

LEGISLATIVE COUNCIL.

Tuesday, October 3, 1961.

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

QUESTIONS.

BLINDNESS.

The Hon. K. E. J. BARDOLPH: I ask leave to make a brief statement prior to asking a question.

Leave granted.

The Hon. K. E. J. BARDOLPH: This morning's *Advertiser* has a report of a conference in Brisbane of the Australian Federation of Organizations of the Blind. Delegates from South Australia are attending the conference and Mr. Ron Burnett, the secretary of the federation, has suggested that blindness be made a notifiable disease, because the various organizations looking after people who are unfortunately afflicted with blindness find it difficult to educate them after they have reached the age of 12 to 14 years. Will the Government amend the legislation to make blindness a notifiable disease?

The Hon. Sir LYELL McEWIN: I will obtain a report from my health officers.

LABOR PARTY FUNDS.

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: Yesterday's *Advertiser* published statements purported to have been made by the Leader of the Democratic Labor Party, Senator McManus. Members will no doubt either implicitly believe these statements or will not believe them at all, according to the way they think about these things. However, the report states that Australian Labor Party membership in Victoria has dropped from about 15,000 to 9,000 with a resulting drop in the Party's revenue. Can the Leader of the Labor Party in this Council tell me whether his Party in South Australia intends to adopt further measures of extortion from the public involved—the workers of South Australia—in the form of levies for political purposes?

The Hon. S. C. Bevan: As the question is a political one why don't you tell the honourable member to jump in the lake.

The Hon. A. J. SHARD: I ask the honourable member to give notice.

APPRAISERS ACT AMENDMENT BILL.

Read a third time and passed.

ADELAIDE PARK LANDS ALTERATION BILL.

Second reading.

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

That this Bill be now read a second time.

By section 368 of the Municipal Corporations Act, 1890, which has since been repealed, certain reserves and portions of the park lands of the City of Adelaide were withheld from the care, control and management of the Corporation of the City of Adelaide. Section 852 of the Local Government Act, 1924-1959, provides in effect that the lands which, immediately prior to the commencement of that Act, were not under the care, control and management of that corporation shall continue to be excluded from such care, control and management.

By virtue of section 3 of the Adelaide Park Lands Alteration Act, 1917, an area which had been withheld from the control of the corporation and which surrounds the Parade Ground north of Government Domain was placed under the care, control and management of the corporation, but there are a footway and an irregularly shaped piece of land lying within that area which had not been dealt with by the 1917 legislation. The corporation has indicated its willingness to maintain that footway and piece of land and this Bill seeks to place them under the care, control and management of the corporation. If this Bill becomes law the whole of the area immediately north, west and south of the Parade Ground will be under the control of the corporation. I commend the Bill for favourable consideration by honourable members.

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

LAND TAX ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 28. Page 959.)

The Hon. L. H. DENSLEY (Southern): In addressing myself to the Bill, which has created much interest, I shall make a few remarks in addition to referring to the amendment of the Act itself. The Bill provides for a number of concessions. We can congratulate the Government on having in the early stages of the new assessment, its being fully aware of the vastly increased assessment values, indicated its intention to give some relief to

those people on whom the greatest burden would otherwise have fallen. When travelling through the State I have met many people who say that the Government has been guilty of increasing the land tax excessively, so perhaps I should refer to the principal Act and point out how it is related to the imposition of the tax. It was passed in 1936 and has now been in operation for a long time, and, speaking generally, it has operated without adverse comment. In the early stages the administration of the measure was placed in the hands of a Commissioner. The Act provided that land tax should be collected on the basis of the unimproved value of land, and this has caused much doubt amongst many people. There is some concern because many people are unaware of the provisions of the Act that has been used as a taxing measure for so many years. The general idea is that unimproved land is land as it was when Australia was first discovered, and that nothing can alter that position, but obviously the Act envisaged a change from time to time in the unimproved value of land, because provision was made for a new assessment every five years. That is an indication that the Government of the day did not intend that the unimproved value of land untouched by human beings should always remain unaltered.

The Hon. Sir Frank Perry: It actually becomes a tax on improvements.

