# LEGISLATIVE COUNCIL

Wednesday, August 17, 1966.

The PRESIDENT (Hon. L. H. Densley) took the Chair at 2.15 p.m. and read prayers.

## QUESTIONS

### PLASTIC CONTAINERS.

The Hon. Sir LYELL McEWIN: I think that most honourable members have received a communication from the South Australian Housewives Association regarding the abolition of flagons and the use of plastic containers. Can the Chief Secretary give me any information regarding the move?

The Hon. A. J. SHARD: I cannot give any information. My attention has just been drawn to the communication. I had not seen it until the Hon. Mr. Banfield showed it to me a few minutes ago. He was going to ask a question, but the Leader beat him to it. The subject matter needs some investigation. I will draw the Premier's attention to the letter. Perhaps the Prices Branch might want to investigate the matter, and the Health Department might wish to have a look at it. I will obtain a report as soon as practicable.

### JURY VERDICTS.

The Hon. L. R. HART: Has the Chief Secretary, representing the Attorney-General, obtained an answer to my question of August 9 regarding jury verdicts?

The Hon. A. J. SHARD: It is as I mentioned—the majority method in all but capital cases has been accepted in South Australia for decades.

### GORGE ROAD.

The Hon. H. K. KEMP: Has the Minister of Roads an answer to my question regarding the Gorge Road?

The Hon. S. C. BEVAN: As a matter of fact, I have two answers, and, with the concurrence of the President, I will give both of them. The Hon. Mr. Kemp spoke to me privately in relation to the terrain on the new Gorge Road. The Highways Department has had a geologist look at the fault lines, and both answers deal with that matter. The first report is from the Highways Department, and is as follows:

The department has had expert geological advice on all aspects of the Gorge Road project from the initial preliminary investigations right through the construction of the road. The road is not in a precarious or dangerous state, but it is inevitable that there will be some falls of rock following heavy rains, and this condition is likely to last for several years. It will be remembered that minor rock falls persisted on the old Gorge Road for many years; in fact, they are still occurring. Rock falls on the new road are not expected to cause any undue traffic hazard.

I also obtained a report from the Mines Department on the geological aspects of this matter. The Director of Mines reports as follows:

The new Torrens Gorge Road is under continual observation by experienced engineering geologists of the Mines Department, working in close co-operation with engineers of the Highways Department. Whilst some rock falls are inevitable on mountain roads of this nature, more particularly in the early stages, it is incorrect to say this road is in a very dangerous and precarious state. Additional treatment recommended for the steeper sections of this road will be carried out by the Highways Department during the next dry season, and should further reduce the risk of falls.

### BURRA COPPER.

The Hon. R. A. GEDDES: Has the Minister of Mines any further information in answer to the question I asked yesterday about the search for copper in the Burra district?

The Hon. S. C. BEVAN: Yes. The honourable member spoke to me privately after he had asked his question and told me of certain rumours circulating in the Burra district about which he showed concern, and rightly so. The answer I gave yesterday was factual, but I suggested to the honourable member that I would obtain further information. I immediately asked the Mines Department for a report on the project and on the progress being made. I now have a further reply, which I think will clarify the position at Burra and answer the rumours that apparently have been circulating. It is as follows:

In reply to your query the present position is that three drills are operating at the present time—two percussion type drills in and around the open cut, and a diamond drill south of the open cut. A fourth drill (diamond) is collared on a site about one mile south, but awaits a crew to continue operations. Metallurgical work is also continuing steadily on the problem of extracting copper from the oxidized leavings.

### MOTOR VEHICLE REGISTRATIONS.

The Hon. Sir NORMAN JUDE: Will the Chief Secretary inform the Council at the earliest possible opportunity how many transfers of motor vehicle registrations are made annually, or have been made during, say, 1963-64, 1964-65 and 1965-66?

The Hon. A. J. SHARD: I will try to get the information as soon as possible, but if the honourable member were to place the question on notice for next Tuesday, I think he would get the information more quickly.

## HOUSING TRUST NOTES.

The Hon. L. R. HART: I ask leave to make a statement prior to asking a question of the Chief Secretary representing the Minister of Housing.

Leave granted.

The Hon. L. R. HART: In this morning's mail we received the quarterly notes from the South Australian Housing Trust and they appear to be printed on more elaborate paper than has previously been the case. Will the Chief Secretary inquire of the Minister of Housing whether he believes that, in view of the precarious financial position of the State, now is an appropriate time to increase the cost of producing these notes?

The Hon. A. J. SHARD: I shall be pleased to refer the question to my colleague, the Minister of Housing.

## FISHING BOATS.

The Hon. R. C. DeGARIS: Has the Minister representing the Minister of Marine a reply to the question I asked on August 9 regarding a survey of fishing boats?

The Hon. A. F. KNEEBONE: Yes. My colleague reports as follows:

The regulations for the survey and equipment of fishing vessels came into force on October 1, 1963, but actual surveys of fishing craft were not started until June of the following year in order that fishermen could have some time to prepare and equip their vessels to comply with the regulations. Even so, more than half of the vessels did not fully meet the requirements in every particular and, where the defects or omissions were not of a serious nature, the vessels were allowed to fish on the understanding that the defects or omissions would be rectified as soon as possible and before the next survey. It was felt that during the first two years of the operation of the regulations, it was in the best interests of all concerned that some leniency should be exercised by the surveyors, provided the craft in question were generally seaworthy in the most important aspects.

As a result of this action, there are possibly about 100 fishing vessels operating in the State which, although surveyed, have not been issued with an actual certificate of survey. For obvious reasons these cannot be issued until the owners rectify the deficiencies involved. It is sincerely hoped that the fishermen concerned will appreciate the situation and have the deficiencies rectified by the time of the next survey, as the board cannot continue a practice which was only introduced in deference to the fishermen for two years from the commencement of operation of the regulations. As fishing vessels are surveyed every two years and the first surveys were conducted in 1964, vessels are now coming up for their second survey when, as stated by the honourable member, some have not as yet been issued with a certificate in respect of their initial survey in 1964.

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## LAW OF PROPERTY ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from August 10. Page 945.)

The Hon. A. J. SHARD (Chief Secretary): I support this Bill which has been discussed with the Attorney-General and the Registrar-General of Deeds. Basically, it complies with the policy of the Labor Party and the Government is prepared to support it, with one proviso. I understand that the Hon. Mr. Potter intends to move amendments in Committee and, provided those amendments are in accordance with the agreement reached between the Registrar-General of Deeds and the Parliamentary Draftsman, the Bill will receive the support of the Government.

The Hon. Sir ARTHUR RYMILL (Central No. 2): I am glad to hear, in that lengthy oration that the Chief Secretary has just made, that the Government is viewing this measure with an air of sweet reasonableness and that it will support the Bill. I should like to commend by colleague, the Hon. Mr. Potter, for bringing down this Bill and for drawing attention to the matter.

There is no doubt that there is a modern trend in legislation towards allowing younger people to exercise more legal control of their own affairs than they have been able to exercise hitherto. This is understandable, because there is no doubt that, with the higher education that everyone enjoys in these days when more advanced education is available to all, and in the nature of the evolution of the human being, young people are becoming more and more qualified at earlier and earlier ages to look after their own affairs.

We have recently had recognition of this trend in some of our other State legislation. I instance the authorization of persons of the age of 18 years to make wills, which I think was agreed to during the last session. This evolution has been going on gradually. Under section 252 of the Crown Lands Act, a person of the age of 18 has for many years been entitled to hold a Crown lease. Indeed, the Act goes further, because subsection (2) of that section says:

All covenants and conditions contained in or imposed by any agreement, lease or licence granted, transferred or transmitted to any minor of the age of eighteen years or upwards shall be as binding upon the minor as if he were of full age.

Here is statutory recognition of this same thing, passed a long time ago. The Hon. Mr. Potter goes a step further for the purpose of facilitating that sort of thing happening. For

instance, although a minor can hold Crown leases, I know of no provision whereby he can enter into a binding mortgage until he is 21 years of age. I understand that the object of the Bill is to enable minors, in particular, to buy their own houses and, for that purpose, to exercise the prerogatives that at present are available only to people of full age (full age being 21 years) for raising the wherewithal to achieve that.

After all, not many young people between the ages of 18 and 21 are fortunate enough to possess sufficient money to enable them to purchase their own houses. This Bill provides, with proper limitations and safeguards, for young people between the ages of 18 and 21 to enter into contracts with the State Bank for the repayment of moneys advanced to the infant, which is the legal term for a minor under 21 years: he is known in law as an infant. That sounds peculiar to the layman, but it is an ancient legal term and that is its total significance in this legislation. Then he can borrow money and contract with the Housing Trust to repay money for the same purpose. He can enter into contracts with the building societies, industrial and provident societies, banks and life assurance companies, and can enter into contracts with building contractors for the purchase or erection of a dwelling house for his own occupation. In other words, the aim of the proponent of this Bill is to do everything he can to facilitate young people owning their own houses but at the same time affording them adequate protection. After all, at the age of 18 a normal person cannot be expected to have had a great deal of business experience, and I consider that in new legislation of this nature safeguards are desirable.

