LEGISLATIVE COUNCIL.

Tuesday, September 26, 1961.

The PRESIDENT (Hon. Sir Walter Duncan) took the Chair at 2.15 p.m. and read prayers.

QUESTIONS.

CARTAGE OF MILK.

The Hon. G. O'H. GILES: I ask leave to make a statement prior to asking a question.

Leave granted.

The Hon. G. O'H. GILES: It has come to my notice that contractors in the Murray Bridge area carting milk to factories have been caught by officers of the Transport Control Board for carrying overweight. If a frost or bad weather occurs the loads of milk vary a great deal from day to day. For the sake of efficiency, a truck one day is under-loaded and the next day may be slightly over-loaded. Could this matter be looked into with a view to this type of minor over-loading being treated leniently? Also, will the Government consider an alteration of the Act under which the board is appointed to enable the cartage of livestock by road transport to be deleted from the powers of the board? I appreciate that this latter question probably involves Government policy.

The Hon. N. L. JUDE: As to the first question, I remind the honourable member that South Australia has the heaviest axle loading of any of the States. We have district roads that sometimes have to carry primary products of considerable weight, and I do not think that the honourable member could expect the Government or the House to support an infringement of the allowable weight of eight tons per axle, which is 25 per cent in excess of that permitted by the rest of the Commonwealth. I do not think the honourable member's suggestion would receive sympathetic consideration. As the other question involves Government policy, I will get a reply and let the honourable member have it.

POTATO DISEASE.

The Hon. A. C. HOOKINGS: Has the Chief Secretary obtained a reply to the question I asked on August 30 regarding Victorian potatoes arriving in Adelaide infected with a disease known as phoma?

The Hon. Sir LYELL McEWIN: Through the Minister of Agriculture I have received the following report from the Director of Agriculture:

Potatoes imported into South Australia are inspected for freedom from disease and conformity with grade standards. During the current season, such inspections have not located any line of either seed or table potatoes infected with the storage disease phoma. In late August a line of Victorian table potatoes carrying soil considerably in excess of that permitted by grading regulations was ordered treatment. Further, it is understood that trade interests in Adelaide mistakenly advised similar interests in Victoria that this particular line was rejected because of phoma. This erroneous advice was probably the origin of the report made to the Hon. A. C. Hookings. Although phoma is presenting a problem in some Victorian potato areas, the disease has never been recorded in South Australian grown potatoes. As a safeguard against this disease, seed potatoes entering South Australia from Victoria must be from a certified phoma-free area, or alternatively must have been treated with a suitable fungicide within two days of digging. Fungicidal treatment of potatoes after arrival in South Australia would not afford protection and, therefore, South Australian growers are being advised to confine their plantings of Victorian seed to that which has been certified by the Victorian Department of Agriculture.

I think that gives the information the honourable member desires.

CREAM SALES.

The Hon. G. O'H. GILES: Has the Chief Secretary a reply to the question I asked on August 24 about lower quality creams and the possibility of increasing the total cream sales in South Australia, which are falling off so rapidly at present?

The Hon. Sir LYELL McEWIN: Through the Minister of Agriculture I have received the following report from the Metropolitan Milk Board:

There has been a decrease in the quantity of locally produced cream sold within the metropolitan area over the past few years, the decrease for the year ended June 30, 1961, being eight per cent. The board attributes the falling off of sales to competition from cream which is being received from Victoria and marketed mainly by a local distributor. Information as to the quantity of this cream which is being sold is not available, but it is believed that the overall sales of cream have not decreased to any marked extent. The distributor mentioned above has specialized in the sale of scalded cream which appears to be becoming increasingly popular with the general public and by giving specialized service has used this market as a means to sell his separated cream. There are two standards for cream in this State, viz., 35 per cent of butterfat under the Food and Drugs Act and 40 per cent under the Metropolitan Milk Supply Act for cream made from milk produced on licensed dairies. Although the higher standard is 40 per cent the average butterfat content of cream produced by the licensed treatment plants is from

50·60 per cent, whilst some of the Victorian cream would be somewhat lower than 50 per cent. The answer to decreasing cream sales does not appear to be the offering for sale of cream with a lower butterfat content.

In Brisbane, as from February, 1959, two varieties of cream have been sold, viz., dessert cream with not less than 18 per cent butterfat, price 1s. 5½d. per half-pint, and whipping cream with not less than 42 per cent butterfat, price 2s. 6d. per half-pint. In the initial stages, many new customers purchased the dessert cream, but, since then, in spite of an extensive advertising campaign, it has been apparent that most housewives use a whipping cream, and if they require a pouring cream they dilute the whipping cream to the desired consistency with milk. Dessert cream sales comprise less than one-seventh of total cream sales. Overall sales have improved slightly and it is considered unlikely that whipping cream sales have suffered to any extent from the availability of dessert cream.