The Hon. L. H. DENSLEY: That is a wide statement. It is not so much a tax on the improvements made by the holder of the land, but a tax on the improvements resulting from the provision nearby of roads and railways, research work by the Commonwealth Scientific and Industrial Research Organization, and other matters. All of them must have a bearing on the unimproved value of the land. Land that at one time was regarded as completely useless has now, owing to research work and improved practices sponsored by Government departments, a higher unimproved value. I think that this was the Government's intention when it commenced the tax in 1936 on the basis of unimproved values. The principal Act contained the following definition:

"Unimproved value" of any land means the capital amount for which the fee simple of that land might be expected to sell if free from encumbrances, assuming the actual improvements (if any) thereon have not been made. In this definition the term "improvements" means houses and buildings, fixtures or other building improvements of any kind whatsoever, fences, bridges, roads, tanks, wells, dams, fruit trees, bushes, shrubs, or other plants, whether planted or sown for trade or other purposes,

draining of land, ring barking, clearing from timber or scrub and any other visible improvements, the benefit of which is unexhausted at the time of valuation.

This relates to personal improvements rather than improvements resulting from action by the Government, and to a lesser degree a local council and research work of various types. For instance, we now have larger wheat crops, improved grasses, and trace elements have been placed in the soil to improve productivity. All these things come within the purview of "unimproved value". The definition was framed in 1936 and although many people disagree with it no amendment has ever been made to it. For that reason we can believe that what was intended is what has been put into practice by the Commissioner over the years. If that were not so, why did Parliament provide for a five-yearly assessment? Obviously Parliament appreciated that there would be development apart from personal development, which would improve the value of the land. I feel that all this is the answer to the belief many people have about the meaning of "unimproved value". In the South-East there are large areas upon which a lamb could not be reared until the C.S.I.R.O., as the result of research work, discovered why the land would not rear even one lamb. Instead of that land having a low value it is now worth £30 or more an acre. This increase in value has not resulted from Government efforts. It is, rather, an improvement that comes within the definition in the Act. The 1936 Act contained some exceptions from the imposition of the land tax. Section 10 then read:

- (1) Taxes are hereby imposed on all land in the State, with the following exceptions:
 - (a) Subject to section 19, land of the Crown, which, for the time being, is not subject to any agreement for sale or right of purchase:
 - (b) Park lands, public roads, public cemeteries, and other public reserves:
 - (c) Land used solely for religious or charitable purposes, or used solely for the purposes of a hospital subsidized by the Government of the State, or used by any institute under the Public Library, Museum, and Art Gallery, and Institutes Act, 1909.

Many of those things apply today. An amendment in 1942 regarding a reference to charitable purposes was made because there may be a church in a corner of a block of rural land, and it was obvious that that block should not be free of land tax. We realize that some people try to avoid paying taxes and because of this it was found necessary to amend the

Act. In 1942 there was another amendment regarding land transfers upon which money was owing and this was related to the Real Property Act. There was a further amendment in 1948 when the Commissioner, who was responsible for the collection of land tax, was named the Commissioner of Land Tax. I mention these amendments to show that only a few amendments have been made to this Act.

The schedule of charges in 1936 was fairly limited. For a valuation up to £5,000 the tax was 5d. and on any additional part over £5,000 the tax was a further 5d. In 1952 an amendment provided almost a completely new schedule of charges, in which provision was made for an increasing rate as the value of the assessed land increased. On a valuation of £80,000 the rate was 7½d., but the rate of 5d. was still charged on a valuation up to £5,000. Of course, in those days land worth £5,000 would be a considerable area. There was also an amendment regarding absentee landholders and this Bill provides a further amendment. In the early days if a landholder was absent for 12 months people thought that he had gone forever, but today it is a matter of normal business practice for a man to be away for a considerable time. Another amendment in that year was in regard to the tax on land used for charitable purposes.

The original Act provided for a five-yearly assessment of unimproved value with a right of appeal. Right of appeal is another provision which some people have utilized, but many have been afraid to use it because they feared it would involve them in heavy expenses. They wondered whether they would get any benefit because it was a matter of appealing from Caesar to Caesar and obviously they considered they would not be able to obtain any redress. In the Land Tax Act the rights of appeal were very generous. The Act provided that there should be such valuation boards as the Governor determined with three members on each board consisting of a chairman and two other members to be appointed by the Governor. The chairman of the board was usually a stipendiary magistrate and, in the first place, anyone not satisfied with the assessment could appeal to the Commissioner of Land Tax. If no agreement was reached with him the appellant could go to the particular valuation board, and either side could take a case to this board. The Act stipulated that the members of the board should hold office for a period, not exceeding seven years, as determined by the Governor, but the practice has been a three-yearly period.

