. DUNSTAN: The position was that the committee, which included developers and which recommended the setting up of the land bank in South Australia, pointed out that in fact there were insufficient serviced blocks reaching the market to supply the effective economic demand; that was only two years ago. The rate of growth in South Australia during that two years has not slowed down to such a stage that we are not effectively demanding blocks in the metropolitan area.

Mr. Millhouse: You've forgotten that we've had a Labor Government all that time.

The SPEAKER: Order! I warn the honourable member for Mitcham. The honourable Premier.

The Hon. D. A. DUNSTAN: In fact, we have been able to keep the price of land down in South Australia by two means, one of which was the introduction of the land price control system. Despite all that was said about that system in this House and another place at the time it was instituted, the black market in land, which was forecast, has not occurred.

Mr. Mathwin: Because no-one is buying land.

The SPEAKER: Order! I warn the honourable member for Glenelg. The honourable Premier.

The Hon. D. A. DUNSTAN: We have been able to stabilise the price of and demand for land within the South Australian metropolitan area.

Mr. Gunn: People can't afford to buy land.

The SPEAKER: Order! It is apparent that honourable members are not willing to abide by Standing Orders. I have no hesitation in warning the honourable member for Eyre.

The Hon. D. A. DUNSTAN: The fact is that the demand for land in the metropolitan area of Adelaide is similar to the demand for land in Melbourne or Sydney.

Mr. McAnaney: That wouldn't be true.

The SPEAKER: Order! The honourable Premier.

The Hon. D. A. DUNSTAN: The position is that the land price control system has worked properly. There has not been a single appeal from a price fixed by the Land Prices Commissioner, and the previous very considerable speculative investment in the market has ceased because of the knowledge of the building up of the land bank by the Land Commission. Regarding the land at Modbury, I point out that there was already a series of proposals in relation to most of that land that had been privately developed speculatively. It is within the area proposed in the metropolitan area development plan for subdivisional development. Before the Government set up a special committee to look at the need to retain vineyards and vegetable-growing land within the metropolitan planning area of Adelaide and to make recommendations as to any modification of the plan, notice of acquisition by the Land Commission to see to it that this land when developed was put on the market at cost had already been given. That is the position. The South Australian public will benefit enormously from the work of the Land Commission and the enormous amount of money that the State has been able to obtain from the Commonwealth Government because of the tardiness of the New South Wales and Victorian Governments, both of which have now agreed to set up land commissions in those States.

Mr. Mathwin: Like they did in the United Kingdom.

The SPEAKER: Order! For the second time I warn the honourable member for Glenelg; a third occasion means naming. The honourable Premier.

The Hon. D. A. DUNSTAN: The position is that both New South Wales and Victoria have agreed to proceed to take money from the Commonwealth for the same purpose as that of the Land Commission in South Australia. However, those Governments have been tardy in completing their arrangements. Queensland has refused and, in consequence, South Australia has received millions of dollars for the purpose of building up a land bank in the Adelaide metropolitan area. South Australians have received moneys that the citizens of other States would have had had it not been for their Governments acting in the way they acted. That has been of great benefit to South Australia, and I should have thought that the honourable member would welcome that signal assistance from the Australian Government.

Mr. Millhouse: Are you going to set up a State winery?

The SPEAKER: Order! In accordance with Standing Orders, I warn the honourable member for Mitcham for the second time today; a third occasion means naming.

HOUSE BUILDING

Mr. COUMBE: Has the Premier seen the figures which were released yesterday by the Bureau of Statistics and which showed that private house-building approvals in South Australia had dropped dramatically? Is he aware that these official figures disclose a fall in approvals in the January-March quarter of 1975 of 1911, compared to the figure for the same period last year? Why has this dramatic reduction occurred in South Australia? I point out that the Premier said in reply to my question last Tuesday that in the past two months (February and March) moneys available from public sources had increased.

The Hon. D. A. DUNSTAN: There is obviously a lag between obtaining a firm commitment of money on mortgage and obtaining approval to build a house. That is why there is a difference in those situations. The Government was aware that there was a marked decline in the number of house-building approvals, not only in this quarter but previously as well. As a result, during the latter part of last year it made a series of submissions to the Commonwealth Government about the necessity to stimulate the building industry, with the result that signal amounts have been made available.

Mr. Coumbe: How did the figures drop so dramatically?

The Hon. D. A. DUNSTAN: They dropped dramatically because, in the period where normally people would previously have been committing themselves to house building, the interest rates were sufficiently high and the increase in building costs had occurred to produce a very considerable buyer resistance. It was necessary to stimulate the market in this area, and, in fact, it will be stimulated by progressive reductions of interest rates and the amounts of money being pumped out. I point out to the honourable member that it is extremely difficult to find any significant unemployment in the South Australian building industry.

THEATRE 62

Mr. DEAN BROWN: Can the Premier say for what reason the South Australian Government directed Millswood Enterprises Proprietary Limited to transfer all its assets to an association known as Theatre 62 Regional Theatre Company, when Millswood Enterprises Proprietary Limited still owed to the Commissioner of Taxation \$4 614 for income tax, additional tax, fines, and costs, and is now unable to pay its debts? Further, did Millswood Enterprises Proprietary Limited receive a grant from the South Australian Government during 1970-73? A petition seeking the winding up of Millswood Enterprises Proprietary Limited, formerly Theatre 62 Enterprises Proprietary Limited, has been lodged in the Supreme Court of South Australia by the Deputy Commissioner of Taxation. That fact is reported in this morning's *Advertiser*. The petition, set down for hearing on April 14, alleges that the company owes \$4 614 for income tax, additional tax, fines, and costs, and is unable to pay its debts. The income tax is in respect of the year ended June 30, 1971. The petition states that the name of Theatre 62 Enterprises Proprietary Limited was changed to John Edmund Enterprises Proprietary Limited on January 26, 1972. On July 10, 1972, it was further changed to Millswood Enterprises Proprietary Limited. Records held by the Registrar of Companies show that Millswood Enterprises ceased to operate on July 2, 1973. An examination of company records by Peat, Marwick, Mitchell and Company states, in part—

The SPEAKER: Order! Is it going to be lengthy?

Mr. DEAN BROWN: No, Mr. Speaker, it is only two sentences, as follows:

It is certain, however, that the company has no assets, has no source of funds, and has not been carrying on business for over 12 months. It has no assets because it was directed by the State Government to pass all its assets over to an association known as Theatre 62 Regional Theatre Company Incorporated, which could be subsidised by the State or Federal Governments. It received no compensation from this association for those assets so transferred.

I believe that evidence substantiates my claims of shoddy financial management of ventures involving public funds.

The Hon. D. A. DUNSTAN: The Government, in accordance with policy previously publicly expressed and detailed to this House, has funded an alternative theatre company in South Australia in accordance with the recommendations of the Arts Development Branch and, subsequently, of the Arts Grants Advisory Committee. That alternative theatre got those grants from the State Government after it had been accepted as a regional theatre company by the Theatre Board of the Australian Council for the Arts. Originally, Theatre 62 ran for some years as an enterprise apparently wholly owned by Mr. John Edmund. From the outset of the Government's grants to that company, the Arts Development Branch of my department has required that a proper constitution, a proper board, and a properly financially advised management be instituted. After the board had been set up, the Arts Development Branch required that proper financial advice be taken by the board and, in consequence of some of that advice being ignored, the board was notified that the Government would not proceed to fund the company further until its proceedings were put in order. Regarding the transfer of assets as between John Edmund's undertakings and the company, doubtless that arose from the fact that the South Australian Government was not willing to fund what was a fairly mixed series of enterprises by Mr. John Edmund but demanded a properly constituted association, properly managed and properly advised. Surely the honourable member must know that the Government would have no power to order Millswood Enterprises or any other company to transfer assets to Theatre 62, but certainly we would have required that, if Theatre 62 was to be properly managed and funded, a condition of that funding was that the business of Theatre 62 as a theatre company was taken over. There is nothing improper for the State in that financial management: it was proper and careful.

TOURISM POSTERS

Mr. ARNOLD: Will the Minister of Tourism say why there is not closer co-operation between the Government Tourist Bureau and regional tourist associations when Government posters to publicise a certain area are being prepared? I have received from the Riverland Tourist Association a letter expressing disappointment about the poster, prepared by the Tourist Bureau, depicting the Riverland region, especially as the association asked for the opportunity to put forward ideas and also to see the proof of the poster before it was produced. This opportunity was not given to the association and, unfortunately, it is not pleased about the poster that has been prepared. This is one instance and I believe that, if the practice is general throughout South Australia, we are missing out if there is not closer co-operation between regional tourist associations in South Australia and the Tourist Bureau. I ask the Minister whether he knows that this situation exists and whether he can do anything to correct it.

The Hon. G. R. BROOMHILL: The Tourist Bureau prepared about 12 posters for the various regions of the State. They were produced in a professional way, and several artists were approached for ideas about them. A variety to cover the whole State was finally decided on. These posters have created much interest, and their sale to interested members of the community, some of whom wish to get a complete set of them, has been quite successful. I think doubts about the quality of the poster prepared for the Riverland region have been expressed by people in that area. It is rather a matter of taste: frankly, the poster appeals to me. Nevertheless, I know there have been some misgivings about that poster, and I understand that discussions have taken place with the Tourist Bureau to decide whether an additional poster should not be provided for the area. I will check on that matter, consider what the honourable member has said, and let him know the result.

PORT AUGUSTA HOUSES

Mr. KENEALLY: Will the Minister of Development and Mines, as Minister in charge of housing, find out why action has not been taken to rehabilitate the front yards of Housing Trust houses in Victoria Parade, Port Augusta, that have been affected by the construction of Highway 1? Construction of the new highway has seriously affected the level of Housing Trust properties. Fences have not been replaced and, in addition to the inconvenience caused by not having these fences, a real traffic hazard exists for the many children living in these houses.

The Hon. D. J. HOPGOOD: I shall be only too happy to follow up the matter for the honourable member. This question may be of some interest to my colleague the Minister of Transport, and as a result of the close relationship existing between my colleague and me I am sure this problem will be solved.

MINERAL DISCOVERIES

Mr. BECKER: Can the Minister of Development and Mines say what new discoveries of minerals, oil and gas have been made in South Australia during the past 12 months? What are the prospects of new mining ventures commencing soon in this State? I understand that a leading mining authority said recently that if new discoveries of minerals were not made in Australia before 1984 there would be a dire shortage of raw materials.

The Hon. D. J. HOPGOOD: This question is akin to one I was asked yesterday by the Leader of the Opposition, but I think it involves a finer point. I think I should get a considered reply for the honourable member so that he can obtain an overall picture of the minerals involved, broken down into metallics, non-metallics, and so on. Although no significant gas finds have been made in the past 12 months, as for other areas—

Mr. Gunn: There's been no activity, because of Mr. Connor—and you know it!

The SPEAKER: Order! The honourable member for Eyre is getting close to infringement. The honourable Minister.

The Hon. D. J. HOPGOOD: I think I covered yesterday the general situation concerning mining activity, but I will obtain information on the specific question asked by the honourable member.

ENGINEERING COURSE

Mr. PAYNE: Will the Minister of Education try to have the University of Adelaide reconsider its proposal to introduce in 1976 a first-degree course in materials engineering at that university? Alternatively, will he have the

proposal examined by an expert committee empowered to consider all the factors involved? The School of Metallurgy at the South Australian Institute of Technology has for some time conducted courses in secondary metallurgy which differ only in degree, rather than in kind, from the proposed course. The institute is at present seeking to replace its present secondary metallurgy course with one in metallurgy and materials. In other words, facilities, staff and excellent accommodation appear to exist already at the institute sufficient to provide courses in this area of materials engineering for all students offering at present and all those likely to offer for some time in the foreseeable future at least. If the Adelaide University's proposal is continued with, it may well result in an unnecessary diversion of public funds.

The Hon. HUGH HUDSON: I will obtain a report.

WALLAROO MINES

Mr. RUSSACK: Can the Minister of Development and Mines say what progress has been made with the investigation being conducted into the dust nuisance and its control at Wallaroo Mines, this problem originating from the area known as the dump? Two companies have in recent years been involved in processing the tailings from the mines, which closed in 1923. These companies have rightfully accepted their responsibility and have done their best to control this dust problem. However, there is inactivity in this area at present. Some time ago, I received a letter from the Minister's office stating that a survey was being conducted and that a report would be available at a later date. Is that report available?

The Hon. D. J. HOPGOOD: Although no report has been placed before me at this stage, I will follow up the matter and try to expedite it.

HIGHBURY QUARRY

Mrs. BYRNE: Will the Minister of Environment and Conservation obtain for me a report on the possible success of rehabilitating and beautifying a large quarry at Highbury? When I previously raised the matter, I was told by letter on July 26, 1973, that the quarry had been ordered to prepare plans and programmes of work, that the operators involved had employed a fully qualified horticulturist, and that it was expected that submissions, involving fairly massive tree-planting programmes, would be lodged with the Mines Department.

The Hon. G. R. BROOMHILL: I shall be pleased to obtain information about the current position and let the honourable member have it.

ILLEGITIMATE CHILDREN

Mr. DUNCAN: Will the Attorney-General inform the House what steps the Government intends to take to remove all forms of legal discrimination against so-called illegitimate children? In these more enlightened times it is a scandal that the law still discriminates in the way it has for many hundreds of years against illegitimate children. So-called illegitimate children are completely innocent victims of their circumstances, and it is extremely unfair that the law discriminates in the way it does in various areas, especially in the areas of probate and succession, where laws are designed specifically to discriminate against illegitimate children. As this matter has been of great concern to many members of the community, especially the legal profession, for some time, I ask the Attorney to indicate clearly to the House what steps the Government intends to take, both legislatively and administratively, to remove discrimination against these people.

The Hon. L. J. KING: A Bill is being prepared that I hope will form part of the Government's legislative programme in the next session of Parliament. The Bill deals with this topic and will provide for the elimination of discrimination against children born out of wedlock; indeed, it will go further and eliminate any distinction in law between children born in wedlock and children born out of wedlock (so far, at any rate, as the elimination of distinctions of that kind may be practicable and just).

SOUTH-EASTERN DRAINAGE

Mr. RODDA: Can the Minister of Works, representing the Minister of Lands, say how soon the House may be informed of the findings of the appeals committee of the South-Eastern Drainage Board? I understand that this committee has considered about 1 600 appeals. Arrangements were made to afford an opportunity to people who did not appeal to do so. Many landholders who have received decisions on their appeals have protested to me and, I am sure, to the Minister, expressing dissatisfaction with those decisions. However, according to the Act, the decision is final. When the appeals have been completed, will the House (either by way of a document or a map of the areas excluded) be informed of the decisions made and of their financial effects?

The Hon. J. D. CORCORAN: I will check with my colleague the Minister of Lands to see whether that information can be made available. I should imagine it would be possible to draw up a map containing the information the honourable member seeks. Certainly, it should be a simple task to get information regarding the loss of revenue or otherwise. I am not in a position to say when the findings will be made public or when the inquiry will be completed, but I will get a report for the honourable member from the board and let him know.

SUCCESSION DUTIES

Mr. GUNN: Will the Treasurer consider reducing the severe burden of State succession duties on family businesses? The Treasurer will be aware that, because of inflation that is now rampant in the economy, the effects of State succession duties have been greatly increased. Whereas people, until a few years ago, had modest estates, their property valuations have now increased to such a degree that they will virtually be turned out of house and home because of State succession and Commonwealth estate duties. Will the Treasurer consider increasing statutory rebates and reducing the rate of duty paid by family businesses?

The Hon. D. A. DUNSTAN: Treasury officers are conducting a general examination of the impact of succession duties, and I expect that a measure will come before the House during the next session. However, as it is a complex matter, it will take some time before investigations are completed.

RECIDIVISM

Mr. MATHWIN: Can the Minister of Community Welfare say whether figures are available regarding the recidivism rate of boys released from McNally Training Centre during 1972-73? Further, can he say how successful is the retraining scheme? I understand that 80.5 per cent of boys who have undergone retraining have committed at least one further offence during their retraining and that more than 50 per cent of these boys were recommitted to McNally Training Centre.

The Hon. L. J. KING: I cannot confirm for the honourable member the precise percentages to which he refers without checking them, but I will get the figures for him.

I remind the House, however, that one expects a high recidivism rate from juvenile institutions under modern conditions. Before a boy is placed in McNally Training Centre, he has always been convicted several times, and every alternative non-custodial measure has been tried in order to achieve his rehabilitation. So, by the time a boy reaches the stage of going to McNally Training Centre, every alternative method has been tried and, in this instance, has failed. Inevitably, by that stage, the prospects of eliminating recidivism are diminished. One must look on a training centre such as McNally as the last stage in the process of trying to salvage a young life before the boy comes into conflict with the criminal law as an adult. Figures are available in this area but, whether we can relate them precisely to 1972-73 in the way the honourable member desires, I am not sure. However, I can produce figures that will give him an interesting picture of the situation.

CLEANING AGENCY

Mr. OLSON: Will the Minister of Labour and Industry investigate the activities of the Domestic Maid Cleaning Agency, of 19 Regent Street, Adelaide? I have received complaints from two of my constituents who are engaged by this agency on office cleaning contracts. Those constituents have not been paid for work they have carried out. The cleaning contracts include offices in semi-government organisations and private firms, including the Mitcham council, Mitcham library, Heinz Foods Limited, Acrow (South Australia) Proprietary Limited, and Hazelgroves Proprietary Limited. The work was performed from January 2 to February 4, 1975, and comprised 82½ hours for each person. The negotiated rates for payment between the parties represented an amount of \$196.80 for wages in one case and \$188.60 in the other. Payment has been refused. As the agency has changed its name from Domestic Maid to Southern Aurora to Grenadier Service within a month, will the Minister investigate this agency without delay, in order to protect those interested in offering their services in this form of employment from being exploited?

The Hon. D. H. McKEE: I realise that the matter is urgent because this company has changed its name so frequently. I hope that it does not change its address before we have time to catch up with it.