It may be that the Bill can be widened still further in the Committee stages. I have not yet had the opportunity of studying it at the length I should like to—and I will do so—but it could be (and I think the Hon. Mr. Potter would be the first to concede any such suggestion) that the Bill might be widened. He has taken great pains to see that proper safeguards are in the Bill, and I am sure that every other honourable member considers that it is his duty also. I propose to support the second reading of the Bill, and I again commend Mr. Potter, not only for bringing down the Bill and drawing attention to this particular matter, but for his initiative in taking action in this regard, and hope that I shall be able to add some suggestions at the time of the Committee consideration of the Bill.

The Hon. Sir LYELL McEWIN secured the adjournment of the debate.

## LAND TAX ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from August 16. Page 1041.)

The Hon. JESSIE COOPER (Central No. 2): I rise to object to certain aspects of this Bill that perpetuate the very high land taxation levied on the people of South Australia. I object to the fact that the people who own land, whether they are householders who have been thrifty enough to buy their own homes or whether they are producers of foodstuffs from their land, should be subjected to what is almost a punitive tax in order to bolster a tottering Treasury. There is considerable doubt whether the new assessments are reasonable enough, taking into account money paid for land throughout the city and the country. At least, it can be said that, taken in conjunction with the greatly increased assessments, the proposed rates are unnecessarily severe and punitive.

The proposed rates can be looked upon only as a raid on the coffers of those people in the community who have been thrifty enough to acquire property of their own. I also object to the steep escalation in rates from those applied to the low assessments to those applied to the high assessments. Nearly all of the land in the high assessment bracket is used for commercial or primary industry purposes. It is particularly undesirable that industry in those spheres should be saddled with high costs introduced by high land tax rates and that, unfortunately, is precisely what this rating scale does. The various land taxes to which Australia has been subjected in the past were introduced with the object of forcing people to use their land efficiently, or to quit it in favour of other people who were prepared to make better use of it.

Today, we have reached the point where nearly all land in this State is being usefully employed, where our primary producers are using their land more efficiently than ever before, and where the necessity of penalizing people for failure to make land work economically for the good of the community no longer exists—or exists in very rare circumstances. Therefore, the continuation of high rates of land taxation upon those who are trying to use already expensive land, in order to help a developing Australia, is not only unjust but is also stupid, as it withdraws from primary industry money that it so badly needs to

enhance its productivity for the benefit of a world running short of food.

The Hon. M. B. DAWKINS (Midland): I indicate at the outset that I do not feel I am able to support this Bill as it stands, as in many cases it provides for an increase that is too steep within a very short time. The aggregate increase since 1964 is almost $3,000,000, which is too large an increase. I am not insensible or unsympathetic to the problems that the Government has, as I realize that it must have money in order to carry on. I realize also that it is fair to say that some of its financial problems are of its own making, but I consider that this Bill goes a little too far and, therefore, I find that I am not able to support it as it stands.

I should like to endorse the remarks of my Leader, Sir Lyell McEwin, with reference to the action taken by the Legislative Council last year. Some people criticized some honourable members considerably at that time because they removed the words "in subsequent years" in last year's Bill. However, this proved to be a very wise action on the part of honourable members, because we were all aware that a new quinquennial assessment was due and that this would happen before the following year's tax was gathered, and the quinquennial assessment now operative is a very steep increase in many cases. In some cases I think it is 100 per cent, and in others it is considerably more than that. I think the average in country areas is 45 per cent, and I consider that, had last year's rate been allowed to stay as the Government wished it at that time, we would have been in a very much worse plight than we are now. The action of honourable members in removing those words "in subsequent years" saved the people from a much worse impost even than this Bill, having regard to this big increase in the assessment.

It is not my intention to speak at great length about this Bill, because it has been dealt with in considerable detail by some of my colleagues, but I do wish to make a few comments upon the remarks of other honourable members and also to address myself for some little time to one particular clause of the Bill. The Hon. Mr. Gilfillan in his remarks yesterday made the following comment:

I consider that the formula in the Land Tax Act by which the Commissioner arrives at these assessments is faulty, in that the sales of small parcels of land that bear no relation to the prices that could be expected for living areas do affect land values in the district.

I agree entirely with this suggestion of the Hon. Mr. Gilfillan. I do not believe it is right that in an area where broad acres are still the main agricultural situation the price paid by a poultry farmer or a market gardener should be used against the property of the person working on the broad acres and on mixed farming. The productivity of the country rather than what land can be expected to sell for (whatever that may mean) should be the basis of assessment.

I also noted that my honourable friend had something to say about the exemptions. As I have said, we have had these sharp increases in land assessments: I believe the increase in country areas is about 45 per cent. If this is so, it is only fair that the Government should consider that the exemptions should be eased or relieved by a similar amount. I would endorse what the Hon. Mr. Gilfillan had to say in this regard with reference to clause 5 of the Bill and also with reference to the exemption, as I think it should be raised.

Another matter was raised by the Hon. Sir Norman Jude (it has been raised by a number of other honourable members over the past year or so) with reference to what has been termed "a living area". I would endorse the comments of Sir Norman on that matter. I would suggest with great respect (because I have no desire to upset my friend the Chief Secretary, who has told me he is in a very good mood today) that the Government has no real appreciation of what is a living area in the country. It is to be deplored that probably hundreds of people who have not previously been subjected to land tax will now be brought into the orbit of this tax. They are people who, as Sir Norman said yesterday, scarcely have a living area. I think the Hon. Mr. DeGaris stated that in some cases this could be very much less than a living area. The Government should look at this, which is an unfortunate feature of the Bill. I endorse the remarks of the honourable gentleman with reference to it.

I now want to say something about clause 9, in reference to section 12c of the principal Act. Most of the amendments that the Government proposes to section 12c are logical enough; I have no particular objection to them. However, I should like to mention one or two things about this section that I feel should have the attention of the Government. Perhaps these things are not so much contained in the matters that have been brought to the Government's attention, and particularly with reference to section 12c (1), which states:

The Governor may by proclamation declare any area in the State to be a defined rural area

for the purposes of this section. The Governor may at any time amend or revoke any such proclamation.

I suggest that attention be given to the proclamation of further areas under this section. The reason is obvious to all honourable members, because there are further areas being affected by the continuing city development, and there are producers who follow market gardening or poultry keeping or some other small acreage production who have been selling their land close to the city to the Housing Trust or to some other building authority at subdivisional rates. These people have been going perhaps a little farther out—not so very far—and buying 10, 20 or 30 acres at very high prices, prices that could not be competed for in any way at all by people still working in those areas under broad acres. Under the present method of assessment this is causing the nominal value of this particular area to rise steeply. Also, it will mean that some producers will be taxed at what is a crippling rate, so crippling that I believe the Government does not realize what will happen to some of these people. The Government should give its attention to the proclamation of further areas fairly close to the city, or within 25 miles of the city, because of the expansion of the city itself, which forces out people such as market gardeners to these other areas.

I refer now to subsection (5) of section 12c in relation to this Bill. I think the Government is amending nearly every other subsection in this section. As I have said, I have no particular objection to it but I believe the Government could well give attention to subsection (5). While I do not wish to read the whole subsection, I should like to suggest that the last portion of it could be amended. This reads:

. . . upon the taxable value based upon the unimproved value of that land assessed as land used for primary production.

At the present time "land used for primary production" virtually means land used for the most expensive and the most concentrated production and bringing the highest value that can be assessed in that particular area. It has been suggested to me that, in order to ensure that people who are still carrying on on the broad acres with mixed farming in these areas are not victimized and crippled, this provision could well be amended along the lines of section 29 of the Town Planning Act, where, after the word "assessed" instead of saying "as land used for primary production", it says "having regard to the value of the land resulting from the use to which it is put at the present time", or, if other words were preferred, "assessed on the actual basis for which the land is used". If this were done it would not make much difference to the Government's financial proposals. It would, however, stop people who are still working on broad acres in those areas from being victimized. One farmer who is farming 800 acres will have land tax of about $2 an acre. If I may say so, that is no longer land tax, but rent. It is asking people to pay rent on land they already own. The case quoted is not an isolated one as I believe there would be a number of such cases on land in areas fairly close to the city.

I am aware that it may be said that such people can sell their land, and that may be so, but if development has not reached the areas as far as building blocks are concerned it may not be as easy as that. For example, in the Virginia and Angle Vale areas (which we have been talking of recently in connection with the Underground Waters Bill) land values have been largely determined because it was possible to put down bores and work 20, 30 or 40 acres in a concentrated way. Now, of course, all honourable members will agree that we have come, more or less, to the end of our tether with the underground basin and we must restrict the number of bores that may be put down.