Any two members of the board formed a quorum and the decision of the majority prevailed. The chairman of the board had a deliberative but not a casting vote. There was a further provision that within 30 days after the date of the board's decision, either the Commissioner or the taxpayer could appeal to the Supreme Court from any decision of the board. Up to the stage of the appeal to the Supreme Court the cost to the taxpayer was a fee of 10s. and the cost of making up his case, so that there was not much hardship involved in the procedure.

As a country person I have always felt that land tax has been one of those things we need not worry about because it is so small. Admittedly it has risen from time to time under the quinquennial assessments, so that today more people look upon it as something of a burden. In the present legislation there are amendments regarding subdivision of land and rural land, which indicate that the Government is keeping in touch with the position from year to year in that it has selected, in the first place, the landholder who at one stage had a limit of £80 over which he could not be taxed which has now been increased to £320, and for land used for primary production of any sort the amount is £2,500. The Government obviously selected those two classes of people because it costs so much to collect land tax that, in the case of the small landholder assessed under £320, it would not be worth the trouble. According to the Auditor-General's report it costs about 12s. 9d. to collect the land tax on an average assessment, so obviously the Government does not wish to spend 12s. 9d. to collect 10s.

On the other hand, my colleagues and I have had numerous conferences with the Commissioner of Land Tax and have received much assistance from him on the matter. The reason for selecting a group of primary producers for exemption from land tax when the assessment did not exceed £2,500 was that the man on the land, at the end of the road, did not have the ability to pass on his costs. A business man owning a factory or a shop is always in the position of being able to charge a little more and that principle is applied in price fixing. The business man is able to meet those costs through his charges, but the person who is most affected by this assessment is the small primary producer. Therefore, the Government has brought down this amendment so that £2,500 will be the minimum assessment on which tax will be collected on rural land and as the assessment increases the exemption will

apply on a gradually diminishing scale until at £6,250 no exemption from taxation will be allowed. That provision will provide relief for many small farmers. However, the question always arises as to where the Government should stop and I may say more about that later. I believe that people who are, in many cases, receiving less annually than the ordinary wage earner are the first who should be considered for concessions under this Bill. The Bill's purpose is to provide concessions in the payment of land tax.

A person not satisfied with his assessment should appeal. The appeal provisions are so broad that everyone thinking he has a case should appeal. Many people grumble about their taxes but when it comes to substantiating a case for a reduction they are brought to realize that they are completely wrong in their contentions. A period of 60 days is allowed in which to appeal against an assessment and no one can deny that that is adequate.

The Hon. Sir Frank Perry: Have many appeals been lodged?

The Hon. L. H. DENSLEY: Although this is an exceptional assessment in that the increase is very high, only one per cent of the people who have been assessed have actually appealed. I have been around the country and at one centre I was at a meeting attended by 300 people. They were irate and at that meeting and at others where fewer attended everyone complained about the new assessment. This was so common that I, and other honourable members who attended such meetings, carried appeal forms with us for the benefit of people who thought their assessments were too high. I do not believe that I am presumptuous in saying that less than one per cent of the appellants will follow up their appeals. However, that will be decided later.

After an appeal to the Commissioner has been decided a taxpayer has a further 30 days in which to appeal to the valuation board. Adequate opportunities are provided for appealing. However, the valuation board is empowered not only to decrease the assessment on appeal but may increase it, and that is a good provision because it ensures that people will not appeal just for fun. If there is a possibility of an increase in assessments that may limit the number of appeals.

The Hon. S. C. Bevan: It was put in as a deterrent so that people would not appeal.

The Hon. L. H. DENSLEY: A taxpayer would not appeal if he did not think he had a case and that is a deterrent to the man who

does not have a case. Provision is made for an appeal to the Supreme Court within 30 days after notification of the result of the appeal to the valuation board. The recent assessment was made taking into consideration the high prices for which land has been sold in city, suburban and rural areas. People have purchased building blocks for high prices, and in many cases have pulled good buildings down and erected new buildings. All those sales are examples of the price people may be expected to pay for land.