NORTHFIELD REHABILITATION UNIT

Dr. TONKIN: Will the Attorney-General ask the Minister of Health when it is expected that the rehabilitation unit of the Royal Adelaide Hospital at Northfield will be operating fully with the staffing of the day-care hospital for patients in need of rehabilitation facilities; what are the staffing difficulties now causing delay, and what has caused them; and what action is being taken to overcome them? I think all members of the community who have read the articles that have appeared in the *News* recently have been impressed with the summing up of the very crippling effects of strokes. These articles point out that strokes are the third highest cause of death in the community and that they also cause great disabilities. Tremendous strides have been made in the treatment of these disabilities and the rehabilitation of people in the past four years, both by means of private facilities established in the District of Bragg and by means of public hospital facilities. It is a matter of grave concern to many people in the community that facilities potentially available at Northfield wards for rehabilitation are not being used now to the fullest extent.

The Hon. L. J. KING: I will obtain a report from my colleague.

AGERY ROAD

Mr. BOUNDY: Will the Minister of Transport investigate the possibility of providing a debit order grant to enable the District Council of Clinton to complete the sealing of the Cunliffe to Agery road? A letter I have received from the District Council of Clinton explains that the Kadina to Agery road needs sealing. For the information of members, this is a district road that allows ratepayers of the Clinton council access to Kadina and to the port of Wallaroo. The Kadina council section has been sealed for many years, whereas the 6.5 kilometres of unsealed road extends from south of Cunliffe to Agery. Applications for a debit order to complete the work have been made many times without success. The council has raised the matter again, because it is anxious to do the work and it considers that the maintenance grant provided could be better used as a grant to seal the road.

The Hon. G. T. VIRGO: I will have the matter examined.

EDUCATION EXPENSES

Mr. GOLDSWORTHY: Can the Minister of Education say what approach the South Australian Government made to the Commonwealth Government to restore the \$400 tax deduction for education expenses, and what was the form and content of the reply? Recently, I asked a Question on Notice, the reply to which seems to me to leave much to be desired. The question I asked concerned this matter, but the reply states:

It has been suggested to the Australian Government that instead of an education tax deduction, there should be a flat rate rebate of tax for each dollar spent on education up to a limit of expenditure of \$400 a student. The reply indicates that a suggestion has been made, but we do not know whether the Minister telephoned his counterpart in Canberra or whether the Premier ran into Gough in the beer queue at Terrigal.

The SPEAKER: Order! Those remarks are out of order.

Mr. GOLDSWORTHY: I should like the Minister to be more specific, to say what submissions have been made, and to indicate the nature and content of the reply that has been received.

The Hon. HUGH HUDSON: The matter has been discussed several times and it was considered at a meeting of the Australian Education Council in Adelaide last October. The specific proposition in the reply to which the honourable member has referred was supported by all State Ministers of Education, both Labor and Liberal, at that meeting. There is nothing cryptic about it nor is there anything in it about running into someone in a beer queue or talking to anyone in the Adelaide Club, even though the honourable member may desire to use his rather fertile imagination in that way to denigrate the Government. If the honourable member had bothered to read the press he would be aware that the matter also came up at Terrigal, and the specific suggestion was referred by the conference to Dr. Cairns for his consideration.

Mr. Goldsworthy: It came through Hurford.

The Hon. HUGH HUDSON: Yes.

Mr. Goldsworthy: What about the South Australian Government?

The Hon. HUGH HUDSON: The honourable member is being disingenuous in the extreme. He knows full well what is happening at present: that this specific suggestion is being considered by Dr. Cairns, following the Terrigal conference. To my knowledge the only other time that

this matter has been discussed with the Australian Government has been through the Australian Minister for Education, although I do not doubt that the Premier has raised this matter with the Prime Minister. That is as far as we have gone so far. I should be interested to know whether the member for Kavel would support the application of a flat rate rebate in the dollar up to the maximum of \$400 a student, or whether he supports a system of deductions that gives a greater tax refund to those on higher incomes, as the present system does. The advantage of the specific proposal put to the Australian Government is that people on lower incomes receive proportionately higher benefits from it, whereas at present some people on lower incomes, even if they have fairly heavy education expenses, receive little or no benefit from the tax deduction. At the same time, as a consequence of education expenses a person receiving a higher income could receive a tax reduction as great as \$260 a child. So, the benefit under the old system could vary between nothing and \$260. I do not know whether the member for Kavel supports that kind of discrimination.

Mr. Goldsworthy: Ask me and I'll tell you.

The Hon. HUGH HUDSON: I do not doubt that that is the kind of approach the honourable member would favour, but some of his colleagues in other States support the flat rate rebate proposal. Indeed, there was no dissension to such a proposition when it was discussed at the recent Australian Education Council meeting. We do not have a result on it yet.

TOURIST TRADE

Mr. EVANS: Is the Minister of Tourism satisfied that the South Australian tourist industry is bubbling with buoyancy while, at the same time, in other Australian States the industry seems to be facing major problems? I refer to a statement made by Captain Ritchie recently at the Pacific Area Travel Association seminar. Captain Ritchie (General Manager of Qantas) said that the industry was facing serious difficulty because of Australia's remoteness from the rest of the world. A report of his comment states:

We all want to survive, but we have to face the unpalatable fact that some of us might not. Survival is going to require skills and ingenuity of a sort never needed before. Captain Ritchie outlined the difficulties facing the industry. These are the distances from major tourist markets, a lack of tourist attractions, and the high cost of a holiday in Australia.

In this statement he was referring to the high cost of labour at weekends, when there is greatest opportunity for tourists to move around the community. A high labour cost is involved in maintaining hotels and motels at the weekend and also the cost of serving tourists in the evening is high. Of course, Captain Ritchie was also speaking on the overall remoteness of Australia, but it seems that the rest of Australia and other parts of the world are facing serious difficulties in tourism, and I wonder whether South Australia is still bubbling with the buoyancy of which the Minister spoke as recently as December, 1974. I also have regard to the difficulty which many residents throughout the State are facing and which has been referred to publicly.

The SPEAKER: Order! The honourable member is now starting to debate the explanation.

Mr. EVANS: I conclude by saying that the hotel project in Victoria Square remains in doubt. That was to be a major tourist hotel of international standard, but the people concerned doubt whether they should put money into the hotel, because they have fears on whether the industry will support it

The Hon. G. R. BROOMHILL: I think the honourable member has described the position fairly. True, we in South Australia are in a somewhat unique position whereby, whilst problems in the tourist industry throughout Australia are fairly evident, a survey conducted on tourist travel throughout Australia about a month or six weeks ago showed that South Australia had a far higher percentage of tourists visiting the State, as against those leaving the State to visit other States, than applied in any other part of Australia. This also has been highlighted by the tremendous growth of caravan activities in Australia, and South Australia has been able to gain a special advantage from this. It seems that people from other States, by choice, are willing to come to South Australia and see the natural attractions that we have rather than visit other States. As a result of this, we have tended to be in a somewhat unique position in Australia and we have been able to bear the economic difficulties far better than has any other State. It also could be that the quality of life established in South Australia (and this has been publicised elsewhere) since the Labor Government came to office has had an influence on the high percentage of tourists coming to the State.

Mr. SIMMONS: Is the Minister aware that at the seminar last Friday, Mr. Pollnitz (Director of the South Australian Tourist Bureau) drew attention to the problems in the tourist industry and said that some workers in hotels were receiving more pay than the manager was receiving? Is the Minister also aware that the Vice-President of the association (Mr. Plake) pointed out that this position had given an opportunity to the tourist industry, because in hotels there were many more workers than managers and, on the basis of thinking positively, those concerned could look forward to big gains from the fact that these workers in the tourist industry had more money to spend and could travel?

The Hon. G. R. BROOMHILL: Yes, and the member for Fisher may be interested in that and take notice of it.

LAND TAX

Mr. VENNING: Will the Treasurer say whether the Government will consider relieving the impact of water rates on the consumers of this State because of the incidence of high land valuations? I refer to the land tax legislation introduced yesterday. As is well known, land valuation is the basis on which water rating and council rates are calculated. Therefore, because of the attitude taken by the Government as evidenced in legislation introduced as recently as yesterday, I ask the Treasurer whether he will consider the effect that these high land valuations is having on the consumers of water in this State.

The Hon. D. A. DUNSTAN: The equalisation scheme in relation to metropolitan and urban water rating was announced previously. A review of country water rating is currently proceeding.

BLOOD TESTS

Mr. WARDLE: Will the Minister of Transport obtain a statistical report on the requirement that hospital casualty sections take blood tests of all accident victims admitted to hospitals? I think the relevant legislation was enacted over a year ago, and an annual report may have been released while I was overseas. If it has been, I should like to receive a copy of it. I also ask the Minister whether any special trends are evident from information obtained so far.

The Hon. G. T. VIRGO: I receive a monthly report on this matter, and I should be pleased to give the honourable member a copy. I am not sure whether he wants a copy each month.

Mr. Wardle: I'd be pleased to get it.

The Hon. G. T. VIRGO: I will find out whether we can make a copy available to the honourable member every month. One could come to all sorts of conclusion from the figures, but we have refrained from drawing conclusions at this stage, lest we draw the wrong ones. There are still some unanswered factors associated with this matter. Fewer blood tests than one would have expected have been taken, but I think it sufficient to say that these figures are being watched carefully and analysed constantly.

Dr. Tonkin: Do you say there are wilfully fewer?

The Hon. G. T. VIRGO: No, there are not wilfully fewer, but the number is lower than one would have expected. I hasten to say I am not suggesting that the medical profession is not co-operating, but only certain hospitals have been prescribed in this regard and several features could easily account for the variation. We have not the exact answers at this stage. I hope that the figures will produce something significant but at present I am loath to grasp what may seem to be even the obvious for fear that it may not be correct.

VISITORS' DRESS

Mr. DUNCAN: I ask you, Mr. Speaker, what standard of dress is required of visitors who use the Strangers' and Speaker's Galleries of this House. On page 5 of the *Australian* on Wednesday, March 12, an article appears indicating that a woman had been removed from the visitors' gallery of the Legislative Assembly in Queensland for wearing thongs.

The Hon. Hugh Hudson: Is that all she wore?

Mr. DUNCAN: I understand that she may well have been wearing other items of dress apart from the thongs, but it was the thongs that caught the Speaker's eye on that occasion. The Queensland Parliament is a place of weird and wonderful habits, but I believe that this is an important matter for this House. To my knowledge, no statements have been made as to what type of dress is required in the Speaker's and Strangers' Galleries of this House, and it would be of benefit to members and the public at large to have a statement on this matter from you, Sir.

The SPEAKER: The House of Assembly decided some time ago that the dress of members was to be at the discretion of members. As Speaker, I can only interpret decisions made by the House, and I would be guided by that decision in deciding whether or not people visiting the Speaker's and Strangers' Galleries were suitably dressed. I can make no distinction between strangers and other people coming into the galleries. As Speaker, I would have great difficulty in determining what a person was wearing on his feet, because I cannot see the feet of visitors from the Chair. I believe that the situation in Queensland is different because there is no barricade between visitors and members: visitors sit on the open floor, so the type of dress worn is visible from the Chair.

LAND AND BUSINESS AGENTS ACT AMENDMENT BILL (FEE)

Returned from the Legislative Council without amendment.

STATUTES AMENDMENT (MISCELLANEOUS METRIC CONVERSIONS) BILL

Returned from the Legislative Council without amendment.

TEACHER HOUSING AUTHORITY BILL

Returned from the Legislative Council with an amendment.

LOCAL GOVERNMENT ACT AMENDMENT BILL (AMALGAMATIONS)

Consideration in Committee of the Legislative Council's amendments:

No. 1. Page 2 (clause 8)—After line 35 insert new subsection (1a) as follows:

(1a) For the purposes of this section, a council shall not be regarded as having agreed to a proposal to which subsection (1) relates unless its agreement is expressed in a resolution supported by the votes of an absolute majority of the total number of the members of the council.

No. 2. Page 2, line 41 (clause 8)—Leave out "twenty" and insert "ten".

No. 3. Page 3, lines 4 to 6 (clause 8)—Leave out all words in these lines and insert "only if a majority of the ratepayers of each area who vote at the poll vote in favour of the proposal".

Amendment No. 1:

The Hon. G. T. VIRGO (Minister of Local Government): I move:

That the Legislative Council's amendment No. 1 be disagreed to.

This amendment is identical to that discussed by members earlier, and everything that could be said has been said. When local government is to meet to discuss and determine an issue as important as this, I am sure that any member who failed to attend would either have an extremely compelling reason or not be fit to hold his position as an elected member of the council. I do not believe we need this addition stating that the resolution must be passed by an absolute majority of the total number of members of the council. I believe that, if it is passed by members of the council, the decision is a proper one and ought to be acted on accordingly.

Mr. COUMBE: I regret that the Minister cannot see his way clear even at this stage to accept this amendment, which appears to be identical to the one I moved in this place previously. The Minister almost answered his own objections a moment ago when he said that council members must surely turn up at a meeting. What we are doing is to ensure that they will turn up. The Minister's statement is at cross purposes with his move in a previous debate when he was talking about altering the hours of council meetings and he wanted every member to be present.

The Hon. G. T. Virgo: You are at cross purposes in regard to your argument, too.

Mr. COUMBE: I shall not canvass the matters that were debated before. Suffice to say that I support the amendment and that I am disappointed at the reaction of the Minister.

Dr. TONKIN: I support the remarks of the Deputy Leader. In answer to the interjection of the Minister, I should say that, when we were debating another matter similar to this, we were trying to ensure that an absolute majority would decide the time of meeting. I think the Minister knows that. I am surprised that the Minister, having considered that the time of meeting should have been determined by much more than an absolute majority, no longer believes in absolute majority. This is a reasonable amendment and it follows normal practice. It is an

important matter to change the boundaries of council areas and perhaps even to eliminate existing councils.

Mr. RUSSACK: I, too, oppose the motion and support the amendment made by another place. When we discussed the Bill previously, I supported a similar amendment moved by the member for Torrens. A decision such as this should have the sanction of an absolute majority of the members of a council, as that would indicate proper support for any change. If we did not have this provision, a motion for a change could be put before a council on an evening when a minimum vote could be expected, whereas absolute majority support is necessary.

The Committee divided on the motion:

Ayes (21)—Messrs. Broomhill and Max Brown, Mrs. Byrne, Messrs. Crimes, Duncan, Dunstan, Groth, Harrison, Hopgood, Hudson, Jennings, Keneally, King, Langley, McKee, Olson, Payne, Simmons, Slater, Virgo (teller), and Wright.

Noes (18)—Messrs. Allen, Arnold, Becker, Blacker, Boundy, Dean Brown, Coumbe (teller), Eastick, Evans, Goldsworthy, Mathwin, McAnaney, Millhouse, Rodda, Russack, Tonkin, Venning, and Wardle.

Pairs—Ayes—Messrs. Corcoran, McRae, and Wells. Noes—Messrs. Chapman, Gunn, and Nankivell.

Majority of 3 for the Ayes.

Motion thus carried.

Amendment No. 2:

The Hon. G. T. VIRGO: I move:

That the Legislative Council's amendment No. 2 be disagreed to.

Again, this matter was fairly extensively canvassed previously. Unlike the first and third amendments of the other place, this amendment is not identical to the amendment previously moved in this place. Here, it was suggested that the figure of 20 per cent in the Bill should be reduced to 15 per cent, whereas members of the Legislative Council finally decided to reduce it to 10 per cent, although at one stage the suggestion was that the reduction should be even more vicious and that as few as 50 people could demand a poll! Perhaps we should be thankful for the figure finally arrived at. There is nothing magical about a figure of 20 per cent, 15 per cent, or any other figure.

As we must look somewhere to ascertain what is a reasonable figure, I looked at the report of the Local Government Act Revision Committee, as reference was often made to that committee in evidence before the recent Select Committee on local government legislation. The Local Government Act Revision Committee recommended that the multiplicity of numbers in the Act should be replaced with a standard 20 per cent; I thought that was a fairly compelling argument. This committee also recommended (and I think this would have almost universal support) that the differences currently existing between municipalities and district councils should be eliminated as far as possible. Therefore, I believe that the general indication is towards a figure of 20 per cent.

We should bear in mind that this provision will not apply until the councils concerned (made up of the elected representatives of the people) have reached a majority decision. It is only after that that this clause can apply. The same could be said about other amendments, too. I do not believe there is anything magical in the figure "20", but all the evidence supports it as being the correct figure. I therefore ask that the figure "10" recommended by the Legislative Council amendment be rejected. If "20" is wrong, certainly "10" is wrong because it is too far down the scale.

Mr. COUMBE: The Minister has said there is nothing magical about the number "20", but my motion originally was a compromise (15 per cent), which I thought was reasonable. This provision comes into effect only after the councils have made their decision, and the figure "10" is taken from the section of the Act dealing with the percentage of people who can raise an objection. If the Minister refers to the evidence given to the Select Committee he will see that one of his own officers quoted 10 per cent.

Motion carried.

The Hon. G. T. VIRGO: I move:

That the Legislative Council's amendment No. 3 be disagreed to.

The future of the Bill will depend entirely on this amendment. It would be a waste of time to expect four people with the qualifications of Judge Ward, Messrs. Pitt, Hockridge, and Guscott, together with any support staff they may require, to try to give effect to the terms of reference as a result of the discussions we had with them in the Select Committee, if they are saddled with a provision such as this. In fact, I strongly suggest that, if some of the members who spoke yesterday in another place had availed themselves of the opportunity I gave them to discuss this matter with the Secretary for Local Government last evening in order to acquaint themselves with what was involved, they would not have spoken or acted as they did.

I hope those members will take the opportunity I am again making available either tomorrow or on Monday and discuss this matter with the Secretary for Local Government. Mr. Hockridge was to have attended an engagement at Port MacDonnell tomorrow but he has cancelled it so that he will be available to discuss with members of the Legislative Council the ramifications of this Bill and the amendments inserted by the Legislative Council. I hope that those members of the Legislative Council who were so vocal last evening will take advantage of my offer.

A council in the District of Victoria wishes to cease to exist as a council and its area is to be divided between two other councils, the lion's share going to council A and a small part to council B. If the Legislative Council's amendment becomes law and if 90 per cent of all ratepayers agree to the amalgamation but only a few ratepayers of the smaller council disagree (perhaps on the basis of 40 to 38), those few ratepayers will stop the amalgamation and deprive 15 000 ratepayers of their wish. That is the effect of the amendment carried last evening by the Legislative Council.