People have had land assessed at values on the assumption that they may put down a bore on every section or half section, but they are now in a position where that is no longer possible, and, therefore, land values have been reduced. I suggest that the Government consider extending the exemptions in clause 5, as suggested by the Hon. Mr. Gilfillan. I also suggest, with reference to clause 9, that the Government use section 12c (5) of the principal Act to see whether anomalies that are really unfair to some people can be remedied. I have some sympathy for the Government because of the position in which it finds itself financially, but I believe the position was, to some extent, of its own making. I cannot support the Bill in its present form, and I urge the Government to examine fully the suggestions I have made.

The Hon. R. C. DeGARIS (Southern): This Bill represents the second bite at the land tax cherry that this Government has made in 18 months. I am convinced that the intention of the Government last year was only to have one bite at the cherry, and to continue the present rates on the increased quinquennial assessments. I am also convinced that the fact that

the Council restricted the application of the increase in rates last session to one year meant a saving in land tax payable in South Australia of about $2,000,000.

The Hon. Sir Arthur Rymill: Has the Council received sufficient credit for what it did in that regard last year?

The Hon. R. C. DeGARIS: I do not think the Council ever gets credit for what it does!

The Hon. M. B. Dawkins: At least it never gets sufficient credit for what it does!

The Hon. R. C. DeGARIS: I do not think it gets any credit. Although this is a second bite at the land tax cherry, I am convinced, as I said before, that the Government intended having only one bite.

The Hon. Sir Arthur Rymill: I think that is clear from the way the Bill was drawn last session.

The Hon. R. C. DeGARIS: I think it was made clear because the amendment introduced by members in this Chamber was not accepted by another place; that is convincing proof that the Government intended having only the one stab at this matter. Like other honourable members who have spoken, I am in the peculiar position of having to support the second reading of this Bill, but that does not necessarily mean that I approve of the principles followed in the measure. It is obvious that if this Bill does not pass the second reading there will be no land tax at all in the coming year, which would necessitate the Government possibly facing an immediate election. It is obvious that any support given to the second reading is not support for the provisions in the Bill, but merely support for the fact that we must have some land tax in South Australia this year.

In his second reading explanation the Chief Secretary went to considerable lengths to prove to the Chamber, and to the people outside, that the Bill was perfectly reasonable. He presented several tables that sought to give examples of the incidence of land tax this year, and with other statements he attempted to prove to this Chamber and the public that it was a perfectly reasonable measure. I do not think we have seen the same publicity campaign in relation to land tax as we saw in relation to the Succession Duties Bill last session. I refer to the publicity given to that Bill. The information was blatantly misleading. I do not say that in connection with the tables presented by the Chief Secretary in relation to land tax, but I do say that the tables do not indicate a true picture of the incidence of land tax in South Australia.

The only true comparison that can be made is the land tax actually levied on a property. The incidence of land tax cannot be compared with the 1965-66 year and the only real comparison is the position in 1964-65 under the previous administration and 1966-67 under this administration. I want to examine the two tables presented by the Chief Secretary. I do not intend to deal with them in detail, but I will take as an example the valuations given between $10,000 and $100,000.

In the table presented, a valuation is given in the first column; the second column has the tax assessed on that valuation for 1964-65; the third column shows the tax assessed in 1965-66; and the fourth column shows the proposed tax under this measure on the valuation. The last two columns show the proportion proposed to 1964-65 and the proportion to 1965-66. I propose to add to the end of those tables two further columns headed "Actual tax allowing for the 1965-66 increase in assessment" and "Percentage to 1964-65 tax", because I consider that it will present a clearer picture. In other words, we are comparing on a property to property basis the actual average increase in assessment that has been made. In the first case, on a valuation of $10,000, the tax assessed in 1964-65 was $31.25 and in 1965-66 it was $31.25. As proposed under this measure the figure is $20; and the proportion to 1965-66 is 64 per cent. The actual tax, following the average increase in assessment, which is about 60 per cent, really means that the property will not be paying $20 but $44. That represents an increase on the 1964-65 tax of 142 per cent. Regarding the second valuation, $20,000, the tax assessed in 1964-65 was $72.92. In 1965-66 it was $93.75 and the amount proposed in this Bill is $60. The proportion of the proposed tax to the 1964-65 tax is 82 per cent, and to the 1965-66 tax it is 64 per cent. The added column of actual tax following the 1965-66 increase is, in effect, $132, and the percentage of the 1964-65 tax is 182 per cent.

I do not intend to go through the whole table, but on a property to property basis, allowing for the increased assessment, the percentage to the 1964-65 tax, which I have pointed out is the only relevant figure with which we can compare this land tax increase, varies from 142 per cent in the case of a valuation of $10,000 to 244 per cent in the case of a valuation of $100,000. Rather than read through the whole list, I ask leave to have this table incorporated in *Hansard* without my reading it.

Leave granted.

| Actual tax allowing for 1965-66 increase in assessment. $ | Percentage to 1964-65 tax. Per cent. |
|---|---|
| 44.00 | 142 |
| 132.00 | 182 |
| 280.00 | 181 |
| 476.00 | 198 |
| 720.00 | 198 |
| 1,020.00 | 208 |
| 1,368.00 | 220 |
| 1,768.00 | 226 |
| 2,220.00 | 233 |
| 2,720.00 | 244 |

The Hon. R. C. DeGARIS: The second table in the second reading speech compares State land tax on a yield a head basis. I agree that, in making comparisons on a State by State basis, Queensland should be excluded, because the rather different system of land tenure in that State prevents any real comparison from being made. The first significant thing shown by this table is that South Australia moves from near the bottom on a yield a head land tax basis for the whole of Australia to a position very close to the top.

The Hon. A. J. Shard: That is at present.

The Hon. R. C. DeGARIS: Yes.

The Hon. A. J. Shard: We said that in the second reading explanation.

The Hon. R. C. DeGARIS: That may be so. I am saying that that is one significant fact.

The Hon. A. J. Shard: Where will the other States finish in five years' time?

The Hon. Sir Lyell McEwin: I thought the Chief Secretary said he was going to introduce legislation again next year.

The Hon. R. C. DeGARIS: As I shall point out later, the comparison with what may happen in other States is one of the most amazing calculations that I have ever known in a second reading explanation.

The Hon. Sir Norman Jude: It is a computer job.

The Hon. R. C. DeGARIS: The method of computation makes me sure that these figures have been concocted to try to show the public of South Australia that the increases, the largest increases in land tax that this State has ever had in a period of 18 months, are perfectly reasonable. In these figures we see that the average land tax a head of population for New South Wales, Victoria, Queensland, Western Australia and Tasmania is $6.60 in 1966-67. This can be only a guess, because the following note appears after it:

(*a*) Assumes annual increase at the rate of 6 per cent per annum, the lowest annual rate of increase during the past four years.

The figure for the mean four States (excluding Queensland) for 1966-67 is $7.30. In order to arrive at the average land tax a head of population in Australia the whole population of Australia is divided into the total land tax collected but, if the average yield a head in each State is taken and the average is calculated the figure is considerably lower. In other words, a population figure of 4,000,000 in New South Wales, which has been under a Socialist Government for many years, has been used as a guide to assess a normal average for land tax for the whole of Australia. It is interesting to note that New South Wales has the highest average yield a head of population, at $8.14.

The figure for South Australia in 1964-65 was $4.76 and in 1965-66 it was $5.30. We are going up to $7.15 in 1966-67 and this, by proportion, is the highest step ever taken in South Australia as far as land tax is concerned. Honourable members will be able to see what a misleading calculation this table is, with the average yield a head reaching $8.30 for 1970-71 after many imponderables have been brought in. These tables are being used to try to convince people that this increase in land tax is perfectly reasonable. However, I have pointed out that it is the highest increase in land tax this State has ever experienced.

I also point out that this land tax increase and the increase in assessments have come at a time when there has been no great increase in land values, as such. One would expect that the steep rise in land tax would have come, say, between 1950 and 1955 and between 1955 and 1960, because in that 10-year period there was a doubling, trebling and quadrupling of land values in South Australia. However, in the period from 1960 to the present time, there has not been a fantastic leap in land prices in the State, yet we see this fantastic leap in the return from land tax.

A further significant fact in the table is that from 1961 to 1965 the yield a head in South Australia fell by 2½ per cent. However, from 1965 to 1967 the rise in yield a head in South Australia was 50 per cent. Many honourable members have dealt at length with the defining of a living area when speaking in other debates in this Chamber, and I think we now have a reasonable indication of what a living area means to the present Government. We saw the Government's ideas on the matter incorporated in the Succession Duties Act Amendment Bill last year. I think most honourable members would agree that at

present the unimproved value of a living area for land tax in South Australia would be about $30,000. I have examined this new assessment very closely, and I consider that this is a reasonable figure for a living area. I agree that it varies in various forms of production; it may not be quite as high in a fruit-growing area, but it would be quite a reasonable figure in most of the southern districts where the economy is based largely on agricultural or pastoral activities. The average rise of the assessment in rural lands would be 45 per cent on this new assessment. That means that previously the assessment for a living area in this particular district would have been $21,000. The tax payable on $21,000 in that previous assessment was $81.25. Under this Bill the tax payable will be $120.00, which means on this area, which is a bare living area, there will be a rise in taxation of approximately 50 per cent.