In New South Wales there are three grades of cream provided for by standards under the N.S.W. Pure Food Act, and these standards are:—

Cream, with a minimum of 35 per cent butterfat.

Reduced cream, with a minimum of 25 per cent butterfat.

Dessert cream, with a minimum of 18 per cent butterfat.

Cream, in practice, is marketed by the N.S.W. Milk Board's agent companies at about 38 per cent to 40 per cent at the price of 2s. 5½d. a half pint or 1s. 3½d. per quarter pint. As reduced cream and dessert cream are not marketed by the major distributing companies in New South Wales, the Milk Board has not as yet fixed a price for these grades of cream. Reduced cream and dessert cream are available in tins, mostly Victorian import. No fresh reduced or dessert cream has yet been marketed in New South Wales Milk Board area. Since the reduction in the price of cream from 3s. 6½d. to 2s. 5½d. a half pint, sales of the higher fat content cream have increased by 180 per cent. Sales would indicate that the public has preference for full cream with higher fat content.

In England in 1953 with the resumption of the cream trade, three official standard grades were prescribed:

Double cream, with a minimum of 48 per cent fat.

Single cream, with a minimum of 18 per cent fat.

Sterilized cream, with a minimum of 23 per cent fat.

The National Milk Publicity Council allocated some of its funds to rebuilding the cream trade with considerable success. Efforts were also made to popularize the sale of low fat cream as a means of increasing consumption, but in 1959 it was stated that although the 18 per cent single cream was an attractive product, the public in most areas tended to remain faithful to the richer article, despite its higher price.

The present retail price of cream within the Adelaide metropolitan area is 3s. a half pound in containers and, in an effort to help cream sales, no increase in price has been made since May, 1957. As mentioned earlier, the consumer within the metropolitan area of Adelaide has become used to a high viscosity cream and it is considered that any attempt to place a cream of low viscosity on the market would be unlikely to meet with success.

WOMBATS.

The Hon. A. J. MELROSE: A few weeks ago I asked the Chief Secretary whether the Government would take steps to see that wombats were not entirely eliminated in certain districts. Has he a statement to make on that matter?

The Hon. Sir LYELL McEWIN: This, too, is a matter which came under the notice of the Minister of Agriculture, who referred it to the Director of Fisheries and Game, and he reports that throughout the State there is an open season for both species of wombat from January 1 to June 30. In the Counties of Grey, MacDonnell and Robe, and Portee Station, and all of the State west of a line from the South Australian border 135 degrees longitude to the top of Spencer Gulf (including all of Eyre Peninsula) there is no close season. Of course, this excludes sanctuary and reserved areas.

Wombats can cause considerable damage, particularly in relation to fences. Ample opportunity exists under present regulations for landowners to reduce wombat numbers if they are in pest proportions. There has been a certain amount of publicity concerning commercial exploitation of wombats for pet food and other purposes. Reports have been exaggerated and there is no likelihood of the animals being exploited to the extent suggested. Officers of the Department of Fisheries and Game will keep a check on the situation. It cannot be suggested that wombat numbers at present are so low as to warrant complete protection under the Animals and Birds Protection Act.

COUNCIL RATING.

The Hon. K. E. J. BARDOLPH (on notice): In view of the wave of discontent prevalent in various municipalities, is it the intention of the Government to set up a commission to investigate existing systems of rating and report to Parliament?

The Hon. N. L. JUDE: Investigations have been made in the past by the local government advisory committee as to the existing systems of assessments, and the proposals put forward by the committee have been considered by councils. So far these proposals have not

received acceptance by councils generally, although it is understood that the matter is now being considered by bodies representing local government. It may be that in the near future a request will be made to the Government to investigate the matter. Under these circumstances it would not appear necessary to set up a commission to inquire into the matter.

SURVEYORS ACT AMENDMENT BILL.

The Hon. C. D. ROWE (Attorney-General) obtained leave and introduced a Bill for an Act to amend the Surveyors Act, 1935-1956. Read a first time.

BRANDS ACT AMENDMENT BILL.

Second reading.

The Hon. Sir LYELL McEWIN (Chief Secretary): I move:

That this Bill be now read a second time.