Surely that is not what this Parliament is all about in trying to help local government to create new council districts. Members of the Royal Commission will discuss this matter with elected members of the councils concerned to try to reach an agreement that will then be subject to challenge by a ratepayers' poll. If a poll is to be held, surely the people in the proposed new council area would say collectively, "Yes, we agree that it should be our new council area," or "No, we don't agree." We should not have small boroughs all over the place each conducting their own poll to ascertain whether there is a majority vote not only of all ratepayers but of ratepayers in every borough.

Frankly, if that were the situation we would be wasting our time, and the Royal Commission would be wasting its time, too. I sincerely hope that wiser counsels will prevail so that such a situation is not thrust on the people. This amendment deals with two provisions. It not only requires

separate polls in each council area but removes the agreeing by one-third of the ratepayers. That provision is not new. Section 26 (3) (b) of the Local Government Act, which deals with the constitution of a district as a municipality, provides:

Provided that unless a majority of the ratepayers voting at the poll and at least one-third of the ratepayers on the voters' roll within the area vote against the proposition, the proposition shall be deemed to be carried at the poll:

There is nothing new about that: the provision deals with the current amalgamation and union of areas. In accordance with the expressed views of the Royal Commission to the Select Committee, we must provide the Commission with additional support to allow it to do its job successfully.

Mr. COUMBE: I believe that, after a council has decided, most ratepayers will vote the same way. However, we must ensure that the Royal Commission is able to work effectively while, at the same time, letting ratepayers have the final say. I am sure the Minister would agree that, with the voluntary system of voting in council elections, the 60 per cent of ratepayers that would have to vote on this matter would not be attained. This amendment provides that each area will be affected, and I believe that it is the right of individuals to have their say. Part of the last sentence of the Select Committee's report is pertinent: over the Minister's signature it states:

... provided that the ratepayers' rights to be involved in changes are protected.

That is the gravamen of the argument, and I therefore support the amendment.

Mr. RUSSACK: I support the amendment. Despite what the Minister has said, I have every respect for members of the Royal Commission. Whilst I appreciate the Minister's point of view, consideration must be given to the self-determination of councils, and ratepayers must not be ignored; therefore, this amendment should be supported.

The Committee divided on the motion:

Ayes (20)—Messrs. Broomhill and Max Brown, Mrs. Byrne, Messrs. Crimes, Duncan, Dunstan, Groth, Harrison, Hopgood, Jennings, Keneally, King, Langley, McKee, Olson, Payne, Simmons, Slater, Virgo (teller), and Wright.

Noes (15)—Messrs. Arnold, Blacker, Boundy, Dean Brown, Coumbe (teller), Eastick, Evans, Goldsworthy, McAnaney, Millhouse, Rodda, Russack, Tonkin, Venning, and Wardle.

Pairs—Ayes—Messrs. Corcoran, McRae, and Wells. Noes—Messrs. Allen, Becker, and Nankivell.

Majority of 5 for the Ayes.

Motion thus carried.

The following reason for disagreement was adopted:

Because the amendments destroy the intent of the legislation.

Later:

The Legislative Council intimated that it insisted on its amendments to which the House of Assembly had disagreed.

Consideration in Committee.

The Hon. G. T. VIRGO: I move:

That the House of Assembly insist on its disagreement to the Legislative Council's amendments.

The details of the amendments have already been canvassed.

Motion carried.

A message was sent to the Legislative Council requesting a conference at which the House of Assembly would be represented by Messrs. Coumbe, Duncan, Harrison, Russack, and Virgo.

Later:

A message was received from the Legislative Council agreeing to a conference to be held in the Legislative Council conference room at 9.15 a.m. on Tuesday, March 25.

The Hon. G. T. VIRGO moved:

That Standing Orders be so far suspended as to enable the conference on the Bill to be held during the adjournment of the House and that the managers report the result thereof forthwith at the next sitting of the House.

Motion carried.

WEIGHTS AND MEASURES ACT AMENDMENT BILL

Consideration in Committee of the Legislative Council's amendments:

No. 1. Page 2, line 1 (clause 4)—Leave out all words in this line.

No. 2. Page 3, lines 30 to 34 (clause 10)—Leave out all words in these lines.

No. 3. Page 3, lines 39 to 43 (clause 10)—Leave out all words in these lines.

No. 4. Page 4, lines 1 to 10 (clause 10)—Leave out all words in these lines.

No. 5. Page 4, lines 22 and 23 (clause 11)—Leave out the clause.

Amendment No. 1:

The Hon. L. J. KING (Attorney-General): I move:

That the Legislative Council's amendment No. 1 be disagreed to.

The Committee will recall that the difference that occurred between the two sides of this Chamber related to the way in which local government should be represented on the new weights and measures advisory council. The other place has amended the Bill to restore the position under the existing Act, namely, that the representatives of local government must be elected members and be selected from a panel nominated by the Local Government Association. The proposal in the Bill is that the representatives of local government should be nominated by the Minister as persons capable of representing local government, and members will recall the ground on which that was put in this Chamber.

I intend to place before the Committee a compromise amendment providing that one member representing local government should be nominated by the Local Government Association and the other representative should be nominated by the Minister. I hope that that compromise proposal will be acceptable, as I believe it will be, to members of the Legislative Council and that the impasse will thereby be overcome. This motion, therefore, is part of the process of adopting that procedure. I will move the alternative amendment when we are dealing with the Legislative Council's amendment No. 2.

Mr. RUSSACK: I still feel strongly that the Local Government Association should have the right to nominate a panel of five, from which the Minister would choose two. I understand that, when it was reluctantly agreed that local government would surrender weights and measures responsibility, there was an understanding that the Local Government Association would have that right. However, as the Attorney has suggested a compromise, I reluctantly agree to the motion.

Motion carried.

Amendment No. 2:

The Hon. L. J. KING moved:

That the Legislative Council's amendment No. 2 be disagreed to and that the following alternative amendment be made:

Page 3, after line 29 (clause 10) insert:

(c) by striking out paragraph (d) from subsection (4) and inserting in lieu thereof the following paragraphs:

(d) of whom one shall be nominated by the governing body of the Local Government Association of South Australia Incorporated (in this section referred to as "the association") as being a person capable of representing the interests of local government;

(da) of whom one shall be nominated by the Minister as being a person capable of representing the interests of local government;

Mr. RUSSACK: I support the alternative amendment, as I understand it will be accepted in the other place. It is a compromise, and I suppose that is the art of politics. This clause acknowledges the Government's accepting that local government should be represented on the advisory council. Originally, I believed that local government was being denied altogether the right to have a say in nominating representatives of local government on the advisory council. The Local Government Association will now have a right to submit names, one of which the Minister will select. Will the Local Government Association nominate one person who will represent it on the advisory council or will it be requested to submit several nominations, one of whom will be selected by the Minister?

The Hon. L. J. KING: The alternative amendment provides that one person shall be nominated by the governing body of the Local Government Association, whose nominee is entirely its business. The association chooses its nominee and he automatically goes on to the council, the Minister having no veto or selection regarding that nominee. The Minister's nominee must be a person who in the judgment of the Minister is capable of representing the interests of local government, and the Minister is not accountable to anyone regarding his selection. He may take advice or ask councils to submit suggestions and, although it is the Minister in charge of the Bill who nominates that person, the Minister in charge of the Weights and Measures Act will obviously take the advice of the Minister of Local Government on a matter involving local government.

Mr. RUSSACK: I understand now that the definition of "elected member" remains—

The Hon. L. J. King: No.

Mr. RUSSACK: When this matter was being debated, the Minister of Local Government said that an officer of local government could be selected. As I understand the principal Act, he can only be a councillor, mayor, chairman, alderman or Lord Mayor. Will this amendment make it possible for the Local Government Association to nominate one of those people designated in the principal Act or can an officer of local government be nominated?

The Hon. L. J. KING: The requirement in the principal Act that representatives of local government shall be elected members has been deleted by this amendment, because, as I recall, when the Minister of Local Government discussed this the honourable member said that he did not wish to limit it to elected members. I assume there is no controversy about that. Therefore, the amendment allows local government to make its own selection, the only qualification being that it must be a person capable of representing local government: it could be an elected member, an officer, or a person who has had experience in local government but who is presently not a member of any council; it is a matter for the judgment of the Local Government Association.

Mr. MATHWIN: I do not like this amendment at all. I am surprised that the Minister has seen fit to introduce it. Originally, my concern was that the Local Government Association, being the *bona fide* body representing local government in South Australia, should be entitled to nominate two people to represent local government on this

advisory council. The Minister is now saying that one person shall be nominated by the Minister, and that person must be capable of representing the interests of local government. He could be anyone without any real experience in local government. He may be nominated because he is a member, secretary or organiser of a trade union, and the Minister may think he is capable of representing the interests of local government. This amendment does not please me. The Local Government Association represents only 70 per cent of the local government bodies in South Australia. The Minister has said that he believes that the people not represented should have equal representation on this council, but that is against the principles of the Socialist philosophy.

Mr. RUSSACK: The Attorney-General said that the Local Government Association would have the right to nominate a person and he qualified it by saying that that person would have to have a knowledge of local government: to have knowledge of local government, he would have had to be involved in local government. May we have the Attorney-General's assurance that the person selected by the Minister requires the same qualifications?

The Hon. L. J. KING: I can only repeat the words of the section: it has to be a person capable of representing the interests of local government. If I make the selection, and I suppose I will for the time being, it will certainly have to be a person who is an elected member, a former elected member, an officer or a former officer, or someone who has had experience in local government. I cannot speak for future Ministers, but I think the wording of the section is as water-tight as it is possible to get it: he will be a person capable of representing the interests of local government. The same words apply to both the Local Government Association and the Minister, so if they are not binding enough for the Minister they are not binding enough for the association. We accept them as regards the Local Government Association, and it seems that they should be accepted by the association as regards the Minister.

Motion carried.

Amendments Nos. 3 and 4:

The Hon. L. J. KING: I move:

That the Legislative Council's amendments Nos. 3 and 4 be agreed to.

These are consequential on the alternative amendment.

Motion carried.

Amendment No. 5:

The Hon. L. J. KING: I move:

That the Legislative Council's amendment No. 5 be disagreed to.

This also is consequential on the alternative amendment.

Motion carried.

The following reason for disagreement to the Legislative Council's amendments Nos. 1, 2 and 5 was adopted:

Because the amendments do not adequately provide for local government representation.

Later:

The Legislative Council intimated that it did not insist on its amendments Nos. 1, 2 and 5, to which the House of Assembly had disagreed, and that it had agreed to the alternative amendment of the House of Assembly to its amendment No. 2.

INDUSTRIAL AND PROVIDENT SOCIETIES ACT AMENDMENT BILL

Returned from the Legislative Council with amendments.

MARINE ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from March 18. Page 2969.)

Mr. ARNOLD (Chaffey): I support the Bill, as it will facilitate requirements under the Boating Act, which we passed last year. In the Boating Act, necessary provisions were made in the interests of the houseboat industry in South Australia. However, those provisions conflict with provisions in the Marine Act. This Bill sets out to resolve that conflict. The houseboat industry is an important part of the tourist industry in South Australia, as the Government recognised when the Boating Act was before the House. Under that Act, drivers of vessels whose speed was less than 18 km/h were exempted from the requirement of having a licence. Under the Marine Act, the State Manning Committee must set out requirements for the operation of houseboats.

It was considered that the minimum requirement would be that operators of houseboats have a licence. Under this Bill, an exemption can be provided in the case of houseboats. Clause 2 amends section 14 of the Act to empower regulations relating to the operation of these vessels. Clause 3 amends section 26d of the principal Act by inserting in subsection (9) a new paragraph (b) as follows:

This section shall not apply to or in relation to—

(b) any prescribed vessel or vessel of a prescribed class of vessels.

This amendment is necessary to enable the Boating Act to operate effectively in the way it was intended to operate by this Parliament.

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

MARGARINE ACT AMENDMENT BILL
(INCREASES)

Received from the Legislative Council and read a first time.

The Hon. HUGH HUDSON (Minister of Education): I move:

That this Bill be now read a second time.

Members will recall that, by the Margarine Act Amendment Bill, 1974, quotas of table margarine were increased for the last three quarterly periods of this year to the equivalent of 2 100 tonnes a year. This Bill proposes that the quota for the last three quarterly periods of this year will be increased by a further 50 per cent to the equivalent of 3 150 t a year. This increase will ensure that, should manufacturers in this State make full use of their quotas, the per capita availability for consumption of table margarine manufactured in this State will be comparable with the average per capita availability in other States. Clause 1 is formal. Clause 2 provides that the Act presaged by this Bill will come into operation as at April 1, 1975, which is the first day of the next quarterly period. Clause 3, which is the principal operative clause of the Bill, increases the quota in the manner indicated above.

Mr. COUMBE secured the adjournment of the debate.

ELECTRICITY TRUST OF SOUTH AUSTRALIA ACT
AMENDMENT BILL

Adjourned debate on second reading.

(Continued from March 18. Page 2969.)

Mr. ALLEN (Frome): I support the Bill. This short Bill, which has only one operative clause, clause 3, abolishes the special fund entitled the "Leigh Creek Coal Fund" established in 1946 by section 43h of the principal Act. Originally, sales of Leigh Creek coal were handled

through the Public Stores Department but in that year the operation of the coal field was vested in the newly created Electricity Trust of South Australia. The philosophy behind the establishment of a separate fund to finance this aspect of the trust's operations was that profits from coal sales should not go to the trust but should be reserved for future coal field financing.

However, since that time all of the coal mined at Leigh Creek has been used by the trust, and the operation of the coal field has become an integral part of the operations of the trust. Accordingly, there seems now no warrant for preserving this financial separation, and clause 3 of the Bill proposes: (a) the abolition of the fund, with practical effect from July 1 next; and (b) the transfer of the assets and liabilities of the fund to the trust to be dealt with or satisfied by it.

It is now almost 30 years since the Leigh Creek coal field came into production. Members will recall that at that time (during the war) South Australia was suffering a severe shortage of black coal from the Eastern States. When the Leigh Creek coal field was brought into production, it alleviated the coal shortage in South Australia, and this coal field has been a viable proposition ever since. At its peak capacity, there were 14 trains of coal a week from Leigh Creek to Port Augusta. Now there are about eight trains a week, about 80 bogies to each train, carrying about 3 800 t each trip. There has been a slight reduction in production, because natural gas is now being piped to Adelaide. Last year at the Dry Creek gas turbine power station 65 000 000 kilowatt hours of electricity was produced, and this indicates the reason for the drop in coal production at Leigh Creek.

Members of the work force at Leigh Creek are proud of their industrial record. I am led to believe that there has never been any industrial strife there, and that is a record of which these employees can be proud. According to the Auditor-General's report for 1974, production costs relating to Leigh Creek coal were \$2.49 a tonne; freight to Port Augusta, \$1.16 a tonne; and royalties, 10c, making a total cost of \$3.75 a tonne regarding coal delivered to the Port Augusta power station. That is a creditable result. Railway freight alone paid to the Commonwealth railways was \$1 697 000, and the total production of coal was 1 466 000 tonnes, making a total value of coal delivered of nearly \$5 500 000. Everyone will agree, I believe, that this is a good South Australian industry that should be protected.

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

CONSTITUTION ACT AMENDMENT BILL (SALARY)

Adjourned debate on second reading.

(Continued from March 18. Page 2969.)

Mr. DEAN BROWN (Davenport): I support the Bill, which is necessary to unscramble the computerised pressure of legislation that has been forced through this House this session.

The SPEAKER: Order! The honourable member will come back to the Bill.

Mr. DEAN BROWN: The Bill refers to a correction to previous legislation passed by this House, and it corrects errors that have arisen because of the tremendous pressure placed on this House by the Government, which has forced legislation through.

The SPEAKER: Order! We are dealing with a certain Bill. I call the honourable member's attention to the content of the Bill. It is not an ordinary Bill, and I ask

the honourable member to confine his remarks strictly to the measure. The honourable member for Davenport.

Mr. DEAN BROWN: Thank you, Mr. Speaker. I did not intend to reflect on the Bill in any way. I was pointing out that it was introduced to correct a mistake that was made previously in a Bill that was passed by the House. It relates to the expense allowance paid to His Excellency the Governor. A mistake was made in the previous Bill that first increased the Governor's salary. That provision was accepted and no amendment is necessary in that respect. In addition, the previous Bill increased the Governor's expense allowance, and it provided for a perpetual increase in that allowance based on the consumer price index. Unfortunately, as the figure relating to that index was wrongly based, it is necessary to correct the mistake by this measure. The Governor's allowance in 1973-74 was \$19 700, and that was used as the base. The increase based on the consumer price index was to apply from the current financial year. Unfortunately, because of the mistake, the Governor in 1974-75 is receiving the same expense allowance as he received in the previous year, namely, \$19 700. The amount should be \$22 600, and the Bill provides for the alteration to be made. I believe that His Excellency the Governor makes an extremely valuable contribution to public opinion and the status of public office in this State, and I pay a tremendous tribute to him for his contribution. I believe that the dignity the Governor brings to his office should be seen in this Parliament by the way it passes this Bill. However, the fact that it has been necessary to introduce this Bill reflects the speed with which legislation has been passed through this House. I support the Bill fully.

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

IMPOUNDING ACT AMENDMENT BILL (FEES)

Adjourned debate on second reading.

(Continued from March 18. Page 2971.)

Mr. McANANEY (Heysen): Never in my 12 years as a member of Parliament have I been so disillusioned as I was when I read the contents of this Bill. When it was announced that at last the Minister would honour his many promises to bring the Impounding Act up to date, I was pleased. However, this Bill is like putting new wine into old bottles. All that has happened is that penalties have been increased. How many pounds are there in South Australia today? I am sure they would be as rare as the Minister is when dealing with matters concerning the South Australian railways.

How many poundkeepers are employed in South Australia? I know of none: my learned colleague thinks that one is located in his district, but other members have said that none are situated in their districts. What is wanted is an up-to-date Impounding Act, so that trespassing stock can be placed in an established stockyard in the area, thus obviating the need to cart the animals a long distance. On some of the dreadful 8 ha subdivisions allowed in the Hills area, people run one or two cows, which often stray to other properties. When these cattle stray, they cannot be placed in a non-existent pound. Yards may be used in which to impound the cattle but, with the problems existing today, an up-to-date Act is needed. However, all that has happened is for penalties to be increased in respect of animals that cannot be confined in imaginary pounds.