I deplore, as other honourable members have deplored, the need for this very large increase in a short period of 18 months. I think that the State must expect these rises in taxation because of the handling of the finances of the State by the present Government. I deplore that this very steep rise of 50 per cent must occur in those areas where a bare living area has to cater for this very steep rise. I remind the Chief Secretary of some of the sentiments he expressed in his second reading explanation on the Prices Act Amendment Bill recently. He said:

This State is particularly vulnerable to cost increases for two main reasons: first, because of the limited local market, a large proportion of our factory output has to be sold in other States in competition with goods made in those States and, secondly, in the case of primary producers, nearly two-thirds of the State's primary production amounting to approximately $280,000,000 is exported and is, in the main, subject to world prices. It is therefore important to ensure that any price increases which follow the wage increase are not excessive and are fully justified.

Prices and charges for a wide range of goods and services in this State are below those in other States, and there is continual pressure to bring many of these prices and charges up to the levels prevailing elsewhere.

This is a remarkable statement, especially when we relate it to the action of this Government in trying to match the charges of other States regarding all taxation. It is a remarkable statement, looking at the question of a living area and the fact that the Government admits that the primary producer has some difficulty in meeting world prices with his products. Yet we see land tax in this one instance on a bare living area being lifted 50 per cent.

I cannot speak with very much authority on the fruit and vegetable areas on the Murray River or in the Adelaide Hills. I am not as authoritative on these matters as are the Hon. Mr. Kemp and the Hon. Mr. Story, but I consider that, in relation to the small dairy farm or the small sheep property in the southern districts this increase on the small areas is an imposition. I ask the Chief Secretary, as Leader of the Government in this Chamber, to lend his support to what is a reasonable request that the Hon. Mr. Gilfillan and other honourable members have mentioned in their speeches. They ask that the exemption for primary producers should be increased in line with the increase in the assessment. It is a perfectly logical request for honourable members in this Chamber to ask the Government. We are perfectly genuine in the request that the exemption should be lifted. It would not involve the Government in a great loss of revenue, but it would be of some assistance to the people who exist on less than a living area.

Reverting to the question of a living area, I notice that the first step in clause 6 of the Bill is a step not exceeding $10,000; then each step after that is a $10,000 step—$10,000 to $20,000; $20,000 to $30,000, and so on. In this category up to $30,000 are nearly all of the people who are farming on a living area or even one that is not. I ask the Chief Secretary to consider deleting one step from the table, so that the first step would be to $10,000, and the second from $10,000 to $30,000. This would give a rebate of 16 per cent in that group from $10,000 to $30,000. It would also give a rebate to other categories, but it would slope off very quickly until there was practically no rebate at $100,000.

I think it would work this way: in 1964-65, on a living area with an unimproved value of $30,000, the tax in 1964-65 was $81.25. In 1966-67, it will be $120—about a 50 per cent increase. With this small rebate incorporated in the lower unimproved values, it would reduce the land tax for people on a living area valued at $30,000 from $120 to $100, but it would still give the Government a 20 per cent to 25 per cent increase in the tax payable on a bare living area. I ask the Chief Secretary to have a close look at this suggestion and, if possible, to make some adjustment to allow the incidence of taxation on these areas to be somewhat less than it is under this Bill.

I am sure that this would not reduce the total income from land tax to any extent, but it would be appreciated by the people in these categories. I want to point out one other thing

in regard to living areas. I heard the Hon. Sir Arthur Rymill and the Hon. Mr. Kemp talk about the need to watch this type of capital taxation closely. I give to the Chief Secretary the following instance of what I mean. I have in mind a property carrying about 1,200 to 1,500 sheep, which is a bare living area; there is not much leeway in a property of that size. At the age of, say, 35 a son inheriting that property from his father would have to pay approximately $15,000 in succession duties, probate and stamp duty. Once he owns the property he is liable for an annual commitment under this Bill of $120 land tax, and an annual commitment of local government rates and other charges at a capital level of between $200 and $400. Any person inheriting a bare living area has to pay the unimproved value of the property in taxation over a period of 15 years. I have no hesitation in supporting the view put forward by previous honourable members that we must watch closely the incidence of capital taxation upon the things I have mentioned. A further point I mention is the impact of land tax upon the small business, particularly in rural towns and suburban areas. I have had a close look at the assessment and as far as I can ascertain the increase in the assessment on a commercial shop in a rural town is higher than in any other category, but I am open to argument on that point. On the survey I have made, I think it is reasonably true that there has been a very steep rise in the assessment on commercial properties in rural towns.

I point out the impact of this increased land tax upon the small commercial man in a rural town. Over the years he has played an important part in the life of the town. I can give one instance related to a person whom I know very well. A few years ago he built three shops in a small country town. He had worked very hard and had made no claim on any Government during his life. He had supported himself and reared a family, in addition to building the three shops. At present his rental from these shops is about $84 a week. His outgoings, on capital tax alone—on land tax, council rates and water assessment—amount to $30 a week on those three shops. This must reflect on the rental values of small commercial businesses that have been of significance in the development of the rural towns in South Australia. So I once again emphasize the need to watch closely this type of taxation.

In conclusion, I ask the Chief Secretary to look at the two matters I have raised. The first is the increase in the exemption under section 11 of the principal Act in line with the increase in the assessment. In his second reading explanation the Chief Secretary indicated:

Clause 10 of the Bill provides that no tax shall be payable where it would amount to less than $2. In effect, this means that all valuations below $1,000 will be free from tax, as against the present effective exemption of $640.

In this bracket the Government has seen fit because of rises in the assessment to increase the exemption. Consideration should be given to what the Hon. Mr. Gilfillan said along these lines. Secondly, will the Chief Secretary look at the proposal I have put forward for a progressive rebate on the tax payable on certain assessments? I approve of the fact that forestry is being brought into the category of "primary production". In his second reading explanation the Chief Secretary said that this would probably encourage forestry pursuits in South Australia. This exemption at the moment will mean very little to the forestry enterprises in South Australia, but I approve of the fact that forestry is being defined in this Bill as primary production. I support the second reading. I do so with reluctance. In supporting it, I say that I in no way approve of some of the principles behind this Bill.

The Hon. L. R. HART secured the adjournment of the debate.

## UNDERGROUND WATERS PRESERVATION ACT AMENDMENT BILL.

In Committee.

(Continued from August 16. Page 1052.)

Clause 13—"The appeal board", which the Hon. Mr. Story had sought to amend by striking out "four" and inserting "six".

The Hon. C. R. STORY: I ask leave of the Committee to withdraw my amendment with a view to moving another amendment.

Leave granted; amendment withdrawn.

The Hon. C. R. STORY: I now move:

To strike out "four" and insert "five".

The Hon. S. C. Bevan: Will you explain that?

The Hon. C. R. STORY: Yes. I know I cannot discuss clause 14 before we come to it, but the purpose of this amendment is to enable me to move to have the words "a landowner" included in a later clause. The effect will be seen when we move to the next clause. It simply means that the Minister desires to include a well driller on the board and I wish to include a landowner, in addition.

The Hon. S. C. BEVAN (Minister of Mines): I appreciate that the honourable

member has had a further look at this clause but I still have objections to what he proposes. I can well see that this amendment, if accepted, would enable the honourable member to move a further amendment, and he has indicated what that further amendment would be. As far as I am concerned, it is a matter of two bob each way. Although I object to the amendment, perhaps the Committee feels it improves the appeal board, which should not operate merely from season to season but should be a permanent body as independent as possible to deal with matters placed before it by the Minister. For instance, contrary to advice tendered by the advisory committee, the Minister may give a decision, from which an appeal may be lodged with the appeal board. This board must be as independent as possible on all occasions. The principal Act is based on the principle of having an absolutely disinterested body as the appeal board. If it is felt that because of the far-reaching effect of this legislation a landowner should be on the appeal board, the Committee can vote that way.

The Hon. Sir ARTHUR RYMILL: Yesterday afternoon I raised a point in relation to the Hon. Mr. Story's amendment—the appointment of a representative of local government and of a landowner, which would make the membership of the board six instead of five. I pointed out a difficulty attaching to the local government representative. I assume from the new approach that the honourable member has made to this matter that he is regarding the landowner as capable of representing local government as well as his own interests. This being so, this would completely get over the technical difficulty that I raised. Therefore, I now propose to support the amendment.

Amendment carried; clause as amended passed.

Clause 14—"Members of the appeal board."

The Hon. H. K. KEMP: I move to insert the following new paragraph:

(*aa*) by inserting after the word "engineer" in paragraph (*b*) thereof the words "experienced in deep well construction";

The amendment stipulates the qualifications required of the engineer on the appeal panel and it means exactly what it says.