We were quite happy with that position for 25 years and I have not known or heard of anybody who questioned that. Naturally, too, the valuers took into consideration the inflationary trend that we have experienced. Money values have been reduced and people can be expected to pay £4 for what they may previously have expected to pay £1. That has been brought about by a depreciation in money values. On the other hand we have to remember that the number of city business houses has not increased in proportion to the increase in population and obviously business must have been very lucrative for people who wanted to buy sites in the city area. With the advent of a possible new town to the south of Adelaide, where so much trouble has occurred, the purchase of a considerable area at fairly high prices by the Housing Trust has increased values beyond production value or business value in those areas. Always the assessors had in mind the thought, "For what purpose has the land been bought?"

We know that people have bought land as a speculation to cover up their income tax assessment, but this has resulted in much good to the country. I know of a number of cases where advantages have accrued to the farming community by the mere fact of business people having bought their land, even though they paid high prices for it. They developed the land on a basis that they could afford, and this has proved an object lesson to farmers in some instances. They took full advantage of the research work done by the Agriculture Department. I know many who have appealed to that department for advice and who had a look at land that had been developed scientifically before they went into this particular business. Although their object originally may have been to reduce their income tax and, no doubt make some money, I have no grumble about that. However, I believe that it had the effect in two ways of increasing land values. Firstly, they paid a little more for the land than anyone else could afford

and, secondly, and more importantly, they showed what could be done with the land. Very much the same thing has happened where an industrial concern has set up business. This occurred at Whyalla, where property has become very valuable.

The Government took an early opportunity to look at all these points. I am speaking as I see the position and not for the Government, which can speak for itself. I criticize the Government when I consider there are aspects on which I should criticize it. It took an early opportunity to see what it should do to relieve the burden on some landholders.

The Hon. Sir Frank Perry: And only some.

The Hon. L. H. DENSLEY: Yes. The Government provided an exemption for land valued at under £320 for building purposes and for land valued at under £2,500 for agricultural purposes, with diminishing exemptions on properties up to £6,250, which I think was going a long way, because it meant that many people who had paid previously would not pay any tax in future. I know many people who have received an advantage from the new arrangement. Perhaps one of the more difficult problems associated with the increased assessments applied particularly to an area south of Adelaide, where an oil refinery is to be located, and where obviously people would want to buy land for business purposes. Therefore, large areas became subdivisational areas. Speculators stepped in and saw the possibilities and in a number of cases I am sure that subdivisational companies made more money out of it than the original landholders. This created a problem. Therefore, the Government met that problem by agreeing that where a landholder was prepared to declare his land agricultural land, he would be assessed on an agricultural basis. We can agree that at the very least that was generous treatment. The Government ensured that undue advantage would not be taken of the concession by making it mandatory that if a person sold land that had been declared agricultural land within one year, he then paid subdivisational rates on it. The same applied for periods up to five years. I see nothing greatly wrong with that, because as agricultural land it could be worth £100 an acre whereas as subdivisational land it may be worth £500, and it would not have taken long for a person to recoup himself and pay any back land tax.

When one attempts to correct a thing, there is nearly always another problem around the corner. Where families were farming land and had the intention that their children should

carry on with the farm, they naturally did not want that land to be assessed as subdivisational land. So, provision has been made in the Bill for those people. If a person died and his son continued with the farming operations, he would receive the same benefit. I think the Bill provides reasonably for country land. If a man wants to continue farming he can ask for a rural valuation of his land, and so long as he observes the conditions relating to treating the land as rural land he will have the advantages of the reduced land tax. However, if he wants to sell the land for subdivisational purposes, naturally he must pay the subdivisational rates. I do not think that anyone could quarrel with that provision. The Government has certain powers relating to the declaration of rural areas, although this does raise a slightly greater difficulty. It is done by proclamation. It is rather a long way around to overcome the difficulty, but the matter is in the hands of Parliament. The Government's action in this matter was good, because the Government saw that people cannot get around any agreement in which they are involved.

Last year land taxation amounted to about £1,400,000. This year the Government has budgeted for £2,000,000, after applying the concessions set out in the Bill. Many estimates have been made about the amount the Government will get from land taxation. Obviously it is not easy to make an estimate, because the owner of several blocks of land would have several assessments, and each block could be assessed differently because of its being used for a different purpose. It would be a big job to get an accurate estimate of the amount of land taxation to be collected this year. Many people say that the Government will get more than the estimated additional £600,000. The assessments in 1955 for land tax purposes totalled £212,000,000. In 1960 they totalled £393,000,000. These figures have come from the Auditor-General's report. The number of taxpayers has increased from 207,000 in 1959-60 to 215,000 for 1961-62. It is reasonable to suppose that the assessments have increased because of the increases that have followed subdivision of land.