This Bill is a complete farce. I agree with the increased penalties provided which have become necessary because of inflation, but who is to collect these increased fees?

With sadness in my heart I support this Bill, which increases fines applying to non-existent pounds to be supervised by non-existent poundkeepers.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Pound to be fenced, enclosed and kept clean and in repair."

Dr. TONKIN: Can the Minister say how many pounds there are in this State; what provisions have been made for their inspection; how many officers are engaged in this activity; and when he thinks he will have this information?

The Hon. G. T. VIRGO (Minister of Local Government): When this information can be collated, I shall obtain it for the honourable member.

Clause passed.

Clauses 3 to 20 passed.

Clause 21—"Repeal of fourth schedule of principal Act and enactment of schedule in its place."

Mr. McANANEY: The legislation does not cover buffaloes, because the definition of "cattle" covers the several animals mentioned in the schedule, and buffaloes are not mentioned there.

The CHAIRMAN: I do not think they come within the category of cattle.

Mr. DEAN BROWN: Cattle come from the bovine species, and the buffalo is not in that species.

Clause passed.

Remaining clauses (22 and 23) and title passed.

Bill read a third time and passed.

HIGHWAYS ACT AMENDMENT BILL (PROPERTY)

Adjourned debate on second reading.

(Continued from March 18. Page 2971.)

Mr. COUMBE (Torrens): I support the Bill, but I should like the Minister to reply to a few comments that I will make. Section 20 of the principal Act is to be amended so that it will not be necessary for land transactions entered into by the Highways Department to have the consent of the Governor. Section 20 (1) (a) is explicit that the Governor must agree to these transactions. With the extensive purchases of land by the Highways Department for road widening, administrative difficulties have arisen in referring all these matters to the Governor. The transactions include cases where property is acquired and leased back to the owner.

The Minister says that 600 transactions have taken place in a year, and I agree that these matters should not be referred to the Governor. However, I suggest that the Minister could deal with these matters. Questions have been raised in this House, rightly or wrongly, about the purchase of property by the Highways Department and its re-lease or resale. I recall questions being asked by the member for Fisher, the member for Glenelg, and the member for Davenport. I think the Minister would prefer to have the word "Minister" inserted when the word "Governor" is struck out, and I suggest that he consider making that amendment.

The other part of the Bill, dealing with section 26 of the Act, gives power to control vehicles of a certain type, size or weight when roads are damaged through storm, tempest or flood. Section 26 will then provide that, if a road or work is likely to be damaged if used by vehicles or vehicles of a class of vehicle, the Commissioner may close the road or work to pedestrians or vehicles. That is a common-sense suggestion and I support it.

Therefore, I come back to the point that I have raised about inserting the word "Minister" in section 20. The member for Glenelg has read to the House a long list of properties acquired by the Highways Department at great cost. Further, a matter involving the land near Theatre 62 could have embarrassed the Government. I am suggesting that we remove the reference to His Excellency the Governor and insert the word "Minister" because in this place the Minister is responsible—

The SPEAKER: Order! The honourable member for Torrens will address the Chair.

Mr. CUMBE: I am suggesting that the Minister is ultimately responsible for this and I do not think this would unduly increase his paper work. It would be far easier to do it that way than in the way it is done under the present Act. I make that suggestion to the Minister in all seriousness.

The Hon. G. T. VIRGO (Minister of Transport): I thank the member for his suggestion and the opportunity he has given me to look at it. However, the situation is covered at present. A provision was inserted in the Highways Act in 1953 so that the Minister's approval would be necessary in the exercise of the Commissioner's powers.

Mr. Cumbe: Before it goes to the Governor?

The Hon. G. T. VIRGO: That is right. The removal of the necessary approval by the Governor does not remove that other power. It would still be within the Minister's province to be advised of that happening, so the point raised is already covered.

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

SUPERANNUATION ACT AMENDMENT BILL (DECLARED SCHEMES)

Adjourned debate on second reading.

(Continued from March 18. Page 2970.)

Mr. BECKER (Hanson): This Bill is technical and complex. When the Treasurer introduced it he took exactly 11 lines to explain it. My impression of the description of the Bill does not accord with what I have been able to ascertain. The Opposition is being given legislation in a brief form, being asked to accept it or reject it. I think the Treasurer has come unstuck this time. I think it is his duty to the House and to the contributors to the Superannuation Fund to describe exactly what is going on and what is intended. The Superannuation Fund, taken overall, is a scheme that needs careful examination and there are many faults in it in its present form. We should be considering not only the amendments before us but also many other amendments so that contributors might be satisfied. In his second reading explanation, the Treasurer said:

This short Bill is intended to cover the situation which has arisen in connection with certain people now employed by the Government under the terms of the Public Service Act who, previously, were contributing to "declared schemes" within the meaning of the principal Act.

A declared scheme is defined in the Act as follows:

Any scheme, fund or arrangement that was, immediately before the commencement of this Act, declared to be a declared scheme by proclamation. Under section 26 of the repealed Act; or any scheme, fund or arrangement for the time being declared to be a declared scheme by proclamation under section 8 of this Act.

That does not tell us very much. A declared scheme can be a scheme similar to the one known as the Federated Superannuation Scheme for universities. We must not lose sight of the fact that the heading is "Federated Superannuation Schemes". There is a scheme for universities

whereby the contributor pays 5 per cent and the Government 10 per cent of salary into the fund. If a person is employed by the university and joins the scheme, the university arranges for an endowment insurance policy. When the person leaves the employment of the university, because of transfer to the State Public Service or resignation, he is handed his life policy—

Mr. Cumbe: There is no portability?

Mr. BECKER: There is no portability, nor is it contemplated. Apparently it is too difficult to define and put into the Act, although we should still consider it. The contributor receives his policy and either takes out a paid-up policy or surrenders it and gets the benefit of his 5 per cent contribution over the life of the policy, as well as the Government's contribution of 10 per cent plus interest on the policy. People have transferred from the university to the State Public Service and, after a certain period, they are given the opportunity to join the Superannuation Fund. This is the significance of the amendments in the Bill. Let us take a contribution of \$1000 to such a superannuation scheme. With a Government contribution of \$2000, this would mean that \$3000 a year had been paid into the scheme. If the person surrenders the policy he may get \$3000 for each year of contribution, plus interest. After 10 years service he has the benefit of his contributions and will receive the benefit of the Government contribution. On transferring, he may join the State Superannuation Fund and after a certain period, if he so desires, he is offered the opportunity to purchase years of service to bring him up to an attractive level within the Superannuation Fund.

This does happen, and contributors to the fund who have not been able to join at a young age may purchase the equivalent of years of service. In the example I am giving, this person may use Government-subsidised money to purchase years of service in the Superannuation Fund, and he again obtains a Government subsidy. In other words, he uses Government contributions to buy into the fund, which is contributed to by the Government at a rate of \$2 for \$1. The Bill is designed to prevent this anomaly. A person now coming into the fund from, say, a university superannuation scheme will have to pay into the State fund his contribution, the Government contribution, and, I take it, accumulated interest as well. Thus people will be prevented from having the best of both worlds.

I do not know why the Treasurer did not deal with this in his explanation; perhaps it was too hard to explain or his instructions were not clear. However, I believe those responsible for the Bill know the real reason behind this. I am most disappointed that the Public Service Association has not been informed about the Bill or given the opportunity to look at it. Yet the Treasurer told the Public Service Association previously that he would inform it when any alterations were to be made to superannuation legislation. Between 9000 and 10000 public servants contribute to the fund, and most of them are members of the association. Why have an association if it does not have dialogue with the Government on matters of such importance? Why should the association be treated in this way? I find it hard to understand why the Treasurer has decided to force this legislation through the House without giving the association an opportunity to examine it. What is the real reason behind the Government's introducing this Bill at such a late stage of the session? Why has the Opposition been asked to expedite its passage?

Mr. Venning: What do you think of it?

Mr. BECKER: In principle, I think the Bill is acceptable. However, I should like to know what the Public Service Association thinks about it. So that the association may have a chance to examine the Bill and make representations to the Government, I seek leave to continue my remarks.

The Hon. D. A. Dunstan: No.

The SPEAKER: Order! Leave to continue has been refused. The honourable member for Hanson.

Mr. BECKER: The Public Service Association received an undertaking from the Treasurer that he would consult it whenever legislation affecting the Superannuation Fund was introduced, but on this occasion he has not done that. It is a fairly poor show that the association has been treated in this way; Parliament owes it to public servants to ensure that their wishes are respected with regard to this legislation. If the Government is unwilling to honour the undertaking given by the Treasurer, we must see that the principle behind the undertaking is carried out. The credibility of the Treasurer and the Government is at issue. Why has this legislation suddenly popped up? I know that it is *sub judice*. I will leave it at that. The Treasurer is not willing to look after the public servants of the State. The Government will use the provisions in the Bill to attract people into the Public Service. I do not blame it for doing that, but I think the Treasurer should honour the undertaking he gave to the Public Service Association.

The Hon. D. A. DUNSTAN (Premier and Treasurer): I can simply explain the matter raised by the honourable member. On the day before the Bill was introduced, the Parliamentary Counsel, who had been asked urgently by the Public Actuary to prepare it, brought the Bill to the Government. The reason for the urgency is that certain officers of the National Parks and Wildlife Service, who are presently excluded from entry to the Superannuation Fund, have been negotiating for entry for some time. The Bill was therefore prepared to enable them to transfer from what had been a rather unsatisfactory superannuation provision under the old commission to the Public Service Superannuation Fund. This in no way affects other members of the Public Service Association.

Mr. Becker: You should do your homework.

The Hon. D. A. DUNSTAN: It does not affect them. I have written to the Public Service Association.

Mr. Becker: Has it replied?

The Hon. D. A. DUNSTAN: It has not had an opportunity as yet to reply, but it will certainly have an opportunity to make any representations it wishes to make before the Bill is finally passed by Parliament. I cannot conceive for a moment anything in the Bill that the association will want to raise; if the honourable member can point to one such matter I shall be interested indeed. Similar letters relating to the Bill have been sent separately to the Public Service Superannuation Federation, which is the body generally representative of the contributors to the fund, as well as to the Public Service Association.

This measure is simply designed to allow members from that unsatisfactory superannuation background (the old commission) to come across to the fund, as we announced originally we would seek to do, because it had not been possible to include them in this arrangement when the original Superannuation Act became law. If this Bill is not passed this session, there will be a significant delay in achieving this transfer to the fund, and the officers concerned would be disadvantaged. It was for that reason the measure

was introduced hurriedly at the request of the Public Actuary. If I had had more time to consult people I would have done so. That is the full reason for the measure.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Contributors to declared schemes."

Mr. BECKER: As the Treasurer has explained, this measure, which was introduced at the request of the Public Actuary, protects people employed in the National Parks and Wildlife Service. Apparently the Treasurer is unaware that two appeals are before the Superannuation Fund tribunal and that this legislation could upset those appeals. Because of that I did not raise the matter during the second reading debate. Apparently an appeal was heard last year in November, but no decision has been handed down. The Treasurer said that he has not had an opportunity to discuss the measure with the Public Service Association. I believe the association should be given an opportunity to consider the matter, because this Chamber will not adjourn—

The CHAIRMAN: Order! The honourable member must come back to the clause under discussion.

Mr. BECKER: The point I am making is relevant to that clause. I made a brief reference—

The CHAIRMAN: Order! The clause under discussion is clause 2, which deals with contributors to declared schemes.

The Hon. D. A. DUNSTAN (Premier and Treasurer): I am at a loss to follow what the honourable member is saying. Nothing in this clause would disadvantage contributors.

Mr. BECKER: I am sorry. My comments really relate to clause 4.

Mr. COUMBE: I think the information the honourable member is seeking is whether a contributor to the old scheme who wishes to transfer to the Government scheme can buy into that scheme and have his accumulated service considered for that purpose. However, I am uncertain whether the comments made by the honourable member relate to this clause or to clause 4. Will the Treasurer explain whether a contributor to this scheme will have his accumulated service considered when contributing to the Government scheme?

The Hon. D. A. DUNSTAN: The position under new section 6a is as follows:

Where a person who, but for paragraph (d) of the definition of employee in subsection (1) of section 6 of this Act, would be an employee as so defined satisfies the board that—

(a) he is no longer liable to make any contribution in respect of a declared scheme;

and

(b) neither he nor any person claiming through him is entitled to or capable of receiving any benefit from a declared scheme,

the board may, by notice in writing, declare that it is so satisfied and subject to subsection (3) of section 43 of this Act on and from the day on which that declaration is made that definition of employee shall apply to and in relation to that person as if paragraph (d) thereof were omitted therefrom.

On the other hand, clause 4 provides:

The board may in relation to a person who becomes an employee, as defined in this Act, in consequence of the operation of section 6a of this Act, require that person to pay to the board a sum equal to all or part of the value of the benefit, if any, received by that person from any declared scheme and the board shall not accept any such person as a contributor until the board is

satisfied that that requirement has been complied with or that that person has entered into an arrangement with the board to comply with that requirement.

Mr. CUMBE: It has a type of portability?

The Hon. D. A. DUNSTAN: Yes. A contributor takes what he has contributed from a declared scheme and says, "Right, I can buy superannuation benefits with that sum." It simply enables a transfer to be made.

Mr. CUMBE: Because he has come from a declared scheme, it is not equated to the old scheme of buying a number of units but now his accumulated service is involved and is equivalent to the sum he has paid into the declared scheme.

Mr. BECKER: In deference to your ruling, Mr. Chairman, new section 6a provides:

Where a person who, but for paragraph (d) of the definition of employee in subsection (1) of section 6 of this Act, would be an employee as so defined satisfies the board that—

(a) he is no longer liable to make any contribution in respect of a declared scheme;

and

(b) neither he nor any person claiming through him is entitled to or capable of receiving any benefit from a declared scheme,

the board may, by notice in writing, declare that it is so satisfied and subject to subsection (3) of section 43 of this Act on and from the day on which that declaration is made that definition of employee shall apply to and in relation to that person as if paragraph (d) thereof were omitted therefrom.

It leads back to what I was saying earlier: that a contributor is no longer liable to make contributions to the declared scheme.

The Hon. D. A. Dunstan: His connection with the declared scheme is finished and he takes his contributions over to the South Australian Superannuation Fund.

Mr. BECKER: He is transferring his and the Government's contributions?

The Hon. D. A. Dunstan: He takes over all or part of his benefit.

Mr. BECKER: Whereas previously he could cash in on that separate arrangement and start afresh with the Superannuation Fund?

The Hon. D. A. Dunstan: Yes.

Clause passed.

Clause 3—"Declared schemes."

Mr. BECKER: Why is reference made to the Superannuation Act of 1969?

The Hon. D. A. DUNSTAN: That was the first provision for declared schemes.

Clause passed.

Clause 4—"Acceptance of employee as contributor."

Mr. BECKER: Can this amendment upset any appeal or decision that is pending?

The Hon. D. A. DUNSTAN: Not to my knowledge. I have not been apprised of any appeal, but I am at a loss to understand how it could. I will inquire immediately, but cannot conceive how this clause would in any way affect an existing appeal.

Clause passed.

Clause 5 and title passed.

Bill read a third time and passed.

ART GALLERY ACT AMENDMENT BILL (BOARD)

Consideration in Committee of the Legislative Council's amendments:

No. 1. Page 2, line 1 (clause 5)—Leave out "organisation".

No. 2. Page 2, lines 13 and 14 (clause 5)—Leave out "or as the Minister may from time to time specify".

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

That the Legislative Council's amendments be agreed to. These amendments make no grave alterations to the Bill and, while I do not welcome them, I think the Bill remains workable.

Mr. CUMBE: As no harm is being done by these amendments, I support them.

Mr. ARNOLD: I support the motion. It seems that much legislation that is being introduced contains a provision to refer a matter back to the Minister. Boards that are being appointed comprise competent people, and we should allow them to do the work that we ask them to do. The board of the Art Gallery will now be allowed to do a specific job, and this provision will increase the ability of the board to use its initiative when carrying out its duties.

Motion carried.

LAND TAX ACT AMENDMENT BILL (EQUALISATION)

Adjourned debate on second reading.

(Continued from March 18. Page 2950.)

Mr. RUSSACK (Gouger): In its taxing measures the Government has applied a stranglehold on taxpayers in this State, and this Bill does nothing to break that hold. At most it may only momentarily ease some pressure on the windpipe but it then tightens the hold. Exception could be taken to the way in which this Bill has been introduced: it was introduced on Tuesday and, two days later, we are expected to examine it intelligently and debate it, even though it is a most important Bill that will affect every citizen in areas in which land tax applies. The Bill covers all of the State where land tax is necessary to be paid by those who own land, whether it is a block on which a domestic house has been built, land used for commercial premises, or land used for primary production. Because people have been given the impression that they will have to pay less land tax, I suppose the Government and the Treasurer have considered that he has complied with one of the definitions of diplomacy that I heard recently. To be diplomatic one must be able to slice up the cake, and everybody who receives a piece of the cake considers that he has received the largest slice. This measure will reduce land tax, which would have reached an astronomical figure had action not been taken.

Mr. Payne: Don't you want it?

Mr. RUSSACK: Of course we do, because it is overdue. However, this Bill does not go far enough, and I will quote figures to support my argument. The Government became concerned, and perhaps fearful, when it appreciated the amount of tax that it would have received if it had not taken some action to reduce the tax. I wonder whether it was intended that this Bill be introduced during this session. On February 20, I asked the Treasurer a question (*Hansard*, page 2486) and part of that question was:

Will the Treasurer give details of his promised equalisation scheme relating to land valuations and will he say whether legislation will be introduced during the present session of Parliament to establish such a scheme and also to adjust the scale of rates of tax, exemptions, and concessions, so as to lessen the impact of this impost and give relief to that section of taxpayers that, because of the present admitted unfair system, has been obliged to pay excessively high land tax during the 1974-75 financial year?