The Hon. S. C. BEVAN: I oppose the amendment. What is the good of writing something into the Act that can't be given effect to? If we could get a guarantee that an engineer with the qualifications mentioned was available we would not object to the amendment, but we cannot get such a person.

The Committee divided on the amendment:

Ayes (5).—The Hons. M. B. Dawkins, R. C. DeGaris, G. J. Gilfillan, H. K. Kemp (teller), and C. R. Story.

Noes (12).—The Hons. D. H. L. Banfield, S. C. Bevan (teller), Jessie Cooper, R. A. Geddes, L. R. Hart, C. M. Hill, Sir Norman Jude, A. F. Kneebone, Sir Lyell McEwin, F. J. Potter, Sir Arthur Rymill, and A. J. Shard.

Majority of 7 for the Noes.

Amendment thus negatived.

The Hon. L. R. HART: I move:

In new paragraph (*d*) to strike out "of" and insert "nominated by".

Normally, when a member of an association is to be a member of a board there is a certain method of election. Sometimes a panel of names of members is submitted to the Minister from which he chooses a nominee and sometimes the association may be given the opportunity of nominating a representative. Here it merely mentions a "member of the Licensed Well Drillers Association", but it does not say whether that member shall be nominated by the association or whether he shall be appointed by the Minister. I think this should be clarified. I consider that my amendment would result in a less complicated method of appointment.

The CHAIRMAN: Order! I notice that the Hon. Mr. Story has an amendment that precedes the amendment of the honourable member.

The Hon. L. R. HART: I am sorry. I did not see it on the file.

The Hon. C. R. STORY: I move:

In paragraph (*a*) to strike out "paragraph" second occurring and insert "paragraphs".

Amendment carried.

The CHAIRMAN: We shall now return to the amendment moved by the Hon. Mr. Hart.

The Hon. S. C. BEVAN: The honourable member may consider that his amendment clarifies the clause to his satisfaction, but the usual procedure in these matters is to request the association to nominate a representative. That nomination then goes to the Minister and is taken to Executive Council. The representative is then appointed by the Governor. However, if the honourable member considers that the deletion of certain words and the insertion of others will meet his requirements, I have no objection.

Amendment carried.

The Hon. C. R. STORY: I move:

After new paragraph (*d*) to insert the following new paragraph (*e*):

A landowner.

This amendment enables the appeal board to have a representative of another category in the person of a landowner or someone who looks after the interests of landowners. As the Minister said, I have decided, after consultation, not to proceed with the amendment regarding council representatives. That matter poses problems in relation to drafting and there is also difficulty because four or five different areas would be concerned in the nomination of a member for specific appeals.

The Hon. S. C. BEVAN: Honourable members consider that there should be a representative of landowners on the board and, in the circumstances, the Government does not object.

Amendment carried.

The Hon. S. C. BEVAN: I move:

To strike out paragraph (*b*).

This paragraph relates to section 25 of the principal Act and its inclusion was based on the deletion from the principal Act of provisions regarding the advisory committee. If the advisory committee provisions are deleted, there is no necessity for the proviso. If the measure remained as at present, we could have an advisory committee and also an appeal board, both bodies consisting of the same personnel. In those circumstances, any appeal would be an appeal from Caesar to Caesar and would be useless.

The Hon. C. R. STORY: I accept that explanation, and have no objection.

Amendment carried.

The CHAIRMAN: It will be necessary to make a clerical correction to the numbers of the clauses.

The Hon. L. R. HART: I ask for clarification regarding the duties of the appeal board. If we relate this clause to section 29, we find that a member of the board shall not sit on the hearing of any appeal respecting a well in which he has any proprietary or financial interest. Then, section 24 (2) provides that, if for any reason a member of the appeal board is unable to act as such during any period or on any appeal or group of appeals, the Governor may appoint a temporary member to act in his place. On my interpretation, a member of the appeal board who had any proprietary or financial interest in a well obviously could not sit on that appeal. Then, would his place be filled by another member appointed by the Minister by reason of section 24 (2)?

The Hon. S. C. BEVAN: Although we can put different interpretations on phraseology, the position is plain. The purport is that, if a member of the board is unable to sit on an appeal and he will be absent for a lengthy period, the Governor has the right to appoint a person to sit in his stead. Normally, the procedure would be that wherever possible a counterpart of the member unable to take his place on the board would sit as an acting member during that period. If, because of a financial interest in a project, it is improper for, say, a well driller to take his place on the appeal board, another well driller would be placed on it: the Government would appoint a counterpart of the person displaced.

Clause as amended passed.

Clause 15—"Majority decision."

The Hon. C. R. STORY: I do not wish to proceed with the amendment I have placed on honourable members' files. This will be unnecessary because, as clause 13 now provides for five persons instead of six, three persons can constitute a quorum.

Clause passed.

Clauses 16 and 17 passed.

Clause 18—"Regulations."

The Hon. C. R. STORY: I move:

To strike out "subsection" and insert "subsections".

I move this amendment to enable me to move to insert additional subsections to enable the regulations that the Governor has power to make to be drafted and laid on the table of this Chamber for 14 sitting days, after which, if they are not challenged, they will come into operation. This will ensure that regulations made under this Act will not come into operation when Parliament is not sitting, as this may cause hardship to people acting under the regulations and be extremely embarrassing to the department because, as the Act has not yet been proclaimed, we have no idea how it will work. As the legislation allows the Minister much discretionary power, the regulations should be tabled before coming into operation. This is not a precedent: it was done in the town planning and the electrical contractors legislation.

The Hon. S. C. BEVAN: I oppose the amendment. The honourable member says it is not a precedent, but if it is accepted it will be a precedent and will completely reverse the procedure relating to regulations. The amendment will defeat the purpose of the Bill, as Parliament may be in recess and no regulation can be given effect to until it again meets and the regulations lie on the table of the Chamber for 14 days. If there is an objection to the regulations, it may take longer for them to come into force, yet some quick action may be necessary to prescribe depths in various areas.

Apart from the regulations mentioned in section 48, all regulations in the Act would be held up for this period. I would rather sacrifice the whole Bill than have this provision inserted. If honourable members want this provision, they can accept the responsibility.

The Hon. C. R. STORY: I am glad the Minister has come down so firmly on the side of what he believes in. He has made out a strong and logical case, but this Bill will probably pass through this Chamber this afternoon, and I do not think it likely that Parliament will rise for a considerable time. Once this Bill is through there should be very little delay in drafting the regulations, which could be laid on the table of this Chamber. Unless the Minister has information, of which I have no knowledge, that Parliament is going into recess in a very short time, I find it hard to think that the regulations could not be drafted in a matter of, at the most, two weeks. The argument advanced by the Minister that there would be a three months' wait is not logical, and not at all according to what I believe is the position. If the Minister indicates that there is a possibliity of this session finishing sooner than expected, we could do something, but at the moment I think I should proceed until I obtain an explanation from the Minister to support what he has just said.

The Hon. S. C. BEVAN: I gave an illustration of what could happen and undoubtedly will happen in the future. Some of the difficulties may be overcome while the Council is in session. As far as previous regulations are concerned, there has been no difficulty. One of the objections the honourable member has raised is that many people outside would not know what the regulations meant, but that does not hold. When a regulation is brought before Parliament and there is some objection many people outside know its contents. If they are not satisfied, there are always suggestions to improve it. Many regulations are laid before Parliament for 14 days and are passed without any objection. There is a big probability that Parliament could be in recess for six months, during which time action would be necessary under this Act.

The Hon. L. R. Hart: Such as?

The Hon. S. C. BEVAN: Proclaimed depths, or any regulation-making power under section 48 of the principal Act, but principally on depths, which we are dealing with at the moment. The honourable member knows what the position could be. If there should be a delay of six months, no action could be taken. The honourable member knows that could happen. If the Committee insists on the amendment, as far as I can see the Bill will be useless and we can put it through the window. I am dealing with facts when I make this statement, and every honourable member knows it. It is no good coming back to me or to any other Minister saying that something has occurred and that we did nothing about it. I am speaking more of people outside and not of members of this Council. I strenuously oppose the amendment.

The Hon. Sir ARTHUR RYMILL: I must agree with the Minister. This is always the difficulty with an amendment like the one moved by the Hon. Mr. Story, inasmuch as we do not sit all the year. The Minister made it clear that it could mean that a regulation could not be brought into force until, perhaps, as long as eight months, or even longer in certain circumstances. If we are going to pass this Bill it is essential that we must give the Government the power to administer it properly. There is no power to proclaim depths; the only power in the Act is the making of regulations and, therefore, unless the regulations are promulgated immediately it could mean that they will be delayed until they have been before both Houses for at least 14 days. It could be a longer period, because if a motion of disallowance is put off, as we occasionally see it, it could be far more than six or eight months before the regulations could come into effect. In these circumstances, I do not support the amendment.