As a landholder I am personally interested in this Bill and I endeavoured to ascertain just what it covered. Some people say that the land tax has been increased by 600 to 700 per cent. I have blocks of land at Glenelg and Victor Harbour and farm land at Keith. The assessment on the Glenelg block was increased from £972 to £2,212. and the tax was

increased from £3 0s. 9d. to £6 18s. 3d. This may seem a large increase, but the assessment is about £1,000 below what I actually paid for the block seven years ago, so I cannot complain. The 1955 assessment for the Victor Harbour block was £376. The present assessment is £500. The tax has increased from £1 3s. 6d. to £1 11s. 3d. I could get double the £500 for the block if it were put on the market, so again I have nothing to complain about. Victor Harbour and Glenelg are exceptional areas, in that high prices are paid for land for tourist and retirement purposes. The previous assessment on the 1,500 acres of farm land at Keith was £4,848, and the present assessment is £7,940. The tax has increased from £15 3s. to £27 17s. 6d. If these figures are indicative of a cross section of tax assessments, and I assume they are, I do not think much hardship has been imposed by the increases in the assessments and the taxation. I realize that some people are more badly hit than others, but some people are not happy if they have to pay £5 or £6 in tax. They want to avoid even that amount. I point out that the increase in land taxation budgeted for this year is actually an increase over a five-yearly period. Land prices over the past few years have increased phenomenally and it is something that we must accept.

The Hon. Sir Arthur Rymill: You would not say that there has been a great increase in prices for country land?

The Hon. L. H. DENSLEY: The honourable member will agree that the 1955 assessment covered the period from 1950 to 1955. Assessments are not all made on the one day at the end of the five-yearly period. That was the period in which the value of the farming land in South Australia made the most phenomenal rise in 65 years.

The position is different with suburban land, where the increase in the valuation has been from £207,000,000 to £393,000,000. Many of the people who will be affected by this increase have also received basic wage or marginal increases in their pay envelopes and may be able to use some of this money to pay for the increased tax, but the latest valuation is a 90 per cent rise on suburban land. It appears that something should be done with regard to this group of taxpayers. The expected revenue from land tax is £2,000,000. I am not discussing at this stage the square mile of the City of Adelaide, in which I understand the increase will also be high, simply because it is a matter of bookkeeping. If John Martins

had a block valued at twice as much as previously that firm would increase the price of articles by, say, a half penny and still make a profit at the end of the year.

The Hon. Sir Lyell McEwin: Do you think they would take it off if the assessment was reduced?

The Hon. L. H. DENSLEY: I do not attack it in that regard. It would not be unreasonable to say that if the Government had budgeted for land tax revenue of £2,000,000 and at the end of the year the amount was found to be £2,500,000 or £2,750,000, then it should review the position.

The Hon. K. E. J. Bardolph: You believe in the axiom, "hope springs eternal"?

The Hon. Sir Frank Perry: I think the margin of 50 per cent is too great.

The Hon. L. H. DENSLEY: A margin of 50 per cent is perfectly normal in many classes of country.

The Hon. Sir Frank Perry: I mean 50 per cent over the estimated total revenue.

The Hon. L. H. DENSLEY: I agree with that. It is anticipated that the increase in land tax receipts will be about 40 per cent, and if it should be 50 or 60 per cent that would be too high. The Government does not budget on that basis, and I have always congratulated the Government on the excellence of its budgeting but I am associated with some things about which I could not pay the same compliment that I do to the Government over this matter. I believe that perhaps some further thought should be given if there is a disparity between the estimate and the actual receipts. I believe there will not be a great disparity, but hope that, if there is, the Government will reconsider this aspect with regard to suburban land in particular. This whole matter is of some importance, and has created a great deal of dissension in country areas. Unfortunately, some people have been prepared to go into the country and aggravate the unrest and dissatisfaction that existed.

The Hon. Sir Lyell McEwin: To what extent does this unrest and dissension exist? Have you heard of any?

The Hon. L. H. DENSLEY: I recently attended a country meeting at which 300 were present who were hostile towards this legislation. At all times I have done my best to put the position to these people.

The Hon. Sir Lyell McEwin: At how many country towns did you hear of this?