That question applied to both urban and rural areas, and the Treasurer replied:

I am by no means certain that during this session of Parliament it will be possible to introduce legislation for equalisation in relation to land tax. I have received a report from the Commissioner of Land Tax concerning equalisation of land tax, and that matter needs to be considered in detail by the Cabinet. When that has been done and a policy has been finally determined on how the equalisation scheme will be implemented, the necessary action will be taken.

Now, four weeks after I asked that question, this Bill has been introduced hastily, and I consider that that has been done because the Government has realised the magnitude of the difficulty and of the impost on the taxpayers. The second reading explanation states:

The proposed tax scale halves the basic amounts of tax payable on taxable values up to \$40 000. There are significant reductions for the middle-range values, the reductions tapering to about 17 per cent when the maximum rate of 38c is reached at \$200 000. This maximum was previously reached at \$180 000.

The biggest reduction (50 per cent) has been made in relation to amounts up to \$40 000. Therefore, the Government is most concerned about the urban areas, involving those people who would pay a lower tax. The explanation also states:

It is estimated that land tax receipts for 1975-76, based on the modified tax scale and the allowance of the exemption of \$40 000 for primary producers, will be about \$18 000 000. This estimate is based on the level of land values likely to prevail when the equalisation scheme operates from July 1, 1975. There could be some variation depending upon the equalisation factors finally determined by the Valuer-General.

It is interesting to trace the history of land tax in South Australia over the past 10 years. The receipts from land tax during that period are as follows:

Year	Receipts \$
1963-64	4 900 000
1965-66	5 600 000
1966-67	7 600 000
1967-68	7 700 000
1968-69	7 600 000
1969-70	7 600 000
1970-71	7 500 000
1971-72	7 900 000
1972-73	10 000 000
1973-74	11 000 000
1974-75 (estimated)	12 000 000
1975-76 (estimated)	18 000 000

We see that land tax receipts were stable in the years when a Liberal Government was in office, whilst receipts increased by \$2 000 000 between 1965-66 and 1966-67, under a Labor Government. We all remember 1970-71. I am sure that in that year the Treasurer tried to increase the valuations drastically but the Government retracted, because of strong opposition. If the correction made by this Bill had not been made, the receipts from land tax in 1975-76 would have been about \$28 000 000 to \$30 000 000. Land tax is iniquitous, and the people will not be paying less than previously. If the position was not corrected, they would have to pay twice as much. One thing that a Government looks for is a growth tax, and land tax receipts have increased under a Labor Government, whilst they remained static under a Liberal Government. The Opposition is genuine in its statements about land tax exemptions on primary-producing land. We know that it is a matter of the escalation of valuation of properties.

Mr. Keneally: Oh?

Mr. RUSSACK: We asked the Government two things. First, we asked it to consider the unfair system of valuation. Immediately the quinquennial system was changed to the present system whereby one-fifth of the State would be valued each year, there was an inequality, and an unfair

advantage was given to those whose properties were valued over those whose properties were not.

I will refer now to the work of two Government departments, and I make clear that I do not say that the persons in those departments do not carry out their functions properly. I refer to the Valuer-General and his staff in the State Valuation Department and to the Commissioner of Land Tax and his staff in the State Taxes Department. I commend those persons for the work that they do. They can act only as the legislation requires, and they do their work efficiently. I want to make that clear. Any statement I make is on the provisions of the Act, the policy of the Government, and the system. I am not happy, as many are not happy, with the present system of valuation, because associated with the valuation of land are council rates. If certain legislation is passed, councils will soon be more involved than ever in land valuations determined by the Valuation Department.

Water rates, sewerage rates, succession duties and probate are all based on land values determined by the Valuation Department. It is important there should be consistency. The Valuer-General is directed by the Act to make a valuation in each area at least once every five years after the general valuation has been made. An area is defined in the Act as a local government area, and different land valuations apply in neighbouring council areas. This was one thing we asked the Government to examine. The same thing applies to municipal councils, there being inequitable taxing in any one year. The Government considers that equalisation is the answer, but I do not think it is. I have tried to find out what "equalisation" means, bearing in mind that the Bill refers to an "equalisation factor". I understand that the one-fifth of the State that is valued during the current year is taken as a basis, and that areas in the remaining four-fifths of the State are then examined and equalised with that valuation. I know there will be years when the valuation drops, and this should be followed by an equalising throughout the State, but that is not likely to happen soon: more likely there will be increases. I do not think there will be true equality in the method of evaluation until we return to a State-wide basis of annual values. In his second reading explanation, the Treasurer said:

Under that Act the Valuer-General has had to adopt a cyclical system of revaluation whereby about one-fifth of the State is revalued each year. It is physically impossible for him, with existing resources, to undertake revaluations for both land tax and water and sewer rating in each year for the whole of the State although, with the development of computer systems, annual revaluations for all rating and taxing purposes may ultimately be possible.

I hope that will be soon. Next, we asked the Government to consider the scale of land tax. I am grateful that this matter has been looked at. However, the Government has not gone far enough, as the rates are still not commensurate with escalating values. The scale has not been changed since 1966, when total revenue from land tax was \$5 600 000; under the new provision it will be \$18 000 000. Those in the lower bracket will receive a reduction by only half, whereas the tax all over the State has increased by about 450 per cent. Therefore, I believe that the scale of tax must still be considered. I hope that as soon as possible the Government will make a further revision, as the scale is still unsatisfactory.

At one time, aggregation possibly applied to the owners of large properties. How many wage earners now own a holiday house as well as their domestic house? I point out that the values of such properties are aggregated, causing steep increases in the land tax payable. As the

value increases, the scale is higher. Aggregation should be abolished. I have already said that land tax will be reduced in country and city areas. I will give two examples of country properties where the land tax will be reduced. In the case of the first property, the valuation in 1970 was \$23 430, the tax being \$48·35. In 1973-74, the valuation was \$75 860, with the tax being \$502·04. Under the proposal in the Bill, the tax will be \$83·44. The valuation of the second property in 1970 was \$32 250, with the tax being \$82·80. In 1973-74, the valuation was \$93 710, with the tax being \$786·78. Under the new scale, the tax will be \$189·68.

I have referred to those cases to show that, although the tax payment will be reduced, it will still be much higher than was paid in 1970. I will now quote two cases of city dwellers. In the first case, land tax in each of the years 1971, 1972 and 1973 was \$257·71. This financial year, this person's tax is \$1 092·60, an increase of almost 400 per cent. In the case of another city dweller who lives at Woodville, the tax has increased from \$4 to \$9, an increase of over 100 per cent. Because of this steep increase, people will pay less now under the Bill, but they will not pay less than they paid in those earlier years. There are some people who, because of the equalisation policy being applied in the city, will have to pay more than they paid previously for some time. In his second reading explanation, the Treasurer states:

Regarding refunds, members will see from the clauses of the Bill that we are limiting the increase in tax on rural properties in this financial year to a 100 per cent increase in valuation; any excess over that figure will be credited in next year's tax.

Although I have searched the Bill, I cannot find any clauses referring to this refund. Therefore, I take it that the newspaper report of what the Treasurer said is correct, as follows:

Speaking about rural relief, Mr. Dunstan said the Government had considered the magnitude of the tax increases on rural land and the general economic situation in the rural industry. The movement in rural land valuations had been generally higher than that for urban land. "In some rural areas, the average increases have been in excess of 150 per cent compared with the general average of 100 per cent for urban land," the Treasurer said.

"Cabinet has decided, therefore, that for this financial year's purposes only, the increases in rural valuations will be limited to 100 per cent above the previous valuations; that is, the same as the average percentage increase for urban land revalued for 1974-75 taxing purposes. Land tax paid by primary producers in 1974-75 on valuations which were increased by more than 100 per cent will be adjusted and credits allowed against the 1975-76 tax. Applications for the reductions will not be necessary." Mr. Dunstan said the credits would be calculated by the State Taxes Department and shown on the 1975-76 land tax accounts. If they exceeded the amounts for 1975-76 tax, the excess would be refunded.

I take it that the excess will apply only to the amount paid in this current year. Therefore, any excess will be refunded by cheque, and that concession is certainly appreciated. However, we should bear in mind that many people have paid an increase of 1000 per cent in land tax. I am glad that the Government has acknowledged the iniquitous tax that these people have had to pay. I ask the Treasurer to consider not making a sharp cut-off point at the 100 per cent increase. However, I bear in mind the Treasurer's logic that the tax is being equalised in respect of urban areas. For instance, a landowner who, in 1970, paid \$300 in land tax, had his land valued at \$60 000, whereas in 1973-74 the valuation increased to \$111 000, and his tax was \$1 122; an increase of \$822. Under the new scale he will pay \$352 tax.

Although this is only an example, it shows how a valuation increased by almost 100 per cent. Will the Treasurer consider individual cases on their merits? I am especially concerned about people in the city who have had to pay high land tax increases this financial year and who, apparently, have no right of redress.

I realise that next year golf clubs and other sporting clubs will receive partial exemptions, but I should like to refer to a letter written by the Manager of the Flagstaff Hill Golf and Country Club on January 23, 1975, which states:

Sir, Further to a telephone conversation with . . . your department, I find it very hard to reconcile the fact that the Flagstaff Hill Golf and Country Club, to whom all accounts are addressed, has no right of appeal against the astronomical amount of tax levied.

I realise, of course, that one must appeal when the valuation is made, and in this case I do not know whether an appeal was lodged. Further, the ordinary householder often does not know what an assessment notice means in terms of what it will cost him, and I wonder whether there is some way of making the amount known to him before he receives the account, which is when the crunch comes and when the amount of the increase is realised. The letter from the golf club to which I have been referring continues:

As the club is a non-profit-making sporting organisation, I did think that, regardless of the zoning of the land, as the area is being developed as a permanent golf course with clubhouse, this would have been taken into consideration when assessment was made. The committee has made a \$30 call on members this financial year because of wage and price increases, and to have to make another call of \$50 a member would surely destroy the fine club that has been painstakingly built up during the past seven years. A six-fold rise in land tax, by any stretch of the imagination, is out of all proportion to the use to which the land is being put. I am also firmly of the opinion that no developer would even consider the purchase of the area, at the assessed value, if for no other reason than the reaction of the conservationists.

Also, when one considers that a football arena which can only accommodate 36 players as against our 140 at a time, owned by a private company, can have Parliament put through a special Act exempting them from all rates and taxes, and we are billed with an account of \$25 455, words fail to express my astonishment at this apparent injustice. I would appeal to you on behalf of the committee and members of Flagstaff Hill Golf and Country Club Incorporated to withhold the necessity for payment of this account, or fine for non-payment of same, until such time as the position is clarified as to who has the right of, and can make the appeal for, reduction of the assessment.

Yours sincerely, C. C. McNamara, Manager.

Following that letter, a further account was received from the State Taxes Department, and to the original assessment was added a fine of \$1 272·75, because the club could not pay the assessment. The golf club, therefore, is now indebted to the State Taxes Department for a total of \$26 727·75, which is due on March 28 this year. The club's previous assessment for land tax was \$3 769.

[Sitting suspended from 5.57 to 8.15 p.m.]

Mr. RUSSACK: The Flagstaff Hill Golf and Country Club, with 760 members and associates of whom 450 are full members, has been charged \$25 455 land tax, compared to about \$10 000 for Grange Golf Club and about \$800 for Marino Golf Club. This club is also indebted to the Engineering and Water Supply Department for \$1 600 a quarter and has to pay \$2 700 a year council rates. This information came to me from the member for Hanson. The Liberal Party has a small subcommittee concerned with land tax and I am its Chairman. The

following letter has been handed to me by the member for Hanson:

Dear Sir, Please find enclosed a photostat copy of a letter to the Valuer-General which is self-explanatory. Should you be able to offer any suggestions or form of help, either directly or indirectly for ways of alleviating this excessive tax burden, it would be greatly appreciated by the committee and members of the Flagstaff Hill Golf and Country Club Incorporated. Yours faithfully, C. C. McNamara (Manager).

As those who have paid excessive tax in the rural sector during the present year have been considered, and as there is no provision by which this golf club can be assisted, I ask the Treasurer sincerely to do something for this club and those in a similar situation. I have said that this measure was introduced rather suddenly, and its importance has been demonstrated by the fact that it must be passed before Parliament goes into recess next Wednesday. It seems to me that there has been pressure exerted from somewhere for some reason, as a result of which this Bill has been introduced now, although it should have been considered a long time ago. I wonder whether it is being rushed through because aspects of land taxing do not bear scrutiny. Under the present valuation procedure, the equalisation scheme has virtually developed into an annual assessment, because an equalisation factor will be applied throughout the State.

The scale has been amended, but there is still scope for further reductions. I quote an instance that has occurred in the Kybunga area concerning aggregation. An increase in taxation was brought about by the forming of a family company in which all land was placed in the name of members of the family, but the tax increased from \$213.56 to \$2 164.80—a terrific increase. The tax was paid before the refunds applied. In this situation will this family qualify for a refund, as the excessive increase was caused by aggregation? I suggest to the Treasurer that he should consider a sliding scale on the amount of tax paid, rather than on valuation. My Party's policy is to abolish land tax on primary-producing land. I know that it is not intended to change this policy, and I am sure that, as we will soon be in Government, that policy will be applied. Land tax was introduced for the major purpose of preventing people from holding large parcels of land, and to ensure that land was divided and used for productive purposes. For years it was accepted as a type of token tax, and councils reserved the right to use this tax to raise revenue.

However, the way land tax is applied today means that councils are denied this right to raise revenue. No wonder councils are in their present financial situation. There must be a continuing surveillance on all aspects of land tax, with frequent reviews especially of the scale of taxes, so that when valuations fluctuate, the scale can be amended commensurate with the fluctuations. I support the Bill.

Dr. TONKIN (Bragg): I, too, support the Bill, and who would not support it? I say that because it represents what is being painted as a generous gesture by the Government in response to representations made by various electors for a reduction in land tax. However, the Bill gives no concession whatever to the taxpayers of South Australia.

Mr. Duncan: Yet you're supporting it!

Dr. TONKIN: It is better than nothing, so I am supporting it gladly, but it is absolutely disgraceful that this Bill or something like it was not introduced a long time ago.

Mr. Duncan: Are the North Terrace farmers getting worried?

Dr. TONKIN: Apparently the honourable member does not care that the people are being forced to pay grossly excessive land tax. I should be pleased to hear what his electors say about that. The Bill makes a long-overdue adjustment to the excessive increases in taxation caused by unparalleled increases in valuation that in turn have been caused by the alarming inflation in this country over the past three or four years.

Mr. Coumbe: Who caused that?

Dr. TONKIN: The blame for that can be laid fairly and squarely on the Labor Administration in Canberra. I am sure that the Treasurer would have liked to keep the taxation levels that he had, and I suspect that that is why the Bill has been introduced now. I think even he is beginning to see that it would be electoral suicide to maintain land tax rates at their present level. The Government has been forced to take action: it is not doing South Australians a favour out of the goodness of its heart.

I pay a tribute to the member for Gouger for the research he has done, and I congratulate him on his speech. The honourable member has advanced useful and constructive criticism. No-one, except perhaps a Government member, could have lived in our community in the past three or four years without knowing of the staggering increases in water and sewerage rates and in land tax. People in Burnside, Glenelg, and many other areas have been placed in an extremely difficult financial position because of these increases. Many of these people, on superannuation, must live on a fixed income. They have no way of keeping up with inflation and the demands made on them.

The equalisation factor is well worth considering as a way to avoid these sudden and excessive increases, and for that reason it deserves support. Certainly, it deserves a trial to find out whether it has the effect for which it has been designed. However, by itself it will not reduce the amount payable. The critical part of the Bill is the amendment to the scale of land tax. Although many people think they will be paying only half what they might have been paying (and, for that reason, they are thankful), they have not realised that probably they will be paying more than they paid previously.

Mr. Coumbe: How much will be raised this year?

Dr. TONKIN: We understand that the amount will be \$18 000 000, as against \$12 000 000 last year. It is likely that the amount would have been between \$28 000 000 and \$30 000 000 but for this Bill, and the additional amount can come only from people whose property is valued at over \$40 000.

The Hon. D. A. Dunstan: That's not true.

Dr. TONKIN: Well, where will it come from?

The Hon. D. A. Dunstan: There's no such exemption for the metropolitan area.

Dr. TONKIN: I do not think the Treasurer has been following my argument. The taxation scale shows that the rate of tax is now exactly half at the \$40 000 taxable level: the new tax will be \$100, whereas the old tax was \$200. Despite the amount involved at that level, the extra amount between \$12 000 000 and \$18 000 000 will have to be obtained from those people who are in the higher valuation group. Although people may have been conned into thinking that they will be paying less tax, they will be paying more.

Mr. Coumbe: Most of this will be from the metropolitan area.

Dr. TONKIN: Yes. The fault about the scale is that it goes up in what is almost a geometrical progression, increasing taxation steeply as the taxable value increases. This is an unsatisfactory way to assess the tax. The present scale has been left for far too long and has given rise to a grossly inequitable situation where everyone has had to pay increased tax.

A fairer way would be to adopt a formula containing a fixed percentage. Indeed, there is much in the statement made by the member for Gouger that land tax should be abolished. The position that has arisen in the past two or three years because the Government has not reassessed the effect of the taxation scale could recur. It is not suggested that the rate of inflation is going down or even slowing down, and the predictions for the next nine months are extremely grim. If inflation moves ahead in that period and if valuations are made, this scale will no longer be relevant to the valuation position, despite the equalisation factor. If the Government wants to do the right thing, it may find that it has to reduce the scale again within six or 12 months; that may be a way of ensuring that the people are not victimised.

Mr. Coumbe: What do you think the position will be in the city of Adelaide?

Dr. TONKIN: One would need a crystal ball to answer that question. Land values in the city of Adelaide are increasing even more quickly than they are elsewhere in the State. The burden on landholders in the city will be crippling. As a result, the viability of their businesses may be affected and, in the long term, the welfare of the people of the State will be disadvantaged.

Mr. Coumbe: Do you think that the land tax burden will encourage people to come back into the city of Adelaide?

Dr. TONKIN: I do not think there is any chance whatever of getting people back into the city if this sort of iniquitous taxation scale is allowed to continue. In spite of the equalisation factors, the Government in future could well have to modify its scale again. Certainly, at election time the Government will be forced to do so by pressure from the people. It is disgraceful that the Government should have delayed introducing this Bill for so long. It should have been introduced 12 months ago, as soon as the effects of the new valuations became apparent. People from the Bragg District, the Davenport District, and all over the metropolitan area told the Government what was going on, but it would not listen. I support the Bill because it is an improvement, but it does not go far enough. Somewhere, somehow, a new, fair and equitable formula for the calculation of land tax must be found.