The Hon. G. J. GILFILLAN: I have been very interested in this Bill and I support its principles, but I cannot understand the Minister's objection to this amendment. This is one of the difficulties we have found with the system of handling regulations and by-laws in Parliament. Regulations, as such, should become operative from the moment they are gazetted, and it is then left for Parliament to to allow or disallow them. In the meantime, they become operative—

The Hon. F. J. Potter: Not all of them!

The Hon. G. J. GILFILLAN: Most of them. By-laws have to lay on the table for 14 days before becoming operative. I can understand the urgency of a regulation that vitally affects the public. I can also understand the need for the machinery to have a regulation operative as soon as possible, but in this particular instance I can see the point of the Hon. Mr. Story's amendment, because in many instances a regulation not

acceptable to this Chamber could create a severe inconvenience and, perhaps, heavy losses in many areas of the State. In many parts of the State the depth of water and the different factors applying to underground water vary from one mile to the next. I instance one area where the depth of water is approximately 40ft., whereas less than a mile away it is 300ft.

The regulating of the depth of bores is something that must be approached with caution if we are going to allow landholders to have some flexibility in meeting an emergency. This could happen, and I have seen in my own district the water table being lowered over a period of time and the bores have had to be deepened 10ft. or 20ft. If we did not have some flexibility in this matter there could be appreciable hardship. We have not had this provision in the 130 years' history of the State. I cannot foresee an emergency where it is so urgent that we should have a regulation operating immediately it is drafted. As has been mentioned by the Hon. Sir Arthur Rymill, there could be another six-months' wait. I cannot see that this justifies in any way the hardships that could occur through having an unsatisfactory regulation.

The Hon. Sir ARTHUR RYMILL: I am afraid that I did not quite understand the Hon. Mr. Gilfillan, because as I understood him he said that we needed flexibility in this matter. For example, a water table may drop and a greater depth than that prescribed by the regulation would have to be gone to. In that case, if the honourable member supports this amendment, he will be taking away the flexibility that exists, because the Minister will not be able to re-prescribe the depth until Parliament has met again and sat for at least 14 sitting days. I want to clarify the legal position somewhat, because it may be that not all honourable members are familiar with the provisions of the Acts Interpretation Act, section 38 of which provides that regulations that are made and are published in the *Government Gazette*

shall, subject to subsection (2) hereof, take effect from the date of such publication, or from a later date fixed by the order making such regulation.

This is the generality of all regulations so that, unless the Act so prescribes, every regulation comes into effect from the date on which it is published in the *Gazette* or from such later date stipulated by the order making the regulation. Subsection (2) states:

If either House of Parliament passes a resolution disallowing any such regulation . . . and it goes on to give the machinery—

such regulation shall thereupon cease to have effect, but without affecting the validity, or curing the invalidity, of anything done, or of the omission of anything, in the meantime. That means that every regulation under any Act of Parliament of South Australia, unless the Act itself otherwise provides, takes that course. It comes into effect upon publication in the *Gazette*, in accordance with the time stated in the publication, and it remains in effect unless either House disallows it; and, if either House does disallow it, anything done in the meantime will nevertheless not be affected. If the generality of the rules relating to regulations is to be altered, I think a very strong case has to be made out on the facts of the matter why it should be altered, because this is intended to apply to every Act of Parliament in South Australia. I can see every reason in this case why the regulation should come into effect immediately. There is the reason given by the Hon. Mr. Gilfillan—that we need flexibility, because water tables may alter while Parliament is not sitting, or they may alter even while it is sitting, and 14 sitting days take a long time to elapse before a regulation can come into force. A period of 14 sitting days would normally mean a lapse of some six weeks, in any event. I can see no need for this amendment.

The Hon. G. J. GILFILLAN: I am afraid we are rather at cross purposes here. I believe that Sir Arthur Rymill is presuming that we are dealing with regulations that already apply to an area, whereas I understand that these regulations are to bring new areas within the ambit of the Act—a very different thing. Flexibility within the administration of the Act is something we have to look at when we actually get the regulations before us. It should be contained in the regulations themselves. I understand that what the Hon. Mr. Story is interested in is the initial bringing of certain areas of the State within certain regulations. If Parliament is not sitting and a regulation becomes immediately operative and is gazetted, it gives the people in that area no opportunity to register their protest through the usual channels. This regulation could be operative in any form in which it came in before Parliament had an opportunity to debate it. There is a difference of thinking on this matter.

The Hon. S. C. BEVAN: Let us look at the facts. Parliament is in session and a regulation is brought down prescribing the

depth in a certain area. It is not objected to, so becomes effective; but, shortly afterwards, Parliament adjourns and, because of certain circumstances, it is desired to deepen a well further. That is where we shall run into trouble, because nothing can be done during the Parliamentary recess or until 14 sitting days have elapsed after Parliament resumes its sittings and the regulation is tabled. What will the property owners do over this period if they have no water and cannot get it because nobody has the power to give it to them?

The Hon. G. J. Gilfillan: Is it not the duty of Parliament to see that certain things are written into the regulations?

The Hon. S. C. BEVAN: We examine the regulations when they are laid on the table. Any honourable member can object to a regulation. This power has always existed in respect of regulations. This proposal does not take any power away from Parliament. If we accept the Hon. Mr. Story's amendment we shall have no Act to worry about, because it will be absolutely useless. Diagrams are available, which honourable members have had an opportunity of studying, drawing attention to the bad conditions in the Gawler basin. We started from there and that is where we are now. If it is necessary to take some action to supply all the people there, nobody can take it because of the regulation; we cannot do a thing about it. If that is what honourable members want, very well. But let us look at the facts. No power is being taken away from Parliament by this measure. Parliament will still have the opportunity of investigating any regulation made under this Act and of disallowing it if it so desires. There is nothing to stop that happening.

The Hon. G. J. Gilfillan: After it becomes operative.

The Hon. S. C. BEVAN: The same applies to every regulation. The honourable member who has just interjected is a member of the Subordinate Legislation Committee, and is well aware of the position. Within 14 sitting days after publication in the *Gazette* a regulation becomes operative, but it can still be objected to and if the objection is upheld out goes the regulation. I am not asking honourable members to go beyond that in this Bill. I am most concerned about this not for my own interest (because I have no personal interest in the matter at all) but to safeguard the landowners and their capital investment in the land. I appeal to the Committee to allow this clause to remain as it is. If the amendment is accepted, the Act will be absolutely useless.

The Hon. C. R. STORY: The Minister is again making a strong case. What I want from him (I have asked him about this before) is information about the prescribing of depths. As I understand the position throughout South Australia at present, the Mines Department has completed a survey of the water basins; it has data in its offices and printed in the various hydrology publications that from time to time it puts out in pamphlet form, from which it can see the water depths in the various basins. I have no doubt it keeps a close watch on the movement of the water in these basins. I ask the Minister whether the areas that are known at present will be detailed in the regulation that comes before Parliament in the first place and whether the various areas and permissible depths will be set out.

On the other hand, will the Minister make a statement that in certain areas the prescribed depth will be so and so? Will his department supply this information to the people of South Australia? I desire information on this because, although the Minister has been greatly worried about the landholders and about his department, I am worried, too. He almost insinuated at one stage that he was the only person in the Committee who was worried about this. That is not so. There is no frivolity involved in the matter. I am sincere and want to know more about what the Minister will do regarding regulations.

The Hon. S. C. BEVAN: I am not suggesting and have never suggested that the honourable member placed the amendment on the files out of frivolity. I know that he is serious about the matter. If I thought he was being frivolous, I would be frivolous in return. However, we can disregard frivolity.

Regarding areas to be proclaimed, the regulation will provide that the area bounded by A, B, C and D will be an area proclaimed, and a depth will be proclaimed for the particular area. There will not be a blanket regulation providing that on and after a certain date all areas will be proclaimed at, say, A or B. Every regulation must prescribe what it intends to do and no Minister has power to make a blanket regulation. Even if such a regulation were made, Parliament would not tolerate it for five minutes. The regulation will deal with a specifically defined area, as proclaimed, and anybody will know the area dealt with and the circumstances.

The Hon. Sir LYELL McEWIN: I have listened to the debate with interest, because I realize the concern of honourable members regarding this matter. I also have some sympathy for the Minister's remarks. The only thing on which I take issue with him is that, if he claims he is the only one who is concerned—

The Hon. S. C. Bevan: No, no.

The Hon. Sir LYELL McEWIN: This matter concerned me as Minister of Mines for about 10 years.

The Hon. S. C. Bevan: I did not intend to imply that I was the only one interested.

The Hon. Sir LYELL McEWIN: Parliament has always been careful and conservative regarding the approach to this legislation. As I understand the change in the attitude of honourable members, it is now realized on the basis of experience and added information that the matter has become urgent and that legislation to deal with it is needed. I accept the Minister's statement that it is necessary to take action when matters deteriorate rapidly. The regulation that is proposed will not have any effect until it is approved by Parliament. I prefer the normal procedure of regulation. I think the first legislation used the word "proclamation", and there will always be discussion on the use of proclamations to achieve action quickly. We accept the issuing of proclamations when matters have to be dealt with urgently, such as new diseases under compensation legislation.