The object of this Bill is to prohibit the placing or application of unscourable substances on the wool of sheep. The reason for the proposed prohibition is that manufacturers have complained that Australian wools have sometimes been found to contain tar, enamel paint and other unscourable substances and the special treatment necessary to get rid of those substances from wool increases the cost of manufacture considerably, and consequently adversely affects the price the primary producer can expect to receive.

In order to meet this problem section 28 of the Brands Act was amended in 1955 so as to read as follows:

A paint brand shall be made with a substance prescribed by regulation and shall be of a colour prescribed by regulation.

Pursuant to this amendment regulations were promulgated to ensure that only scourable branding fluids would be used for registered paint brands, and (as black substances could be mistaken for tar), that the colour black should not be used for any paint brand. However, this does not prevent the use of black or unscourable substances for purposes other than branding, for instance, placing unregistered marks on sheep or tar on wounds. Fortunately such acts do not occur frequently but when they do occur the whole industry in South Australia is affected and the Government feels that the only effective means of protecting the industry in this State is to prescribe a penalty for such acts.

Accordingly, clause 3 amends section 70 of the principal Act by inserting therein a new paragraph under which it will be an offence to place or apply on any sheep or on the fleece or skin of a sheep, whether for the purpose of branding or otherwise, any tar, paint or other substance that is black in colour or any substance whatsoever, other than raddle, grease crayon or a substance prescribed as a scourable substance or as one with which a paint brand may be made. The maximum penalty for the offence will be £25 or three months' imprisonment. The objects of the Bill are obvious to honourable members who are interested in the wool industry. There are now alternatives to the old black brands, including tar. It is a matter of presenting our wool in the most saleable form.

The Hon. A. J. SHARD secured the adjournment of the debate.

LAND TAX ACT AMENDMENT BILL.

Received from the House of Assembly and read a first time.

The Hon. Sir LYELL McEWIN (Chief Secretary): I move:

That this Bill be now read a second time.

The principal object of this Bill is to make some concessions concerning land tax payable on land used for primary production. The Bill will also reduce the present rates of land tax on all land exceeding £5,000 in value. In addition the Bill abolishes the absentee land tax and provides that no tax is to be payable when the amount of tax would be less than £1 (instead of 5s. as at present). The first and most important of the amendments is effected by clause 7, which introduces a new section into the principal Act, section 12c. The new section provides that the Governor may by proclamation declare any area in the State to be a defined rural area. Any taxpayer liable to pay tax on any land within a defined rural area may then apply to the Commissioner for a declaration that his land be declared rural land. If the Commissioner is satisfied that the land is land used for primary production he can make a declaration accordingly and the taxpayer is then to be charged with land tax assessed on the basis of the unimproved value of the land considered as land used for primary production.

The object of this special provision is to give a measure of relief to genuine primary producers who are using their land as land for primary production, where the land is situated in an area which, owing to subdivisional or other commercial activities, has increased considerably in value. Honourable members will appreciate that it is, to say the least of it,

unfair for a primary producer who has perhaps been farming on his land for a number of years and who intends to continue to do so, to find himself suddenly faced with a great increase in his land tax merely because the general area in which his land is situated happens to have increased in value as subdivided land. The new provision will enable such a *bona fide* primary producer, who does not desire to sell or use property for subdivisional or other commercial purposes, to continue to pay a rate of tax based fairly and squarely upon its real value to him as primary producing land.

In making this available, however, it has been necessary to provide for safeguards. Accordingly subsection (3) of the new section provides that a declaration will remain in force only until the next quinquennial assessment by the Commissioner, after which the primary producer must, if he desires to continue to enjoy the concession, apply for a renewal of the declaration, satisfying the Commissioner, as before, that the land is still being used for primary producing purposes. Further, subsection (4) empowers the Commissioner to revoke a declaration or a renewal of a declaration at any time if he is satisfied that the land is no longer used for primary production.

Subsection (6) of the new section provides that, where the Commissioner revokes a declaration, or refuses to renew a declaration, or the taxpayer's land is transferred or conveyed to any other person, or the taxpayer has not applied for a renewal, the land tax at the higher rates normally applicable to land in the area immediately becomes payable in respect of the immediately preceding five years. This subsection will thus operate to protect the genuine case and to prevent a taxpayer from taking advantage of the concession over a long period and then deciding to take advantage of enhanced prices by disposing of his land or using it for purposes other than those for which the concession has been granted. I would mention here that at the appropriate time I shall move an amendment to make it clear that the provision for payment of "back tax" does not apply where the land passes to a near relative by way of gift or under a will. Of course, if the land declared ceases to be within a defined rural area because the Governor has revoked his proclamation in respect of that area the provision for back payment does not apply, because it is not the fault of the taxpayer that he cannot apply for a renewal. I believe that these provisions provide adequate safeguards against any abuses in connection with the concessions.