The Hon. L. H. DENSLEY: I am happy to think that many people who complained at one stage are not complaining so much today. I have made it quite clear that country people should be happy with the results of their assessment. On the other hand, perhaps some greater consideration could be given to suburban landholders, although I have no quarrel with my own assessment and was surprised it was not higher. If the Government's estimate is incorrect, as some people believe it will be, and there is a wide disparity between the estimated and actual income, the Government should during the next session of Parliament try to give some relief to the sections of the community more adversely affected.

I know that producers have no control over the price they get for their wool and barley because they sell on the world market. That also applies to other primary products such as wheat and butter, but they are in a different category as they get a subsidy. Wheatgrowers are now receiving a subsidy after having subsidized the whole of Australia for 20 years and for that reason it is not looked upon as a subsidy, because in one or two years the Government will have to pay a subsidy to equalize prices. That is getting away from the Bill, but I am extremely happy with the attitude the Government has adopted in this matter in that it has given relief where it thought it was most needed and where it did not pay to collect the taxation. There may be other people who should get some relief and I hope the Government will be prepared to reconsider the matter next year if necessary. I have pleasure in supporting the Bill.

The Hon. A. C. HOOKINGS (Southern): It gives me great pleasure to speak this afternoon after listening to such an excellent contribution, and I congratulate the Hon. Mr. Densley on the comprehensive manner in which he covered the subject. In recent weeks I have had many discussions on land tax and land tax assessments with my colleagues, and have found that nothing in the interests of the Government or in the interests of the taxpayers was overlooked by Mr. Densley. In these discussions he gave me considerable assistance.

Some months ago land tax assessments were increased and these increases have caused widespread concern. Mr. Densley said that some of that concern was most apparent amongst people living just south of the city, but it was also apparent in towns two or three hundred miles from Adelaide. People were gravely concerned when they received notice of the increased land tax assessment. I was

present with Mr. Densley at one meeting in a country town and am able to endorse his statements. About 300 people attended that meeting and they were ready to criticize the Government, members of Parliament and anybody else concerned with land tax. As members of Parliament we have been concerned with people living south of Adelaide near Morphett Vale and close to the Port Stanvac area where land values have increased sharply in the last three years. The concern of landowners both near and far has caused some members much worry but, on examining the question, we are pleased that the Government has introduced the measure we are now discussing. I shall endeavour to indicate why people are concerned by showing how land tax assessments have increased. I shall refer particularly to one or two taxpayers who live south of Adelaide.

The Hon. K. E. J. Bardolph: How far back are you going?

The Hon. A. C. HOOKINGS: To the previous assessment. The first case concerns 500 acres on which the previous tax was £154 8s. 10d. Under the new assessment the tax to be paid would have been £3,475 17s., which represents an increase of £3,321 8s. 2d. Another case involved 153 acres on which the tax was £12 4s. Under the new assessment the tax would have been £466 1s. 10d., or an increase of £453 17s. 10d.

The Hon. C. R. Story: Will this Bill reduce that?

The Hon. A. C. HOOKINGS: I will go into that directly. The third case was of 658 acres on which the tax was £97 10s. The new taxation would have been £2,377 2s. 9d., representing an increase of £2,279 12s. 9d.

The Hon. K. E. J. Bardolph: Was that increase brought about by the new incidence of taxation?

The Hon. A. C. HOOKINGS: By the new assessment. I quote those figures to indicate the cause of the concern in areas south of Adelaide. The concern further from the city was brought about not by the amount of the increase but because the increases varied from 60 per cent and 70 per cent up to, in some cases, 200 per cent. Having attempted to arrive at the feeling of the people, and having attended the meeting of 300 taxpayers, another meeting 30 miles away, and still another in the extreme south of the State, we were gratified to learn that the Government was to introduce this Bill to provide some alleviation for land taxpayers generally and particularly for those in the area I have referred to where such steep increases have occurred.

I believe that the high assessments were made only because the Land Tax Department's officers did their duty under the Act. The Act was first passed in 1936 and amended in 1942, 1948 and 1952. The assessments recently issued were, therefore, the result of an Act that has been in force for many years. I wish to comment on the consideration and thoroughness of some of the officers of the department who not only attended protest meetings held throughout the State, but convinced me on certain points about this form of taxation that I could not understand.