The next point is that a regulation can be disallowed by Parliament in the first week after gazettal if the matter is urgent. A maximum time in which disallowance can be moved is prescribed and it seems to me that that affords protection and retains the power of Parliament to act quickly if it considers that any injustice has been done. I have always been told that geology is not an exact science, and geologists may make mistakes. Honourable members may require experienced evidence to enable them to decide quickly whether certain geological work is incorrect. In the case of normal regulations, there will be time to ascertain the facts after the regulation is submitted and an honourable member can move for disallowance if he desires to do so. I consider that the regulation-making powers afford greater flexibility for all parties.

The only objection that could arise would be in a case where the Government wanted to do something when Parliament was not sitting. No difficulty is involved when Parliament is sitting. There are times when we have to leave responsibility in the hands of the Executive in matters such as this. Technical or scientific information has to come from the experts on the basis of their knowledge of the area and of their views on the proper depth of a well. As I know the reputation of the officers concerned, I know they can be relied on to make a proper recommendation and not to make capricious decisions. I support the Minister, whose ideas coincide largely with mine.

The Hon. Sir NORMAN JUDE: There is no more competent person to discuss this matter than the Hon. Sir Lyell McEwin, who is the former Minister of Mines. It is most unlikely that the department would make a capricious decision, and I can foresee cases where regulations must be made urgently: perhaps a special Executive Council meeting may be necessary when something goes wrong with the hydrology in a particular area. The Hon. Mr. Gilfillan said there might be inconvenience to a person, but I am more concerned about inconvenience to a group of small landholders who may be prejudiced by the inadvertent or even unscrupulous act of one landholder. The Minister has made out a good case for these regulations to come into operation immediately.

The Hon. C. R. STORY: There is a Biblical quotation "One by one they cross the river": I see my numbers dwindling. The amendment affects only this clause. It has been said that the amendment will prevent the regulations from coming into operation for some time, but this legislation has never been in operation. If Parliament is not sitting when regulations are made, how will the public know they exist? A publication in the *Government Gazette* is seen by only a few people. The Minister told me in private conversation that he would make a special effort to inform the public when regulations were made. Will he assure me now that this will be done?

The Hon. L. R. HART: It seems to me that the only time a regulation is required is when it is necessary to define an area. Once an area is defined, no more regulations will be required to alter the depth or do the many other things laid down in the legislation. Once the Bill is passed and proclaimed, I presume the Government will define certain areas where it is urgent that something be done. After that is done, the Government can do the things set out in the legislation by permit or licence. I do not think this matter is as important as the Minister says. Unless Parliament goes into recess shortly, there will be ample time to define areas.

The Hon. S. C. BEVAN: If the Hon. Mr. Hart reads the Bill he will see that he is wrong. If it were only a matter of prescribing an area, nobody would have any worries, but the Bill provides that for the purposes of the Act the Governor may by regulation prescribe different depths in different parts of the State. Defining an area is different from defining the depth. A regulation may be made to define the depth in an area and soon after it may be found necessary to amend it. How will the honourable member's constituents fare if they are not getting sufficient water and want the prescribed depth altered? The Mines Department and I have nothing to hide in any regulation, and we will ensure that as many people as possible know of the making of a regulation.

The Hon. Sir Lyell McEwin: It would not be difficult to have a press headline, "Water crisis in South Australia".

The Hon. S. C. BEVAN: That is so. I do not see any difficulty in it, but I do see considerable difficulties in the amendment the Hon. Mr. Story has moved.

Amendment negatived.

The Hon. C. R. STORY: I wish to move that the Bill be reconsidered.

The Hon. S. C. BEVAN: I did not think that we had passed clause 18, but before doing that I wish to move:

After "amended" to insert "(*a*) by striking out the words 'fifty pounds' in subsection (1) thereof and inserting in lieu thereof "one hundred dollars and (*b*)".

This merely brings section 48 into conformity with decimal currency.

Amendment carried; clause as amended passed.

The Hon. C. R. STORY: During the course of the passage of the Bill I raised the point that I would desire reconsideration of clauses 5 and 6 if my other amendments were carried.

The Hon. Sir LYELL McEWIN: I rise on a point of order, Mr. Chairman. I wish to ask for the reconsideration of clause 14. Am I permitted to move for the consideration of that clause at this stage?

The CHAIRMAN: I think it would be better to go right through the Bill and recommit it afterwards.

Title passed.

Bill reported with amendments.

The Hon. C. R. STORY moved:

That the Bill be recommitted for the reconsideration of clauses 5, 6 and 14.

Bill recommitted.

Clause 5—"Parts"—reconsidered.

The Hon. C. R. STORY moved:

To strike out "striking out therefrom" and insert "inserting after".

Amendment carried.

The Hon. C. R. STORY moved:

To strike out "III" and insert "IIIA".

Amendment carried; clause as amended passed.

Clause 6—"Interpretation"—reconsidered.

The Hon. C. R. STORY moved:

To strike out paragraph (*a*).

Amendment carried.

The CHAIRMAN: Paragraphs (*b*), (*c*) and (*d*) now become paragraphs (*a*), (*b*) and (*c*). They are consequential alterations.

Clause as amended passed.

Clause 14—"Members of the appeal board"—reconsidered.

The Hon. Sir LYELL McEWIN: I move:

In new paragraph (*d*) to strike out "nominated by" and insert "of the".

Previously in Committee this clause was amended to include the appointments of a member of the Licensed Well Drillers Association and a landowner to the appeal board. In the case of the landowner the appointment was left to the Government, but in the case of the licensed well driller the words "nominated by" were inserted, providing that a representative should be nominated by the Licensed Well Drillers Association. This gives rise to some inconsistency. I mentioned this point privately to the Minister, who stated that it did not make any difference: the Government still made both appointments. However, I think that if the words "nominated by the association" were included in the one case, the Government would be obliged to appoint him, he having been nominated. On the other hand, if we desired that to be done, that the special interests should be represented by someone, we should make a similar decision as regards landowners, who, after all, have an association to represent them. It is just as desirable to insert this provision in one place as in another. I question the interpretation here. The onus is on the Government to select properly qualified people with a particular background, whether they be landowners or licensed well drillers. The Government should ensure that competent people are appointed to the board. If it is not capable of doing that in the case of a licensed well driller, it is no more capable of selecting a suitable landowner. That is why I asked for this clause to be reconsidered. I have not decided upon a specifically worded amendment but I wanted to give the Committee

the opportunity to discuss this point a little further and perhaps get more information on it.

The Hon. S. C. BEVAN: I did say, when looking at this matter, that it would not make that much difference, bearing in mind that the Licensed Well Drillers Association would merely nominate a person to the Minister, and the Minister would then use his prerogative. I appreciate the doubt expressed by Sir Lyell on this: if only one nomination comes forward, what do we do about it? The Minister, if he did not approve of the nomination, would refuse to accept it and would refer it back to the association. On the other hand, all members of the appeal board are appointed by the Government. They are not nominated by this, that or any other body. Having looked at this matter again, I appreciate Sir Lyell's point and have no alternative but to agree to his suggestion, in view of the complications that could arise. In the setting up of the appeal board, it was never intended that people nominated by various organizations should be appointed: the Government makes the appointments. Appointments would be made in Executive Council by the Governor. That is the procedure followed elsewhere. All these matters were in mind when this phraseology was used, that a member of the Licensed Well Drillers Association would be appointed by the Government to be a member of the appeal board. It was never intended that he should also be nominated by that association. Because of the complications that could arise, I think it is better to revert to the clause as it originally stood than retain the previous amendment.

The Hon. Sir Lyell McEwin: It does not stop the Government from consulting the organization concerned?

The Hon. S. C. BEVAN: No; and that would be the normal procedure, as Sir Lyell is well aware. I support the amendment.

Amendment carried.

Clause as amended passed.

Bill read a third time and passed.

## SUPERANNUATION ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from August 16. Page 1055.)

The Hon. F. J. POTTER (Central No. 2): I support the second reading because, like other honourable members, I support the principle that a man or woman should have the right to elect voluntarily to retire at an earlier age. I understand that a short time ago the Public Service Association conducted a poll amongst its members and that about 80 per cent of the public servants voted in favour of an earlier retiring age. I sincerely hope that that was not an expression that 80 per cent wished to retire or to exercise their right to retire at an earlier age, because the Government would be in tremendous financial difficulty if that were so. However, it was an overwhelming expression of opinion by public servants that they at least want the right to elect to contribute for a pension that will be payable to them at an earlier age.

This principle is not unique: it operates in the Commonwealth Public Service and the Public Services of some other States. Of course, it is always difficult to introduce a new principle into a situation that has been established for a long time. I shall deal with this matter later, because it involves the question of extra cost. Although I have said that I support the second reading, I desire information from the Minister about some aspects before I say that I shall be prepared to accept in their entirety the provisions of the Bill.