The other concession relating to land used for primary production is provided by clause 4, which amends section 11 of the principal Act to provide for a statutory exemption of £2,500 progressively reducing to nil at £6,250. Thus subsection (2) of the amended section 11 provides that where the unimproved value of all the taxpayer's land that is, not only farm lands, but also other lands, is £2,500 or less, the statutory exemption will be the value of the farm land. Where the value of all the land of the taxpayer is between £2,500 and £6,250 and all the land is land used for primary production the statutory exemption is £2,500 less two-thirds of the amount by which the unimproved value exceeds £2,500. It will be seen that this formula results in the disappearance of the exemption at a total value of £6,250. This is provided by subsection (3). Where, however, only part of the taxpayer's land is land used for primary production there is a proportionate reduction for tax purposes based on the ratio of the unimproved value of the farm lands to the unimproved value of all the lands. This is provided by subsection (4). These provisions of course have no relation whatever to the special provisions as to basis of assessment provided for in the new section 12c with which I have already dealt, but are additional and apply to all farm lands whether they are declared or not.

The general concession is provided by clause 5, which will reduce the present rates of tax by ½d. in the pound for values of all land between £5,000 and £80,000. Clause 6 makes a consequential reduction in regard to partially exempt land provided for in the principal Act. It will be observed that this clause provides for a flat rate in this regard. The reason for this is that while in the case of some denominations, church properties may be held by the several churches, in others—I believe notably in the case of the Roman Catholic Church—all of the property is vested in one person or body thus attracting the higher rate on the excess over £5,000. The present amendment will meet such cases.

The absentee land tax is abolished by clauses 3 (*a*) and (*e*), 5 (1), (3) and (4) (*a*), 6 (2), 9, 10 and 11. The Government has decided to abolish this tax because it appears somewhat anachronistic to be imposing such a tax when the investment of overseas capital in the State is being actively encouraged. In any event the amount paid does not justify the cost of administration and collection—the estimate for the current financial year would be

only £350—and under modern conditions of travel it is practically impossible to police the provisions of the Act.

Clause 12 empowers the Commissioner, in cases of hardship, as to the existence of which he has to be satisfied, to postpone payment of tax, which, however, will remain a charge on the land and can be recovered on the death of the owner or sale of the property. A similar provision respecting rates was inserted in the Local Government Act in 1959. The last amendment, which is effected by clause 8 of the Bill, raises the minimum tax from 5s. to £1.

Clause 13 provides for the application of the amendments to the current financial year; subclause (2) is a necessary machinery clause to enable applications for declarations of rural land to be made by October 31 next. I mention also clause 3 which defines land used for primary production along lines similar to those adopted in the Succession Duties Act Amendment Act of 1959.

The Hon. K. E. J. BARDOLPH secured the adjournment of the debate.

APPRAISERS ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 19. Page 741.)

The Hon. A. C. HOOKINGS (Southern): When the Bill was introduced I thought it was one of no great consequence and one that most people thought would do good because it would tighten up a position we have had in South Australia over the last two or three years. I refer to the valuation of properties and estates. Clause 3 states:

> Section 4 of the principal Act is amended by striking out the words "licensed according to law to act as an auctioneer" therein and inserting in lieu thereof the words "licensed as an auctioneer under the Auctioneers Act, 1934-1953".

Under the principal Act "licensed to act as an auctioneer" means that clerks of auctioneers can make valuations. It appeared to be the Government's intention to tighten up the position so that only people licensed as auctioneers under the principal Act would be able to conduct valuations, or people who had taken out an appraiser's licence. For a time it was assumed that many firms would be able to have their auctioneers and auctioneers' clerks carry out the valuations and that it would not be necessary to take out an appraiser's licence. However, a difference of opinion arose, and as far as I can ascertain high legal opinion makes it clear that every auctioneer's clerk, particularly in relation to a stock firm, must, under the Bill, take out an appraiser's licence. Section 5A of the Auctioneers Act makes it possible for a stock firm to take out an auctioneer's licence in its own name and not in the name of an individual. Now if an auctioneer's licence is taken out by a stock firm each auctioneer's clerk will need to have an appraiser's licence before being able to carry out valuations of properties and estates.