Mr. DEAN BROWN (Davenport): With great reluctance I support this Bill for one reason only: it introduces equalisation for land tax in this State. First, we should examine the Government. We have seen tonight that the Government places a far higher priority on a reception for the South Australian Film Corporation than it does on reducing land tax in this State.

The SPEAKER: Order! The honourable member for Davenport has been in this House long enough to know that, when the House is debating a Bill, that Bill is the subject matter that must be dealt with by a member speaking to it. The honourable member for Davenport.

Mr. DEAN BROWN: I shall debate the Bill, but I was simply referring to the hold-up in the passing of the Bill because of the delay of 2½ hours during the dinner break for a reception for the South Australian Film Corporation.

The SPEAKER: Order! The honourable member for Davenport must not make a reflection on a decision of the House.

Mr. DEAN BROWN: When the Treasurer explained this Bill he tried to indicate to the people of South Australia that their land tax burden would be eased. We know that the silver tongue of the Treasurer was simply saying that the people need not worry (while he was lining the pockets of the Treasury with silver!). An article in the *Advertiser* of March 19 states:

The State Government has moved to lessen the burden of land tax.

It is time that the people saw the truth of the matter. Next financial year the people will realise that, instead of having their land tax reduced, they will have it increased. None of us should be fooled into believing that land tax will be reduced. One needs only to compare the amount to be collected this year with the amount to be collected next year. The Treasurer said that \$18 000 000 would be collected under the new system. This year, \$12 000 000 will be collected, so next year there will be a 50 per cent increase of \$6 000 000.

I wish to deal with the method of working out equalisation. One could imagine five areas in the State under the old system; a revaluation took place every five years. The system started about two or three years ago, with one-fifth of the State having new valuations for the financial year 1973-74. Another one-fifth of the State received new valuations for the current financial year. The areas affected are Burnside, Glenelg, Henley and Grange, and so on.

Mr. Mathwin: All Liberal areas.

Mr. DEAN BROWN: There are some Labor areas, but they are mostly Liberal areas. We remember the sort of outcry that occurred when people received their accounts. I have already referred to some of the devastating increases in land tax that people in my area have faced, in some cases amounting to 500 per cent. I can well recall on a previous occasion, when I was condemning rate increases, the Minister of Education was grinning from ear to ear; he tries so gallantly to defend the present system of rating.

The Hon. Hugh Hudson: You're not telling the truth.

Mr. DEAN BROWN: The Minister sat there smiling from ear to ear when there were debates on water and sewerage rate increases while he was Acting Minister of Works.

The Hon. Hugh Hudson: You're not telling the truth. You have no right to infer opinions from a person's appearance. If that were allowed, we would conclude that you were a complete dill.

The SPEAKER: Order!

Mr. DEAN BROWN: The Minister is again adopting the sort of arrogant attitude that he adopted towards the people of Burnside when their water and sewerage rates were increased.

The SPEAKER: Order! I remind the honourable member that Standing Orders do not permit the discussion of a debate that has taken place in the current session.

Mr. DEAN BROWN: On a television programme, the Minister said that, if people could not afford to pay the increase in their rates, they should pack up and leave the area.

The Hon. Hugh Hudson: Come on!

Mr. DEAN BROWN: You said that in a television interview on *This Day Tonight*.

The Hon. HUGH HUDSON: I rise on a point of order, Mr. Speaker. I do not want to be put in a position

of continually having to make personal explanations because of falsehoods uttered by the member for Davenport. Moreover, he is referring to Engineering and Water Supply Department rates, and not to land tax. He should be asked to return to the Bill before the House.

The SPEAKER: I have already told the honourable member for Davenport that Standing Orders do not permit the discussion of a debate that has previously taken place this session. Any reference to such a debate is out of order. I point out to all honourable members that this is not the time to bring personalities into a debate of this type. Reference to personalities should be avoided.

Mr. DEAN BROWN: Land tax in my area has increased because of tremendous increases in land valuations, such as an increase from \$9 800 to \$18 400, and so on. Increases in land tax have been from \$322 to \$1 999; from \$22 to \$42; from \$22 to \$56 (that was the case of an old lady); and from \$16 to \$34. Those are the sorts of savage increase that people have had to bear this financial year, and the Government has done nothing to help them. I am greatly disappointed that the Bill does not assist in any way people in the metropolitan area who have had to pay these tremendous increases. The Treasurer should have noted the motion which was moved by the member for Gouger last year and seconded by me, and which called for land tax relief in the current year. The Treasurer paid no heed to that motion.

We have now reached the second year of assessment for Burnside and other areas. Three other areas would have been consecutively reviewed for the next three years if the old system had continued. Under this new system, the next one-fifth of the State will be valued, and the land in the other four areas will be revalued according to the percentage increase in the reassessed area. This is a fair system; at least it means that land values will be increased annually instead of once every five years. That is about the only part of the Bill I support. At least people will get some small increase once every year instead of a mammoth increase every five years. The Government has implemented this Bill for reasons of political expediency. The Treasurer knows that he can levy a small increase every year and evoke less public disapproval than if he imposes massive increases every five years.

Mr. Mathwin: Will Labor areas be the next to be revalued?

Mr. DEAN BROWN: An election year is coming up, and many Labor areas are to be reassessed; that is why the Bill has been introduced. Under this system, instead of one-fifth of the State facing an increase in land tax next year, about 80 per cent of the State will face an increase. That is whence the extra \$6 000 000 will come. After careful examination of the Bill, I will now give some reason why I do not like it. As I have said, I will vote for it only because of the value equalisation system.

The first reason why the Bill is despicable relates to the area of new rates. Unfortunately, because of the procedures of the House, I cannot move an amendment to change the rates. However, I make clear that I do not accept them. The rates were last changed in 1966. We have had a further change in 1975 to apply to the 1975-76 year.

In the nine years since the last change, the revenue from land tax has increased from \$7 600 000 in 1966-67 to \$12 000 000 for the current financial year, and it will be \$18 000 000 next financial year. If we take the consumer price index and use the 1966-67 year as the base year, the index for that year is 100, and the present index 166,

based on the December quarter last year. Therefore, land tax is increasing at a far greater rate than the consumer price index. A further burden is seen when we compare the increases in land valuations with the increases in the average weekly wage and the consumer price index.

As I have already given figures in the House about this, I cannot use them in this debate. Those figures indicate clearly that, whereas the consumer price index for the stated period showed 100 per cent increase, the increase in land valuations was about 300 per cent. This is how the Treasurer has taken extra money from the people of South Australia. He has used the inflation in land values to collect this extra revenue, and he has done this unjustly. After nine years he is simply reducing the rate by half, but only some of the people will enjoy that reduction; for many people it will be far less than that. I think the minimum reduction is about 17 per cent or 18 per cent.

It is for that reason that I cannot accept the rates that are imposed on us by the Treasurer. There is a second reason, however. If one looks at the system of setting land tax one sees that it depends on an exponential curve; that is, the higher the value the higher the taxing rate in the dollar. The Treasurer has reduced the rate at the lower scale and he has reduced it even less at the higher end, so we now have a new level of taxation inequality. Where the people of Burnside objected to the previous type of inequality of land tax and water and sewerage rates, they can see even greater inequalities now. People in that area rejected the present system of valuation and the present level of rates at a public meeting in a packed Burnside Town Hall; they voted unanimously against the present level of rates.

It is about time the Treasurer started to listen to the multitude instead of the minority. I have indicated that certain advantages exist and I outlined the advantages of value equalisation. There are other advantages, too, but they are rather small. I applaud the Treasurer for the reductions he has announced for land tax in rural areas, but he has not gone far enough. The member for Gouger has stated clearly the policy of the Liberal Party in this State: that is, the eventual abolition of land tax in rural areas. I support that policy fully.

Another minor concession granted by the Treasurer was the promised refund in areas where the valuation in rural areas had increased by more than 100 per cent. Unfortunately, the Treasurer did not give people in the city the same benefit. He rejected the statement that people were suffering just as much in my district as people in rural areas. People in the Burnside district have faced increases of over 100 per cent. However, because of the exponential curve for land taxation the Treasurer, instead of basing the reduction on a 100 per cent increase in land values, should have based it on a 100 per cent increase in the tax paid because that would have been fairer.

The present system is certainly unfair. However, I applaud the Treasurer at least for the small-minded goodwill he has shown to the people of this State. Land tax is the most iniquitous tax that can possibly be implemented. A landholder gets no services whatever in return for paying that tax: he is simply lining the Treasurer's revenue coffers. It seems that land tax is imposed on the apparent wealth of a person and according to the area of land he owns. Unfortunately, for many people the value of the land they own bears no relationship to their ability to pay the tax. I could quote some classic examples of instances in my own district. Some people living in Linden Park have lived there for 40 years; they are over 70 years of age and have retired. They are now faced with high land

valuations in the area. Many of these people who are pensioners cannot pay the tax. It is a classic example of the value of land increasing but the land raising no money at all to help pay the tax.

I cannot imagine a more iniquitous tax: it bears no relationship to the real wealth or income of a person. It is for that reason that I think the whole importance of land tax in relation to our taxing system should be greatly diminished. Further, Australia is presently governed by a Commonwealth Labor Government which has certainly been supported by this State Government and which has created the most severe inflationary trend. I need not go into the reasons for inflation. In this State we are experiencing the highest inflation rate for the last eight quarters of any State in Australia, and the taxation policies of this State are one of the main reasons for increased inflation here. Earlier this week I released another reason for that inflation: the workmen's compensation legislation of this State.

People should not be fooled by the slight drop in inflation for just one quarter. During a period of inflation when fixed capital assets cannot earn the same sort of income as the ruling rate of inflation it becomes important to turn the area of taxation away from capital taxation and into the area of consumer taxation. I believe that the member for Peake as an economist will appreciate that. I know the Minister of Education (who was once an Economics lecturer at Adelaide University) would agree that, in a time of rapid inflation, the tax burden should be taken away from capital taxation and directed towards consumer taxation. Perhaps the Minister (who was so irate about previous comments I have made) would like to comment on what I have said about the present land tax system. I issue an invitation to him, at any rate, because the Minister has left a distinct impression with most of the people in my district that he is a person who would continue to tax people to the absolute hilt with no regard for their ability to pay. That is the attitude that has invariably come through from his comments.

The Hon. Hugh Hudson: It is the impression that has come through as a result of your misrepresentation.

Mr. DEAN BROWN: It has continually come through in the Minister's attitude and statements in this House and in his actions as Acting Minister of Works.

Mr. Gunn: What about on television?

Mr. DEAN BROWN: Yes.

The Hon. Hugh Hudson: I started an investigation to review the taxing method.

Mr. DEAN BROWN: Only when the Minister had so much pressure put on him to do so. The whole situation was unsatisfactory.

The SPEAKER: Order!

Mr. DEAN BROWN: I reiterate my support for the Bill and for the few concessions that the Treasurer has granted, but I especially support it because of the equalisation principle. However, I warn the people of this State that in the next financial year 80 per cent of them will face increases in land tax that will affect about 80 per cent of them, and that the whole of the State will pay a total increase of 50 per cent. The system is inequitable, and unfair, and it is time it was amended.

Mr. McANANEY (Heysen): Whenever a tax concession is granted, or whenever there appears to be a concession, it must be supported. However, we must analyse the effects of land tax and consider whence the \$18 000 000 is to come. We must consider especially whence the extra \$6 000 000 will come. My young friend

from Davenport referred to consumer taxation. Actually, much of this increase in land tax will be collected in the city square of Adelaide and will be passed on in increased prices for goods. People of all ages and sections of society will pay those increased prices, and that will add to the inflationary spiral. It is obvious to me that it will be the large landholders who will pay the highest taxes.

The area of the District Council of Meadows was reassessed last year. In this area farm properties should not be decreased in size, because by allowing smaller subdivisions it has been found that people who have amassed much money through subsidised industries and city activities have bought land at a high price, and people living in the area engaged in primary production have found themselves in difficulties. I know several cases in which the land tax has risen from \$200 to more than \$2 000 and, although concessions will now operate, about \$1 600 will still have to be paid. As the value of the land should depend on its ability to produce, this situation is unjust to these people.

Holdings should become larger and more productive, because that is the only way in which many primary industries will be able to continue. The exemption of \$40 000 is not sufficient: it should be more to allow a family farm to continue operating. I support the Liberal Party policy enunciated at the recent election that land tax should be abolished in respect of land used entirely for primary production. There is no margin of profit in this industry and, in most cases, increased costs cannot be passed on. Any increased costs in the milk industry will result in increased milk prices, and nothing can be done about this. For goods exported there is no guaranteed price and, in many cases, the goods are sold overseas at a loss. We support the Bill, because without it a larger amount would be collected in land tax next financial year. However, we believe the whole incidence of taxation should be thoroughly examined to enable it to be based on the policy of ability to pay rather than on any other system. If taxation is increased to a large extent, any incentive to produce is lost, so that increased production that would benefit everyone is not undertaken and fewer goods are available for people to purchase.

This Bill does not go far enough, and some of the most productive holdings will pay a much higher proportion of tax than will be paid by others in the community. Perhaps the Treasurer will spend 30 per cent more money next year and, if the money comes from those who produce most goods, no doubt this Government will be interested in giving handouts to the things that interest the Treasurer. We seem to be adopting a changed philosophy, which has proved a failure in almost every country in the world. It is a sad thing to say, but in Australia the standard of living seems to be sinking to the same level as that of many other countries. It seems that the attitude is that money must be taken from some individuals so that the Government can give handouts to people who are not willing to make any effort to produce. Unfortunately, that attitude seems to have been adopted in nearly every other country of the world.

Mr. VENNING (Rocky River): After analysing the situation, I support the Bill, because I believe it will produce an effect more favourable than would have been achieved if it had not been introduced. I pay a tribute to the member for Gouger who, because of circumstances, found himself well and truly involved with land tax problems as they affected areas such as Bute in his district.

The honourable member has risen to the occasion and has realised the needs of that area. He has attended meetings of United Farmers and Graziers of South Australia Incorporated, and has shown much sympathy when speaking to farmers. He has obtained points of view that normally he would not have obtained in his previous avocation. Those of us who have been on the land all our life know the problems well. The member for Gouger has followed the matter through and, by continually working on the matter and asking questions of the Treasurer, has been responsible for having the Bill introduced.

Land values have been a problem in rural areas for many years. In 1972, the Valuation Department placed high values on land. Land sales took place, and the valuations exceeded the true values by more than 50 per cent. At that time many members on this side had embarrassing experiences. We attended country meetings that were attended also by officers of the Valuation Department, and on one occasion two of those officers met me here and drove me to Wirrabara to attend a meeting. Because of that, it was difficult for me to criticise the officers at the meeting. Eventually, through pressure from members on this side (and I speak here for the member for Frome also), the Treasurer instructed that a new valuation be made, and that valuation brought the values back to about half what they had been. I still have with me particulars of a case in my district, in the Laura area. The 1970 assessment was \$34 730; it was reassessed in 1971 at \$22 800; and in 1974 the valuation was increased to \$50 400.

People in the rural areas will now get relief from this tax. South Australia has been mentioned as the only State in Australia where rural land (that is, land farmed wholly by the landowner as a farmer on rural land) attracts an assessment for the purposes of land tax. It is interesting to note that the other States have given relief to the rural sector, and this has been done for a good reason. Many people are leaving the land today to go to built-up areas, and the average age of a farmer in Australia now is about 55 years. Indeed, this is bad for the industry.

Mr. Jennings: You should talk about some of the—

The SPEAKER: Order! The honourable member for Ross Smith knows the provisions of Standing Orders. If he interjects again from out of his place, he will be warned and suffer the consequences.

Mr. VENNING: It is the policy of my Party to abolish land tax on rural land. I hope the Treasurer will examine the possibility of doing this when next he examines this matter. My Party is also concerned with the effect of land tax on other areas of the State. Although the rural sector will receive some relief under this Bill, other areas of the State will still be belted by this tax. As other members have said, total revenue collected from land tax in 1973-74 was about \$11 000 000; in 1974-75, it was \$12 000 000; and for 1975-76, it will be about \$18 000 000. Therefore, revenue from this field of taxation is increasing. Had the present relief not been afforded to the rural community, the revenue return this year would have been astronomical.

The Treasurer was so alarmed about this possibility that he quickly introduced this Bill, although he had not intended to do it for some time. However, I am pleased that the Bill has been introduced this session. My Party is still concerned that people in some areas will get no relief from the Bill. It appears to be the policy of this Socialist Government to flog areas from which it can get money. I do not believe the people of the State mind paying tax so long as they can see that the money is being spent wisely, as such expenditure is an investment in the country.

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However, this Government spends money willy-nilly; it does not know how to handle finance.

Mr. Arnold: It doesn't know the value of money.

Mr. VENNING: Members opposite do not know the value of money, because they have not been brought up to handle it. I support the Bill. I hope that eventually some of the iniquities referred to by the member for Gouger, who outlined the Opposition's attitude to this measure, will be overcome.

Mr. BURDON (Mount Gambier): In introducing the Bill, the Treasurer has fulfilled the promise he made some time ago to the United Farmers and Graziers of South Australia Incorporated. He has gone further than his promise. In the case of rural properties the basic exemption sought was \$40 000, with a flat rate of \$25 on all rural properties. The member for Davenport, who is shaking his head, should talk to the member for Chaffey about this. The \$40 000 exemption will apply to all small property owners who live along the Murray River. In all, 13 000 small landholders have been exempted under the provisions of the Bill. Members opposite are interested in looking after the rich landholders.

Mr. Venning: That's pathetic.

Mr. BURDON: I suggest that the honourable member should speak to the member for Chaffey about this. Rural people enjoy certain concessions through various subsidies. Usually farmers want to capitalise their profits and socialise their losses.

Mr. Dean Brown: Why don't you ask the Minister of Education what he said on television—

Mr. BURDON: In relation to the Bill before the House—

The Hon. Hugh Hudson: Liar!