I have examined the measure carefully and it seems to me that it contains some curious provisions, the first of which is that the male members of the Public Service are to be given the option of retiring at age 60 but that the females are to be given the option of retiring at age 55. The expectation of life tables show that the female has a greater expectation of life at every given age. Indeed, the tables show that this life expectancy has been increasing since the turn of the century and that it is still increasing. Whereas at the turn of the century a man aged 60 had an expectation of life of about 14.35 years, a man aged 60 now has an expectation of life of 15.36 years. The expectation of life of a female aged 60 at the turn of the century was 16.2 years, and that figure has increased to 19.51 years.

So, we have the strange anomaly that women, who have a greater expectation of life than men by about eight years at age 55, are being given the right to retire five years earlier. Today we hear much about efforts by women to bring themselves up to the standards of men. They want equal pay and hours and equal status in many professions or so-called professions. I think that men ought to be given the same opportunities to retire as women are being given. I know that the retiring age for women is now 60, whereas that for men is 65.

The Hon. A. F. Kneebone: It should be reversed!

The Hon. F. J. POTTER: If anything, on the basis of expectation of life figures, the position should be reversed. I think that many men in the Public Service who have it in mind to retire earlier should be given rights equal to those given to women. I should like the Minister to explain another matter that I do not understand, although I am not a mathematician or an actuary. The Schedules at the end of the Bill set out the new rates of fortnightly contributions for males and females who elect to retire at the earlier ages. It is peculiar that, having regard to the expectation of life figures to which I have referred, the trend of the rates is the complete opposite of the trend of the existing rates. In the present table of contributions, which is based on age next birthday, a man at 30 contributes 12c fortnightly for each unit to enable him to retire at 65 and a female contributes 15c to enable her to retire at 60.

In other words, the female is paying a fraction more than the male under the existing rates. However, when the age of the male is dropped back five years, as this Bill provides, the exact opposite applies regarding contributions, and the male pays slightly more than the female. The comparable rates for males are a fraction higher from ages from 16 to 60. I cannot understand why the contributions should be so drastically altered as a result of this provision for earlier retiring ages. I assume that the calculations have been made actuarially and, if that is so, I take the matter no further. However, I understand that at present the Government does not have an actuary.

The Hon. A. J. Shard: I think he has been appointed.

The Hon. F. J. POTTER: I did not know that. I should like an assurance that these matters have been computed actuarially and I should also like an explanation of why the figures have changed so dramatically. Another curious provision in this Bill is the new section 75d. Subsection (2) of that new section requires that existing contributors must make such increased payments of contributions in respect of all the units for which they are contributing as the actuary certifies to be necessary. The Bill states clearly that where a contributor so elects the board shall make such adjustments and require such increased payments of contributions in respect of all the units being contributed for at that time as the actuary certifies to be necessary. Why should a contributor be compelled to increase payments in respect of all the units being contributed for by him? Why should it be all or nothing?

A problem is involved for people contributing for reserve units, which are specifically mentioned in the Bill. Reserve units are contributed for by a public servant in anticipation, as it were, of eventually being lifted to a salary bracket that will entitle him to take up those units: meanwhile, he is given the right to reserve them in advance. Public servants may never actually take up those reserve units because they may never reach the appropriate salary bracket to enable them to do so. If this happens, they merely get a refund of their contributions for those reserve units. It does not seem to me to be right that the reserve units should be subject to increased payments if the contributor elects to retire earlier. Why should not the contributor have an option to convert some of his units to an earlier retiring age? The reserve units could and should be exempted from the provisions of this Bill.

I come now to another important question. The Bill provides that the person electing must make such increased contributions as the actuary certifies to be necessary. I should like to know on what basis the actuary will determine the increases that will be necessary. I will take the case of a typical public servant who has been paying into the fund for, say, 30 years, in which time he will obviously have increased his units of superannuation as he has progressed in salary over the years, which he will have done on several different occasions over a long period. Over that period, the rate of interest earned by the Superannuation Fund and the Government contributions will have varied from time to time. Therefore, I should like to know on what basis the actuary is to work out the amounts. A tremendous number of public servants will have to be taken on when the Bill comes into force to work out these problems, if they are not to be handled by a computer.

I suggest that many public servants will ask how much it will cost them to elect to retire earlier: that will be the No. 1 question they will ask. Unless the actuary has some quick method by which he can answer such a question, I think he will have some difficulty in making the complex calculations, because every case will be different and there will be a whole collection of sums that will have to be worked out in each instance. I should like to know what the actuary proposes to work out. This is important for another reason. New section 75d provides that an employee may at any

time elect to retire at 60. Does this mean that he must elect first and then find out afterwards how much it will cost, or can he get an answer about the increased cost before he makes the election? This is an extremely important point that I should like answered. In many instances the cost may be too high for the individual and, if he knows it, he may not elect to retire earlier. I think he is entitled to know the cost before he elects.

The Hon. A. J. Shard: You are speaking about the present public servant?

The Hon. F. J. POTTER: Yes. He knows what he is contributing now, but he will want to know how much it will cost him to elect to retire earlier.

The Hon. A. J. Shard: New public servants will know what it will cost them.

The Hon. F. J. POTTER: Yes, but I am not concerned about new public servants, as their rates will be set out. I am concerned about the typical public servant who has been a contributor for 30 years. He should be entitled to know how much it will cost him to elect to retire earlier.

The Hon. Sir Arthur Rymill: Do you think the young man of 16 or 18 will elect, on entering the service, to retire at 60?

The Hon. F. J. POTTER: I do not know, but probably he will do so, because it will cost him so little extra that he will probably decide to take the chance.

The Hon. Sir Arthur Rymill: I thought at that age they considered themselves immortal and did not think that they would retire at all!

The Hon. F. J. POTTER: I do not know about that. I am concerned about the man who has been contributing for a long time and whose contributions, the rate of interest earned by the fund, and the Government contributions have varied. I want to know how quickly an actuary can say how much extra will have to be paid and how he proposes to go about it. There is nothing in the Bill about this. New section 75d (3) provides that, where a person makes an election to retire earlier but then does not retire, he may elect to contribute for additional units at the appropriate rate based upon a retiring age of 65. Again, I ask the Minister what is meant by the expression "the appropriate rate" and how it will be determined. In one case the words used are "the amount certified to be necessary" and here they are "the appropriate rate". I think we should be given this information.

Section 75d (6) (*b*) relates to reserve units, and this provision was the subject of an amendment in another place. I consider that there is a good case for reserve units to be made the subject matter of an election or not. I wish to conclude on a very important point that was touched upon by the Hon. Sir Arthur Rymill yesterday—this whole scheme is going to cost the Government more money. It must not be forgotten that the superannuation contribution fund is contributed to by all public servants, including those on weekly pay, railways employees, and teachers. The Government does not subsidize the fund, but it subsidizes the pension payable when a person retires. The present form of subsidy is on a 70-30 basis, that is, the Government meets 70 per cent of the pension and the remaining 30 per cent comes from the fund, which is made up of contributions over the years by public servants.

In other words, the Government's contribution to the pension is a little over two-to-one. As people will be retiring earlier, the Government contribution is, therefore, payable earlier, and there is no doubt whatsoever that this Bill will cost the Government considerable money. Indeed, I understand that the Treasury has said that, if everybody entitled to elect to retire at an earlier age did so, it would cost the Government 30 per cent extra for its contribution in any one year. In other words, if we look at the 1965 figures of the fund, this Bill will mean that it will cost the Government $1,000,000 a year extra if everybody exercises his right to retire earlier. I am not suggesting that everybody will exercise that right, but because the retirement age has been dropped back by five years, the Government's contribution is payable earlier. Indeed, I do not think there is any attempt to claim that this will not cost the Government more money. I think the Government is hoping that it will not cost very much and is gambling on the fact that only a small percentage of employees will elect to retire at the earlier age. For that reason this is not a satisfactory Bill to place before this Council.

I do not think it is right that the Government should embark, particularly at this time, upon something on which it cannot tell honourable members how much it is going to cost. The Government does not know—but it will cost it something without any doubt. As I said earlier, the expectancy of life for both males and females has greatly increased and it is continually on the rise, because modern medicine has discovered many more ways of keeping people healthy.

As I said earlier, I support the Bill and the principle that one should have the right to

retire earlier, particularly if one pays the appropriate contribution. Public servants are being called upon, under the terms of this Bill, to make the appropriate contribution; so, also, is the Government going to be making a greater contribution, so that it will cost the Government more in the near future if not the immediate future. I particularly ask the Minister whether, when we get to the Committee stages or the close of the second reading debate, he will supply me with answers to my questions.

The Hon. A. J. Shard: You will get an answer to your main question without any trouble.

The Hon. F. J. POTTER: Accordingly, I support the second reading.

The Hon. JESSIE COOPER secured the adjournment of the debate.

## ADJOURNMENT.

At 5.31 p.m. the Council adjourned until Thursday, August 18, at 2.15 p.m.