The Government introduced this Bill to reduce the amount of land tax revenue that would be derived, and I support the measure, but I agree with Mr. Densley that, if the revenue from the new tax proves to be greatly in excess of the estimated amount, some further revision should be made next year because, although I admit that values have increased in the last few years, it surely is not right that land taxation or other taxation should be doubled. The Bill has been examined and debated and it has been amended in another place. I have no doubt that other members will speak on certain aspects about which we have not yet heard. Members are familiar with the clauses, and one of the most important is that dealing with the declaration of rural areas. A taxpayer has the right to have his land declared as rural land. Having done that his land will be valued on a rural basis and not on a subdivisational basis. Many of the figures I have quoted about land south of Adelaide will be greatly reduced because the assessments will be based on rural values and not on subdivisational land values. In this way much relief will be given.

The reductions effected under the Bill will help many people throughout the State. During the debate in the House of Assembly and outside, many arguments have arisen on the question, "Is land tax necessary"? I think it is. In the metropolitan area land tax tends to stop the suburban sprawl. When I was in England a few years ago one of the most discussed problems among country people related to the huge areas of good rural land that were being lost to rural production to make way for houses, factories, roads and air fields. I was told that it would amount to 300,000 acres a year. We all know what is happening to our growing city of Adelaide. I hope that with the use of earth-moving equipment it will be possible for activities to turn more in an easterly direction and for use to be made of our more hilly country, instead of

extensions north and south. On the question of whether land tax is necessary, I will quote from an American publication printed in 1960. It included the following:

Unimproved land differs in three ways from any other kind of private property:

- (1) Unimproved land is the only kind of private property that the owner did nothing to create. He just found it ready-made, or bought it from someone who found it ready-made.
- (2) Unimproved land is the only kind of private property whose value grows, not because of anything the owner does but because of what thousands of other people do.
- (3) Unimproved land is the only kind of private property anyone can own for years without doing anything or assuming any responsibility to maintain and protect his investment, other than paying a tax which is usually small and is always deductible.

The Hon. K. E. J. Bardolph: You are quoting Labor policy.

The Hon. A. C. HOOKINGS: It does not matter whether I am or not. I am quoting something that affects people in South Australia and pointing out that if we did not have to pay land tax it would be possible for people to hold a block of land without doing anything with it and then cash in on the efforts of neighbours and other people in the vicinity. Therefore, surely it is necessary that some charge should be made on unimproved property so that people will not hold on to the land in growing areas without doing anything, either to subdivide it for building purposes or to use it for some productive purpose, and so gain highly increased values. The debatable point in some places is the method of valuing a property. It is said that land should be valued on a production basis. I consider there is only one way to value land and that is on what someone is prepared to pay for it.

Mention has not been made during this afternoon of the effect of land tax on agricultural show societies throughout the State. Basically, these societies are not run for profit, but in the interests of the district; and they do much good for the district. It has been suggested that these organizations should be exempt from land tax and I hope that, if that is not possible this year, the Government will have another look at the suggestion later. I understand that only about £300 annually is derived from these show societies, and that is why I think the Government should relieve them from paying land tax. I endorse the remarks of the Hon. Mr. Densley and have much pleasure in supporting the Bill.

The Hon. S. C. BEVAN secured the adjournment of the debate.

SURVEYORS ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 28. Page 958.)

The Hon. K. E. J. BARDOLPH (Central No. 1): This small Bill tightens up definitions in the Act regarding markings and pegs used by surveyors. I agree with the object of the amendments. The Act was last amended in 1956 and dealt with the qualifications of surveyors and those serving articles, and gave the Surveyors Board in some instances authority to set examinations relating to qualifications. Under the Bill the penalty is increased from £20 to £50. If a person wilfully destroys or interferes with a surveyor's mark, irrespective of the penalty, the ulterior motive will have been achieved. The penalty will apply to the person who inadvertently destroys or interferes with the surveyor's mark, but there should be a responsibility on the surveyor.

I have had some dealings in land surveys and I know that some surveyors place a peg only nine inches in the ground and that it can be easily loosened by school children and other people. Other surveyors put a steel peg 18 inches to two feet in the ground, and on top of it place a wooden peg with marks on it. If there is a penalty for wilful or inadvertent destruction or interference with a surveyor's mark, there should be a responsibility on the surveyor to see that the peg can be easily recognized as a surveyor's peg. If that were done it would provide the *prima facie* evidence mentioned in the Bill. It may be said that my proposal is impossible, but to mark the peg with the words "surveyor's peg" should not be difficult. Surveying work is not done cheaply, and the return to the surveyor is something like the return to the lawyer. To fortify the provisions of the Bill it should be the responsibility of the surveyor to mark his peg as I have suggested.