Mr. CUMBE: I rise on a point of order, Mr. Speaker. I heard the Minister of Education deliberately use the word "liar", referring to the member for Davenport. I believe that only last week you ruled that this term should not be used.

The SPEAKER: I ask the honourable Minister of Education whether he used the term that he allegedly used.

The Hon. HUGH HUDSON: I withdraw the term, substituting the term "a pedlar of untruths".

The SPEAKER: Order! The honourable member for Mount Gambier.

Mr. BURDON: Members opposite should bear in mind that, to provide for health, education and other facilities, revenue must be obtained from somewhere. If country people are always going to be asking for a subsidy, reduction or concession—

Mr. Venning: On what?

Mr. BURDON: I do not need to mention them, because the honourable member is aware of what they are. Somewhere along the line those who live in country cities and in the metropolitan area will be called on to pay increased taxes. Unless the constituents of certain Opposition members representing rural areas are willing to forgo some concessions, people in areas such as Mount Gambier, the metropolitan area of Adelaide, Whyalla, Port Augusta, Port Pirie, and other larger country towns will be called on to make a greater contribution to State taxes and to providing essential State services, including water supply and railway services.

The SPEAKER: Order! The honourable member must return to the Bill.

Mr. BURDON: Land tax involves many of these matters, which relate to State taxation and revenue.

Mr. Venning: Much more money is being poured—

The SPEAKER: Order! This is not a Budget debate.

Mr. BURDON: The member for Rocky River has made his speech.

Mr. Venning: You need a lot of help with yours.

The SPEAKER: Order!

Mr. BURDON: I remind the member for Rocky River that I have had some experience, although perhaps not as much as he has had, with regard to land. The Government is honouring a promise the Treasurer made to this State's farmer organisations. Not only has he done that: he has also given a benefit to 13 000 primary producers in smaller areas. Opposition members from the River areas can bear that out, because their constituents will benefit. If Opposition members doubt what I have said, they should discuss this matter with United Farmers and Graziers, which will confirm what I have said and what is contained in the Bill.

Mr. BLACKER (Flinders): I add my support for the Bill to the extent of saying that it is an improvement on the present position. I think it is desirable and acceptable that the new tax scale schedule should be included in the Bill. The Bill provides for an equalisation scheme, allowing a \$40 000 tax exemption. I congratulate the member for Gouger on his contribution to the debate. Having been in close contact with him from the time the first assessments were made and realising the effects they have had on his constituents, I readily appreciate the problems that have affected him personally as a member and his constituents. It is with some reluctance that I offer any contribution to the debate, because I have not had an opportunity to call on and discuss the Bill with a single constituent.

The Bill was introduced last Tuesday, and we have been asked to put it through all stages by Thursday, although I have not had the opportunity to return home and speak with even one constituent. Perhaps I could have abused House privileges by running up between \$20 and \$30 in telephone calls.

Dr. Eastick: Why should you have to do that?

Mr. BLACKER: Indeed. This is one of the rare occasions when a taxing Bill of this kind has been introduced in the beginning of the week and pushed through by the end of the week, before members have had time to consider it over a weekend. The Government is to be condemned for introducing a measure of this kind, affecting every landholder in the State. Many country members are unable to get home during the week. Often, we are unable to get home and call together a meeting, as we would in normal circumstances, and at least discuss the legislation and how it affects our constituents. We have been prevented from doing that, because the Government is attempting to push the measure through post haste. When a Government or any responsible authority tries to push through a measure in such a manner, it only creates suspicion. I have been unable to gauge the reaction of my constituents. With headlines of glory, so to speak, the Treasurer has made claims about the Government's moves to ease the burden of land tax, and the whole issue has been presented in that way. As the member for Gouger has said, the Bill will relieve the burden of land tax throughout the State to the extent of about \$10 000 000.

Mr. Arnold: Now we have an average increase of only 50 per cent!

Mr. BLACKER: Yes. If the gross receipts from land tax are to be 50 per cent greater than previously, we should ask ourselves who will be paying that increase.

Whence will it come, and will it really ease the burden of land tax? In fact, the Bill will not ease the current situation: it will create greater difficulties in future. Undoubtedly, every landholder fears the effects of continuing land tax. Much of the Bill revolves around unimproved land values, increased by inflation. With an artificial level of unimproved land values, I see no justification for the huge percentage increases that have occurred. The Bill provides some exemption, where the level is at least 100 per cent greater than previously, and that surely is an admission that anomalies exist.

I am a landholder, having purchased my property in 1967, just before the height of the land boom. Later, land value levels dropped considerably, to the extent of about 30 per cent. Subsequently, they increased, and I believe that values would be 15 per cent lower now than they were in 1969. I am quoting that example because of the land sales situation that applies in my district. Some unimproved values have increased by between 200 per cent and 300 per cent, and it makes us wonder what criteria are used in determining values. The normal procedure adopted in assessing unimproved value has been to ascertain the market value of the land, less the cost of capital improvements (a house, sheds, fencing, and water), less charges for clearing required to develop the property from virgin scrub, and less the development charges for super-phosphate, clover, etc. Above that we must consider the location of the area concerned, its potential, and various other aspects. With increasing costs to landholders for development work, capital improvements or any other item being claimed as an improvement, the increase in cost lowers the market value of the land and cannot in any way justify an increased unimproved land value.

Within a few kilometres of my district, there is land with an unimproved value of about \$2 or \$3 for half a hectare. It would have to be valued at that figure to be realistic, because the land would virtually have to be given to a landholder for him to afford the cost of clearing and developing it and earning a reasonable living. The whole question revolves around unimproved land values, how they are ascertained, and how they are applied. That is why I believe this Bill, although it helps solve excessive problems for some people, creates a far greater and continuing burden on the community as a whole. I support the Bill.

Mr. GUNN (Eyre): I support the Bill, even though I have one or two reservations about it. I have very strong reservations about the principle involved in this form of taxation. With my colleagues, I commend the member for Gouger for the way in which he has handled this measure: it is obvious that he has done much work and research on this matter in the past few months. Indeed, as regards getting this legislation before the House, I think he has done more for rural landholders and for people affected by this form of taxation than has any other person, group, or association in the community. It is clear that, when we examine this measure and other related taxation measures, there is a great need for a complete rearrangement of Commonwealth-State financial relations.

It is obvious that, as long as the States are in their present poor financial positions as a result of the attitude of the Commonwealth Government, the Governments of those States (especially Socialist State Governments, which have no regard to financial management) will have to impose on the people taxation measures of this kind. It is absolutely essential that the Prime Minister, his Ministers, and the Commonwealth Parliament realise that the people in the States of Australia are entitled to a fair return of

the income tax revenue. If that were to happen it would be unnecessary to introduce forms of taxation that so blatantly discriminate against John Citizen. Taxation measures of this nature are a burden that the family man will not be able to carry in future. It will be just one more heavy load on people that will deny them the right to own their own homes.

We of the Liberal Party, both in State and Commonwealth spheres, will always support that concept. It is interesting to consider the Treasurer's remarks about inflation, which he made when introducing this measure. Whose fault is it that the people of Australia are suffering from an inflation rate of up to 20 per cent? Only one group of people is responsible, and the Treasurer of this State is part of that group; he is one of the people who advocated that John Citizen should support Gough Whitlam.

The SPEAKER: Order! The honourable member must come back to the Bill, which deals with land tax.

Mr. GUNN: Certainly, Mr. Speaker. What I am saying is relevant to the matter, because everyone will have to pay a few more dollars to foot the bill as a result of this measure. It is no wonder the Treasurer is smiling; he is going to collect an additional \$6 000 000. It is obvious that he is happy to see inflation running at nearly 20 per cent. He is following in the footsteps of his master in Canberra who is using inflation to finance his extravagant policies. The Treasurer of this State is also using inflation to finance his own extravagant spending in South Australia. I wonder whether he will give some of that money to his friends in Theatre 62.

The SPEAKER: Order! The Land Tax Act Amendment Bill is the Bill under discussion.

Mr. GUNN: I wonder how much land tax Theatre 62 will pay. Probably it will be one of the group that is to be exempt under the Bill. When one examines the measure and looks at the areas of the State where land tax will be collected, one sees that it is obvious that the city square will continue to pay the bulk of land tax in this State. Of course, there will be other areas in the metropolitan area where large commercial interests (supermarkets, etc.) will be heavily taxed, and they will have no alternative but to pass this form of taxation on to the consumer by way of increased prices. I can just imagine what sums will be paid out for land tax by supermarkets such as Target and K Mart.

The member for Gouger referred to the example of a golf course. The member for Flinders pointed out (and this applies in my district, too) that people have not been greatly affected by rural land tax but, in view of the massive increases in unimproved land values, it is obvious that many of these people will be severely affected in future. We in the rural industry do not want to escape our fair share of the tax burden; we have never wanted to do that. However, any form of taxation that is levied must be fair and just. People on whom such taxes are inflicted must have the ability to pay those taxes. These forms of capital taxation, which are now really affecting people especially in country areas who are involved in the rural industry and who have a large capital investment, should be related to the income they receive. These forms of taxation will drive people off their farms and out of business.

It is obvious that there must be a complete change in emphasis on taxation measures, whether land tax, succession duties, or other taxes. There must be a complete review of taxation not only in the State area but also in the

Commonwealth area. In my opinion, the only fair form of taxation is income tax if levied fairly on the community. It is clear that my colleagues' policy on the proper allocation of income tax to the States is the only fair and proper method.

We have too many forms of taxation in this State, and it appears we are going to have more. Taxation of this nature should not be levied on the people of this State. I was amazed by the speech made by the member for Mount Gambier, who obviously has a personal dislike for country people (rural producers) if they live outside a large city. He made that point extremely clear. He also tried to show that the Government was giving exemptions to the constituents of the member for Chaffey as well as, perhaps, to those of the members for Murray and Mallee. However, those people do not pay any land tax now. The honourable member was therefore trying to paint an untrue picture in this regard. What is wrong with him? He launched a strong attack on United Farmers and Graziers of South Australia Incorporated, and I shall be interested to see the comments made by its spokesmen when they read what the honourable member has said.

I believe that in times of financial difficulty the State Government must get its priorities right. It is clear that, in reviewing taxation, the Treasurer must decide where he will levy taxation, what effect it will have on industry, and whether he wants production to continue because, if heavy increases of this kind are continually forced on people, they will not be able to continue in business.

The system of land tax based on unimproved value really involves a fictitious value. Many interpretations can be placed on what constitutes unimproved land value. "Improvements" is defined in the Valuation of Land Act, 1971, as including houses, buildings, fixtures, and so on. That Act goes on to explain that, in order to obtain the unimproved value of a property, the capital cost of buildings, clearing expenses, and so on, must be deducted. Land sales in the area are also taken into consideration. However, what is not considered when determining unimproved values is that, in many cases, speculators move into an area. These people, who are not interested in the productive capacity of the land, and people buying weekend farms, merely force up the value of land, and that has an adverse effect on genuine primary producers.

Mr. Simmons: Don't they get their fingers burnt?

Mr. GUNN: Sometimes they do. However, their actions often have a detrimental effect on the sincere person who is interested only in making a living from his farm. These are the people who really get their fingers burnt, because they do not have an outside income to subsidise them. What is not considered is that, when a person purchases a property, he usually does so on a long-term basis, so it will take him 20 or 30 years to pay for his property. When the valuer looks at the property, he merely states there and then that it is worth "X" number of dollars, and this plays a significant part in the assessment of values.

This form of taxation cannot be justified if one examines it fairly and squarely. I am aware of the reasons for introducing this form of taxation many years ago, but those reasons do not apply today. I strongly support the Liberal Party's policy regarding land tax, that is, not to give people an advantage that they do not deserve but to make it rational and fair. If it assumes office, a Liberal Government in South Australia would review other forms of capital taxation and replace them with fair and just types of taxation that do not discriminate. It is all very well

for the member for Peake to laugh. This arrogant, conceited Government is sitting back and laughing, but its day of reckoning is about to come, and most Government members will not be in this Chamber to see a responsible and progressive Government take action that will enable John Citizen to purchase his own house and not be taxed out of it.

This Bill is a confidence trick. If they examine its full implications, the public will see that it has been sold a pup and that a confidence trick has been played on it, particularly on people living in the metropolitan area. People living in the rural areas will also see what has happened when they receive their land tax accounts, and Opposition members will not fail to remind them whose fault this was.

Mr. BOUNDY (Goyder): This matter has been widely canvassed this evening. I can enumerate instances similar to those to which the member for Gouger has referred. He cited instances of savage increases in land tax charges in the area of the Bute District Council. People in Clinton District Council area, in my district, have been similarly disadvantaged by savage increases in land tax assessments. This Bill offers some relief to those people. The statutory exemption of \$40 000 provided in clause 5 is a recognition of the needs of the rural industry. However, those parts of the State that have recently been assessed will, because of the equalisation factor, be subject to steep increases in land tax, even despite the statutory exemption. The revenue derived from this legislation is far too high.

As one member has said, this can be construed as a growth tax. The revenue received from it has increased by 50 per cent, from \$12 000 000 to \$18 000 000. That money is provided by those rural and urban areas that will suffer as a result of inflation and revaluation in line with increases in land prices. Urban land tax will increase mainly because of the inflation that has been inspired and abetted by this Government, which professes to represent the small man, the working-class man, in the community. This Government should take note of the problem over the whole spectrum of State charges caused by high valuations, and of its effect on water and council rates and on succession duties.

Like the member for Flinders, I ask what is the unimproved value of an area of land. As other members have said, the Act refers to the unimproved value of land as being the value of a property without any material improvements on it. I have done an exercise on a farm in my district, which changed hands recently at what was considered to be the high figure of about \$380 a hectare. It was sold because more than two farmers in the restricted area of Yorke Peninsula wanted to add to their holdings to enable more than one son to stay in the business of primary production. They were therefore anxious to add this land to their present holdings. The price paid for the farm was, therefore, more than one would expect the productive value to be. Although this was a smaller farm, let us for the sake of argument say that it was a 404 hectare farm, which would be sufficiently large to enable a man to make an adequate living. That means the total improved value of the property was \$154 000. In order to obtain the unimproved value, I valued the various costs of providing the improvements required for a workable farm. I provided \$5 000 for an implement shed (that would not be exorbitant); \$8 000 for a shearing shed; \$30 000 for a house; \$3 000 for a barn; \$15 000 for 25 km of fencing; \$4 000 for piping to reticulate water;

and \$530 for 10 troughs needed to service the paddocks. That brought the establishment costs to a total of \$61 930. On Yorke Peninsula we consider it takes 1 tonne of superphosphate for .5 ha to bring farm land into full production: for 404 ha the cost would be \$53 000. Clearing the land in our area (if there were any left to clear) would cost an incredible sum.

I have been conservative in allowing \$20 for .5 ha to clear the land and have it ready for agricultural production, and that would cost \$20 000. That makes a grand total of establishment costs on this hypothetical farm of \$134 930 for 404 ha. If this were deducted from the purchase price of the farm, it would leave an unimproved value of \$19 070, so that property should be exempt from land tax altogether. That is not the case, however. Land tax is levied on that property, as it is on any similar property, at a much higher rate. I deplore the fact that this important Bill is being pushed through with such indecent haste; that haste has been indicated by the fact that it has been presented in duplication form. I, like the member for Flinders, feel cheated of the chance to consult my constituents and adequately to debate this measure. Reluctantly, I support it, knowing that even the relief provided to those landholders who have been hit by the recent savage increases can only be temporary.

Mr. MATHWIN (Glennelg): I support the Bill, somewhat reluctantly. It is long overdue. Although the Treasurer has pretended that he would ease the burden of taxation in this State, in his second reading explanation he said that about \$12 000 000 was to be collected from land tax this year, increasing to \$18 000 000 next year. That estimate, if it is as good as the estimate from this year, could be called a guesstimate, because the Government could well receive more than it expected to receive in the first instance. How many people is the Treasurer to help in my district and in the district of other members? The member for Gouger referred to the Flagstaff Hill Golf and Country Club, whose land tax was increased from \$3 769 to \$25 455. Perhaps the Treasurer will give these people a trophy to hang on a shelf at the club!

This is an obnoxious Bill, because land tax is obnoxious and smells. It is a penalty tax on people who own their property. It may be coincidental that the districts selected by the Government in which to pilot the shocking increases in taxation in the past financial year are represented by Liberal members, and my district is included among them. Most people living in my district are working people and many are elderly: the largest age group in my district comprises aged people. They have been selected by the Government to pay a land tax that has increased, by more than 300 per cent in some cases. Many of these people are pensioners and people on fixed incomes and they find it embarrassing to themselves and their families to try to pay this type of selective tax imposed on people who own their properties.

In the past 12 years land tax collections have risen to a colossal sum. Under the Liberal Government in 1963-64, receipts rose from \$4 900 000 to \$5 000 000; under a Labor Government from 1965-1968, receipts increased from \$5 600 000 to \$7 600 000; under a Liberal Government from 1968 to 1970, receipts remained at \$7 600 000; again under a Labor Government from 1970 to 1973, receipts increased from \$7 500 000 to about \$10 000 000; and from 1973, receipts rose from \$11 000 000 to an estimated \$18 000 000 for the next financial year. Obviously, with Socialism and socialistic policies, there must be high taxation, because that is the basis of Socialist philosophy.

For the privilege of having Socialism, people pay through their nose and their pockets. City residents will be hit again, and I suppose that people in my district, and those residing in other districts represented by Liberal members, will again be selected for an increase in this tax. Reluctantly, I support the Bill.

Mr. BECKER (Hanson): Almost everything that can be said has been said quite adequately during this debate. Land tax is an iniquitous and shocking tax from the point of view of the property holder. In November last I received a letter from a constituent, who stated:

Why then do we pay tax on something we legally own? Water and council rates are understandable but land tax is completely inexplicable.

That sums up in general the attitude of people in the metropolitan area, Mr. and Mrs. Average, who strive to own their own house. Young people find the situation extremely difficult. They struggle to buy a block of land and build a house on it, and everything goes along quite well until a situation like the present one is reached.