South Australia has stock firms whose branch managers carry out these valuations. Some of the leading companies have 50 to 100 branch managers in the State and, if the Bill is passed, each year they will need to take out an appraiser's licence and pay a fee of £5 a year for every employee carrying out valuations. It may be said that that is not a large amount, but it is one way in which the Government can raise more revenue, and there is a nuisance value attached to the payment of the fee. Perhaps there is another way in which the Act could be tightened up without companies being put to the expense and additional work in having to take out so many licences. Not a great deal is involved in the Bill but it needs careful consideration. Does the Government intend to raise more revenue in this way? It wants to tighten up the Act because at present the general public is not being safeguarded as valuations can be made by individuals at week-ends on behalf of firms. I shall be pleased to hear the views of the Minister and other members on this matter.

The Hon. C. R. STORY secured the adjournment of the debate.

BULK HANDLING OF GRAIN ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 20. Page 801.)

The Hon. L. H. DENSLEY (Southern): The bulk handling company was established in 1955 as a co-operative company. The State Government guaranteed an amount of £500,000 on a Commonwealth Trading Bank loan to the company of £1,000,000, later increased to £1,300,000. The Government was protected because the board of the company consisted of three State directors, four zone directors and two Government directors, and any dissent by the Government members of the board could be resolved by Ministerial decision. Therefore, the Government had reasonable control over

the activities of the board, and in addition it had power to agree or disagree to any increases in tolls.

This Bill authorizes the Government to make a further guarantee of £500,000. During the last harvest many farmers were unable to procure bags or place their grain into silos and a good deal of inconvenience was caused. Fortunately, the large purchases of grain by the Chinese Government during the early part of the year, and the ability of the Commonwealth Government to assist in making shipping available prevented what may have developed into a serious situation.

The company has collected £1,735,000 in tolls from growers, and this amount has been used to build additional silos, so that today the actual value of the silos would be considerable. In addition to the 6d. a bushel being paid by members of the co-operative who stored bulk grain with the company, non-members were charged 4d. a bushel, and growers who provided their wheat in bags and who were members paid 2d. a bushel. The wheatgrowers had to pay a further charge because the Australian Wheat Board paid to the co-operative about £783,000 over the period, which covered the entire cost. The board made a small profit in the handling and general expenses of running the system, while the Commonwealth paid 7½ per cent of the full capital cost, 5 per cent on capital facilities allowance, and 5 per cent extra on extra plant and equipment, a profit which amounted to £25,000. It seems unreasonable for the Commonwealth Trading Bank to request a further guarantee from this State, because it holds the whole security of the co-operative which at this stage must total almost £4,000,000 in addition to plant and machinery. However, as it is a matter of agreement between the company, the State Government and the Commonwealth Government that the loan will be advanced on a guarantee of £500,000 from the State Government, it must be appreciated that because of the great importance in getting the harvest under proper cover it is desirable in the interests of the State as a whole and of farmers in particular, that this guarantee should be given.

The Government is fairly well covered because of its control over the activities of the board and the fixing of the amount of the toll. It is difficult to imagine the company becoming insolvent as it has the power to increase the toll from time to time at the discretion of the Government. When this Bill was introduced I said it was an activity in which the Government might interest itself. Generally speaking, I am opposed to the Government taking an active interest in a commercial enterprise but as it owns the railways and the wharves and the company's installations are on Government property, it would seem desirable that the Government should have complete control. This would ensure that the railways were adequately provided with facilities to shift the grain when it was required, and would then reap the benefits of doing so. However, no doubt this is a matter which has been considered by the Government and evidently it is satisfied with the present system. It was stated in the press recently that the Barley Board had envisaged erecting bulk handling installations, but apparenty it has decided that the cost would be too great for barley growers. Perhaps the Government could consider that situation.

The Hon. K. E. J. Bardolph: Do you think the allocation of sites for the various silos will benefit the traffic on the railways?

The Hon. L. H. DENSLEY: That would be under the control of the Government because it has two directors on the board, and any matter with which they disagree could be referred to the Minister. Obviously it could be assumed that the Government would not want silos built where they would interfere with the railway traffic needed for the carting of wheat. If large storages were made at shipping terminal centres and there were not adequate facilities along the line, farmers would be inclined to carry the wheat past the full silo to the terminal centre, and that would have a great effect upon the railways' traffic. However, in view of the necessity to have additional storage silos and as farmers have already paid some £1,735,000 in tolls under the present system, it appears that the company is a stable concern, and I am pleased to support the Bill which enables the Government to guarantee, to the extent of £500,000, a further Commonwealth Trading Bank loan.

Bill read a second time and taken through Committee without amendment. Committee's report adopted.

ADJOURNMENT.

At 3.08 p.m. the Council adjourned until Thursday, September, 28, at 2.15 p.m.