The Hon. C. R. STORY (Midland): I support the second reading because the Bill is a step in the right direction. We see much of people wilfully and wantonly destroying and interfering with surveyors' pegs. Where subdivision is taking place continually it is inconvenient to have pegs pulled up and destroyed. People have wilfully cut down a tree where a mark has been placed, and dug up pegs placed in concrete. I have spent much money on surveying work only to find that the marks have been soon removed. The Bill tidies up

the Act. I hope that the people who persist in being a nuisance in this way will become the victims of the fairly severe penalty in the Bill.

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

BRANDS ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from September 28. Page 960.)

The Hon. G. O'H. GILES (Southern): I support the Bill and commend the Government for introducing it. Two members have already spoken in this debate and I do not intend to repeat what they have said. I support the Bill's intention, which is to ensure the removal of unscourable substances like tar and oil paint brands from wool fleeces. It is a good proposal. Not only must the wool be scourable cheaply, but to the buyer it must look as though that can be done. The Government introduced the Bill to prohibit the use of any substance that is black in colour. Earlier I was in a muddle about the meaning of clause 3. The words now appear in one sentence, and there has been a discussion on whether the colour qualifies the latter part of the amendment. I have ascertained that the Government's intention is plain and in Committee I shall move a minor amendment to the clause. It will redraft the words into several sentences, and make the meaning much clearer.

The Hon. Sir Arthur Rymill: What does "raddle" mean?

The Hon. G. O'H. GILES: It is a chalky mark that is not permanent. The difference between substances such as raddle and a permanent paint is described in the last sentence of the Bill, but this interpretation is also not clear. The words "or as one with which a paint brand may be made" may appear to be superfluous to the general exemptions. However, under section 28 of the Act there are two lists, one of scourable substances, which must be prescribed, and the second includes paint brands which have some permanence. For instance, a type of substance used for raddling would qualify under scourable substances in this list of exempted substances, whereas anything used for a permanent brand would have to be listed under the "paint brand may be made" clause.

The Hon. Sir Frank Perry: Couldn't they specify the branding materials?

The Hon. A. J. Shard: They tried to do that by regulation!

The Hon. G. O'H. GILES: The point is that one qualifies strictly under the "paint brand" which must be scourable, while in the other one there could be some substances which are scourable but which are not a permanent paint brand.

The Hon. F. J. Potter: Are you merely saying that after the word "prescribe" you could put the word "either"?

The Hon. G. O'H. GILES: Yes, possibly, but I am getting close to Committee matters at this stage. The Government has been forced to introduce this legislation because of the anomaly created by the original Act. It is not really a matter of the branding of sheep, but more of marketing. Because of the 1955 amendment which allowed tars and such products to be used on sheep, not as brands but as a method of marking or treating minor cuts, the Government has had to introduce this amendment. This point should be kept in mind because it brings the matter into better perspective.

There are separate penalty clauses in sections 69 and 70 but the penalties referred to by the Hon. Mr. Shard and the Hon. Mr. Story were correctly stated in this instance as a maximum of £25 or a maximum of three months gaol for an offence under these sections. Whilst I think that £25 is reasonable I am not so sure regarding the three months gaol. If any honourable member thinks that an amendment is necessary I would probably support him. It

is a question of how the Chief Inspector of Stock proposes to use this legislation.

The Hon. Sir Arthur Rymill: It is a maximum penalty that is laid down.

The Hon. G. O'H. GILES: Yes, and when we consider the anomaly that has arisen it is obvious that it will not be used other than as a weapon in many instances. The problem today is that there are some people who dogmatically insist upon using substances which penalize the presentation of our fleeces. Due to the action of these people in using either black and/or unscourable substances the wool clip suffers. When the Chief Inspector of Stock has pointed out to these people that they should not use tar and various types of oil brands, he has been told that he cannot stop them. This legislation will help in that regard. I am pleased to say that there are only a few instances of this sort of thing, but all that is needed is for the department to use this legislation effectively and show these people that they will now be liable for an offence under this Act. In other words, it will be used as a cudgel rather than a means of prosecution. No doubt honourable members will express their ideas on these matters at a later stage. I support the Bill.

The Hon. R. R. WILSON secured the adjournment of the debate.

ADJOURNMENT.

At 4.06 p.m. the Council adjourned until Thursday, October 5, at 2.15 p.m.