My district is split between three council areas, and half of the area was subject to a revaluation of properties in 1973-74. There is the unfortunate situation of a hotel where the land tax, because of revaluation, went from \$672 to \$13 520, 20 times the original tax; the tax on a car-yard increased by seven times from \$48 to \$357, while that on a commercial property increased by seven times from \$32 to \$240. Another example is a small block of 10 flats owned by a person who retired seven or eight years ago, and he has retained most of his tenants, many of whom are pensioners. He has been reluctant to increase the rentals. He owns the block freehold and is living comfortably on it, but his land tax has increased from \$43 to \$499. The land tax for a motel increased from \$545 to \$2 170—and so it goes on. Most units in the home-unit areas have experienced land tax increases to a figure three or four times the original amount. Young people and elderly people find this difficult to accept.

In the Glenelg shopping area, near Jetty Road, some development has taken place and properties have been acquired by developers. The average citizen who has a house there and wants to remain in it is paying the price. A developer who wants to buy a house in a certain block so that he can own the whole of the block for development purposes will pay almost any price for the last remaining one or two houses. The man who lives across the road and who wants to stay there is taxed according to the inflated figure the developer pays. I have made about 200 requests to the Treasurer since property revaluations have hit the people in my district. Taking the case of a man owning two houses, the valuation on one property he owns in Glenelg has increased from \$11 070 to \$33 100. That is the response! The value on his other small property increased from \$3 800 to \$21 700. Quite understandably, he complained about the great increase in land tax. The valuation was aggregated, putting him into a higher scale. He was a victim of the developer who paid highly inflated prices for nearby properties. That situation is reflected right through the normal residential part of that area.

These are the people who are finding the situation most difficult, and the flow-on goes right through the residential area. The legislation will equalise the whole of the land tax system. The Government is trying to make the impact of land tax and water and sewerage rates not as great as has been experienced in the past 12 months, but the Treasurer and his committee have overlooked the fact that, while we have been complaining about large increases in values of properties in Glenelg and West Beach, we have

been informed that, from the time the properties were valued until the assessments were issued and the tax calculated, property values have increased between 20 per cent and 25 per cent. I cannot see the benefit of this legislation if the full value of property is used for taxing purposes. The Bill does not say that, but the Government could do it. That is what I fear in the legislation. If an attempt is made to equalise the scheme and lift property values to current values, those who have been savagely hit in the past 12 months can expect a further 25 per cent increase in their property valuation. It is most difficult to appeal against an assessment because, although the matter can be taken to the Supreme Court, the costs involved are prohibitive. So, a false sense of security is given to the residents.

With the new scheme, the Government will find itself in a most awkward situation. That would have happened even had the Government allowed the matter to roll along. Another part of my district is in the West Torrens council area, and in Novar Gardens and Cummins Park property values will increase by 200 per cent when the valuations are made late in 1976. Fortunately for the Government, had the present scheme carried on, the effect would not have been experienced before the election. I have a friend in Novar Gardens who has a typical suburban house. At present he pays \$11 in land tax, but recently the property was valued for probate purposes at \$57 000. The land tax now under the old system will be \$384, and under the proposed legislation it will be \$217, but it will be equalised over the five-year period.

The Hon. Hugh Hudson: What is the value of the land?

Mr. BECKER: I do not know what the value would be.

The Hon. Hugh Hudson: Are you basing the land tax on \$57 000?

Mr. BECKER: On the whole of the property, but the land would be worth at least \$18 000 or \$20 000 in that area. Even so, \$11 is a ridiculous rate, so he can expect his land tax to go to \$35. Under the present legislation I am paying about \$54, although the value of my property is nowhere near the value of his. This is where the equalisation will assist some people, but I still see problems in the scheme. I do not know whether a committee has looked at the idea I will put, which probably has been treated with some mirth, it being a suggestion from this side. However, some suggestion has been made that perhaps land tax should be abolished and we should revert back to a tax that was introduced many years ago in other countries, including India and parts of Europe. If land tax were to be abolished and councils were charged with the responsibility of collecting an extra \$10, say, from each property owner, the taxpayer would be better off, and local government, which is responsible for the land within its council area and the use of roads, etc., would be able to do far more than it can do at present. Land tax goes straight to the Treasury. Whilst there is a levy for metropolitan parks and reserves, I believe that the State would be far better off if it offered taxpayers greater incentives by abolishing this tax and putting a ceiling on the amount that could be levied by local government. That would cut down the cost to the taxpayer. This is one alternative scheme. I know this is a large sum to take away from the Treasury, but if one is looking at ways and means of financing local government this could be the alternative. At the same time, I realise we have the possibility of raising \$18 000 000 in the next financial year, and we cannot just give that away. The only other alternative is to lean as heavily as we can on the Commonwealth Government for additional financial

assistance to replace what we believe is an unnecessary burden on the taxpayers of this State.

Mr. EVANS (Fisher): I wish only to comment on certain aspects affecting people in my district, especially in the hills face zone. This area, I believe, has not been covered. Yesterday we passed a Bill in this House concerning the hills face zone. I have received telephone calls from three people owning bush land in this area. They are concerned about their land tax, and other taxes, too. One person has taken the opportunity to obtain the land tax reduction available to him; it is available so long as he does not sell the property for development, and he will not have to pay the tax back for five years. However, there is a concern that, if we do not consider uncleared areas in this State in relation to land tax and similar taxes, people will start clearing such land again. I make a plea to the Treasurer to think about this. We wish to preserve such land, and I raise this matter now because it is not considered on most occasions, and it needs to be considered in relation to the hills face zone.

I also refer to the situation applying to rural land, as I believe that decisions are being made that, if a person does not make his whole livelihood from such land, it is not to be classified as rural land. If that situation were to obtain there would be difficulties, because people would be encouraged to subdivide their properties into smaller farmlets close to the city, and that is not desirable in some areas. I support the Bill, as it is in the direction we would like to see land tax go: that is, right out the window.

The Hon. D. A. DUNSTAN (Premier and Treasurer): There are only one or two matters to which I wish to reply, and I will do that briefly. Some honourable members have asked why this Bill was not introduced earlier. If we could have got the Bill into the House earlier we would have done so. The fact is that the work on this measure was extremely complex. It required much checking before the Government was satisfied about it. We required a whole series of alternatives and the working through of samples showing the effects of the alternatives put to us. As soon as those were determined, and after consultations with Treasury officers and the Valuer-General, instructions were given to the Parliamentary Counsel, who worked overtime in order to try to get the Bill into the House.

Mr. Chapman: Couldn't it have been—

The SPEAKER: Order!

The Hon. D. A. DUNSTAN: The Bill was introduced at the earliest moment that we could introduce it, and it was necessary for us to get the Bill passed by this House so that it could be considered by another place in time to pass during this session. Honourable members have said that the measure will do nothing effective in relation to current land tax in areas that were assessed this year. Honourable members, either in their speeches or by interjection, have suggested that city properties will be heavily penalised under the Bill. Both of those statements are incorrect. I will now give examples of two areas that were reassessed in this financial year. Samples have been taken out in Burnside and Glenelg. Let me give honourable members the samples: in Burnside, for a property with a current unimproved value of \$3 900 and an equalised unimproved value of \$5 000, the current tax is \$9.75, and the modified tax rate will bring that sum to \$7.50. Another property, which has a current unimproved value of \$12 000 and an equalised unimproved value of \$15 360, has a current tax of \$34 and a modified tax of \$28.40. Another property, with a current unimproved value of \$12 000, has an equalised unimproved value of

\$15 360, a current tax of \$13.60, and a modified tax of \$11.36, a reduction of \$2.24. The reason for the lower tax in comparison with the previous examples is that this example involves a pensioner residence. Another property, which has a current unimproved value of \$23 500 and an equalised unimproved value of \$30 080, has a current tax of \$92.75, and the modified rate will be \$75.36, a reduction of \$17.39. A property with a current unimproved value of \$50 000 and equalised unimproved value of \$64 000 has a current tax of \$325, and the modified tax will be \$312. Another property with a current unimproved value of \$85 000 has an equalised unimproved value of \$108 000, the current tax is \$852.50, and the modified rate will be \$972.80. That is an increase in relation to a highly-valued property. In Glenelg a similar situation applies, with a number of significant reductions in tax on flats, shops, home units and, in the samples that we took out, there were increases in land tax only for two shops and a major hotel.

Mr. Coumbe: What makes up the increase to \$18 000 000?

The Hon. D. A. DUNSTAN: The increase to \$18 000 000 comes largely from the fact that in this one year we are applying the equalisation factor to the remaining four-fifths of the State. This is the one year in which it will happen. Thereafter, there will be no major increases in land tax revenue. It will increase by small amounts through revaluations.

Mr. Venning: Will it come back, too?

The Hon. D. A. DUNSTAN: It will come back in those cases where there is a reduction in the valuation. Regarding city properties, I point out to the member for Torrens that for a store the current tax is \$71.30 and the modified tax will be \$40.70. For a car park, the current tax is \$245.20, and the modified rate will be \$135.60. Some offices in a substantial city office street have a current tax of \$965.50, and this will decrease to \$661.50. In fact, in every one of the examples, including a major store in the city, there is a reduction in tax.

The major amount of extra tax for properties of that kind will come not from the centre of the city (where in fact the valuations do not show a factor that the properties in the surrounding areas show from valuations made) but from the areas outside the city where stores and shops are of the kind to which I referred in the city areas and there will be increases in tax. In the city area that is not happening. Therefore, the accusation that the Government has no concern for the situation in the city and the need to encourage people back into the city or to encourage the development of city businesses in accordance with the plan is not accurate and is not reflected in the results of this proposal.

Bill read a second time.

In Committee.

Clauses 1 to 4 passed.

Clause 5—"Repeal of section 11 of principal Act and enactment of sections in its place."

Mr. COUMBE: I refer to new section 11a (3). This evening we have been talking about the principle of equalisation of land values. What method of equalisation will be used to achieve the results to which the Treasurer has just referred? We are considering an equalisation factor to be determined by the Valuer-General. In his opinion, the unimproved value must be multiplied if it is in accord with levels of value applying in an area. How will this system work?

The Hon. D. A. DUNSTAN (Premier and Treasurer): The taxable value equalisation factor is defined as being the ratio between the total unimproved value for the part of the area to which the factor is applied as might have been determined had a new general valuation been made in the year, and the total unimproved value for the area is determined under the general valuation currently in force. In other words, the Valuer-General looks at sales in the area, determining what would have been the factor required in respect of a general valuation if there had been a general revaluation in that area. Members can see the difference in factor in the areas to which I have referred. For instance, there has been an increase in sales figures in Burnside and Glenelg and that is different from the general position in the city of Adelaide.

Mr. COUMBE: I take it that, by notice in the *Gazette*, the Commissioner of Land Tax shall, before June 30 each year, do what the Treasurer has referred to. Can we expect eventually to get to the position of annual adjustments, or will the quinquennial principle obtain with regard to revaluation?

The Hon. D. A. DUNSTAN: We cannot get a general assessment made, except on the quinquennial basis, because at present we simply do not have a method of doing it in the necessary detail. Therefore, we can achieve only some approximation to a general annual revaluation by this equalisation method. I will spell out the way in which the Valuer-General will get his information for the equalisation factor. Where any land in any financial year is subject to a new general valuation made by the Valuer-General, the taxable value of that land shall be the unimproved value of that land.

Where any land in any financial year is not subject to a new general valuation made by the Valuer-General pursuant to the Valuation of Land Act, the taxable value of that land should be the adjusted unimproved value of that land, less the statutory exemption. The Commissioner of Land Tax will be required to apply to the Valuer-General each year for a certificate specifying the taxable value equalisation factor by which the unimproved values for an area not subject to a new general valuation can be adjusted. The Valuer-General will be required to determine and certify taxable value equalisation factors in respect of areas not subject to a new general valuation. I have already defined for the honourable member the taxable equalisation factor.

Mr. DEAN BROWN: The Treasurer has suggested that members on this side have said that all areas would have their land tax increased. I said, however, that only about 80 per cent of the State would have an increase, and I appreciated that certain areas that were reassessed last year would remain static or would have a slight reduction. The Treasurer has explained how a factor will be determined for areas that are not reassessed, but he has not specified how that factor will be determined. I appreciate that it is determined by equating the previous valuation with any new valuation of unimproved land value within the area, although there has not been a general reassessment.

The Treasurer implied that it was based on sales in an area. I suggest that few sales of vacant blocks of land take place, so that values would be based on the sale of houses. From the sale of houses, it is difficult to determine the increase in the value of unimproved land. Will the only areas looked at be those in which houses have actually been sold? Will a random sample of house sales in an area be taken as the basis for an assessment of the unimproved value of land? What technique will be adopted?

The Hon. D. A. DUNSTAN: Most of the houses that have been subject to reassessment previously have considerable detail in the Valuation Department. It will not be difficult in respect of the areas not generally reassessed to take an overall list of sales and determine what would have been the unimproved value component in that. This is done regularly.

Mr. DEAN BROWN: That is my very fear, because I do not believe that we can obtain the unimproved value component of the general sale of a house, because this varies greatly from area to area and depends on the type of housing being built in that area. In my district, the nature of the dwelling now being built has changed from the house, because most of the large land blocks have been built on, to the home unit. An area of land for home units has far greater value than an area on which only a house is situated. Some of the smallest subdivisible areas in Beaumont are selling for about \$20 000 a block measuring about 28 m by about 30 m on which to build home units. That is an incredible value; yet, an area twice that size might have a value of between \$25 000 and \$30 000 if sold to accommodate an ordinary house. The value placed on that small block is because of the home units that will be built on it. That is where I see a great danger if it is based simply on the sales of vacant land. The building of home units would create an inflated factor, which would then be applied to general housing and thus distort the figures.

The Hon. D. A. DUNSTAN: Every one of those factors applies to the existing method of assessing unimproved value. These things are taken into account by the Valuer-General.

Mr. DEAN BROWN: I appreciate that, and that is why I come back to this method of basing unimproved values on sales within the area and trying to work out the unimproved value component. If land is sold for building home units, the unimproved land value would increase. If the entire area were reassessed, it could be said, "There is an individual house, but we could build home units on that block, so the unimproved value of the block should be higher." Sales of land in my district reflect its use for home units rather than houses.

Mr. RUSSACK: I move:

To strike out new section 11b and insert the following new section:

11b. No tax shall be payable on land used for primary production.

Much could be said in support of my amendment. First, it is the policy of the Party to which I belong that land tax should not be payable on land used specifically for primary production, but this does not mean that land on a holding on which a house is located should be excluded. I am aware that, on some land holdings, several residences are used for various purposes by members of the family and also by working men.

Secondly, land is the tool of trade. There is no other means whereby a primary producer can produce grain or any other cereal, or raise sheep or cattle. No production is possible without land. Comparing primary production with commerce, admittedly land tax is paid on the land on which a commercial enterprise is established, but surely we must accept primary-producing land from a different view, and we must compare it with the plant of secondary industry on which no tax is paid.

I will now compare the position in three other States with the position in South Australia. Regarding Victoria, until December, 1973, land tax was not paid on land

used for primary production or on rural land. The legislation was amended on January 1, 1974, so that land used for primary production and situated in an urban-type zone, according to the town and country planning regulations, is now exempt from land tax, provided that the owner's principal occupation is farming. The test is, therefore, the owner's principal occupation, and not the type of land. All other rural land in Victoria is exempt, irrespective of the owner's occupation.

Regarding New South Wales, rural land used for primary production is exempt from land tax if owned by individuals. However, if it is owned by a company it is not exempt, unless the company is of a type exempted under the Act. I understand that the type of company exempted is a family company or an agricultural company. I am aware of manufacturing companies that buy up land for primary production, and that type of company is not exempt from land tax.

In Western Australia, individuals are exempt, except where the income is derived from primary-producing land situated in an urban area. To be exempt, the person must prove that the occupier, not the owner, derives a substantial part of his gross income from this source; otherwise, all other land, such as broad acres used for primary production, is exempt.

We often hear that, when taxes are levied (and I have referred to this matter several times previously), a comparison is made by quoting the position in other States. Although I have given the position in only three other States, I understand that the situation in Queensland is similar, and I say by way of comparison that land tax should not be levied on land used for primary production in South Australia.

The Committee divided on the amendment:

Ayes (15)—Messrs. Arnold, Becker, Blacker, Boundy, Dean Brown, Chapman, Coumbe, Evans, Gunn, Mathwin, McAnaney, Rodda, Russack (teller), Tonkin, and Venning.

Noes (20)—Messrs. Broomhill and Max Brown, Mrs. Byrne, Messrs. Crimes, Duncan, Dunstan (teller), Groth, Harrison, Hopgood, Hudson, Jennings, Keneally, Langley, McKee, Olson, Payne, Simmons, Slater, Virgo, and Wright.

Pairs—Ayes—Messrs. Allen, Eastick, Nankivell, and Wardle. Noes—Messrs. Corcoran, King, McRae, and Wells.

Majority of 5 for the Noes.
Amendment thus negatived; clause passed.
Clause 6—"Amount of tax upon land."

Mr. DEAN BROWN: Can the Treasurer say why he cannot reduce the land tax rates? I know that they cannot be reduced by amendment, but I suggest that the total land tax a person should pay could be tied to the consumer price index or be commensurate with average weekly earnings. When the tax increase substantially exceeds the rise in either of those indices, a heavy burden is imposed on people who are on fixed incomes and cannot pass on the costs.

The Hon. D. A. DUNSTAN: What the Government has tried to do is devise a land tax rate that will be fair and equitable. That is what we have done. It is inevitable that, where the basis of taxation is land valuation, it can increase at more than the consumer price index. Where hardship occurs adjustments must be made, and that is why we have made adjustments.

Mr. Dean Brown: The rate should have been reduced last year to keep it in line with the consumer price index.

The Hon. D. A. DUNSTAN: I do not believe we can reduce the rate and still provide that in the long term the ratio of land tax to costs in the State will be maintained in proportion.

Clause passed.

Remaining clauses (7 to 9) and title passed.

Bill read a third time and passed.

ADMINISTRATION AND PROBATE ACT AMENDMENT BILL (GENERAL)

Returned from the Legislative Council without amendment.

CROWN PROCEEDINGS ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

JUSTICES ACT AMENDMENT BILL (VARIOUS)

Returned from the Legislative Council without amendment.

ELECTRICITY TRUST OF SOUTH AUSTRALIA ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

ADJOURNMENT

At 10.57 p.m. the House adjourned until Tuesday, March 25, at 2 p.m.