LEGISLATIVE COUNCIL

Tuesday, November 5, 1968

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

QUESTIONS

LONG SERVICE LEAVE

The Hon. A. F. KNEEBONE: I ask leave to make a short statement prior to asking a question of the Chief Secretary.

Leave granted.

The Hon. A. F. KNEEBONE: Honourable members will remember that last year the Public Service Act was extensively amended. After the Act was proclaimed in late February of this year, the provisions relating to long service leave (namely, sections 90 and 91) were applied without question to daily paid staff as well as to Public Service officers until last month. Apparently it was only at that time that it was discovered that, because of an error in drafting, the provision relating to pro rata long service leave in section 91 of the Act could not legally be applied to daily paid staff.

This situation occurred because, when the Bill was being drafted, a reference to section 91 was inadvertently omitted from section 126, which ensures that the long service leave provisions are extended to all persons in the employ of the State Government. This section 91 provides for pro rata long service leave in certain circumstances for Public Service officers. The Secretary of the Australian Government Workers Association (Mr. Jacobi) and the Secretary of the Police Association (Mr. Tremethick) have expressed concern to me about this matter. An important point is that many State Government employees who are not Public Service officers were paid pro rata long service leave until last month, in accordance with what we all understood was the purpose of the Act. I have been informed that the Department of the Public Service Board has instructed all departmental heads not to grant any pro rata long service leave payment, because it is illegal to do so, until this anomaly in the Act has been rectified. My questions are: (1) Will the Chief Secretary inform me whether the Government intends to amend the Public Service Act to correct this anomaly? (2) If the Government does intend to do so, will it treat the matter as urgent? (3) Will this leave be made available to those who were refused it during the past month?

The Hon. R. C. DeGARIS: The Government is aware of the anomaly presently existing in the legislation. I will consider this matter and bring back a reply to the Council as soon as possible.

FIRE BANS

The Hon. M. B. DAWKINS: I seek leave to make a short statement prior to asking a question of the Minister of Agriculture.

Leave granted.

The Hon. M. B. DAWKINS: My question relates to the announcement of fire bans and the imminence of a very bad fire-risk season. I have mentioned this matter before. The thing that has always concerned me is that on days when there is no complete fire ban the announcement over the radio is, "There is no fire ban issued by the Minister of Agriculture today". However, it goes on to say that before a fire is lit people must check with the local district council to see that there is no breach of any by-law. Whenever there is no fire ban by the Minister the words, "There is no fire ban today" are the very first words that are given, and some people who have not been in the country for very long and some thoughtless people do not bother to listen to the rest of the announcement.

In view of the serious fire danger which every honourable member will realize confronts us in this coming summer, I seek the Minister's acquiescence is seeing whether or not these first words "There is no fire ban issued by the Minister of Agriculture today" could be omitted, and that the only announcement made be "Before any fire is lit the district council must be consulted", or something to that effect, because I am concerned that on so many days when there will be a very grave risk in many areas the very first announcement will be that no fire ban has been issued by the Minister for that day.

Will the Minister see whether this can be reworded in such a way that people who have not had long experience in this country will not rush off with the idea that they can light a fire?

The Hon. C. R. STORY: I agree with the honourable member regarding the seriousness of the fire danger this year. This is a subject that is continually exercising my mind and the minds of the Bush Fires Advisory Committee and the Bush Fires Research Committee. As the honourable member says, this matter has been raised on various occasions, and the manner in which the announcement is made is a matter of debate. I will most certainly

examine the matter myself and, in an endeavour to meet the honourable member's wishes, I will again refer it to the Bush Fires Research Committee.

WIRRABARA ROAD

The Hon. R. A. GEDDES: Has the Minister of Roads and Transport a reply to my recent question regarding the Wirrabara Forest Road?

The Hon. C. M. HILL: The Highways Department has no immediate plans for extending the bituminous seal on this road. However, the position is currently under review to ascertain whether the traffic volumes warrant improvements being carried out. However, at this stage it is not possible to say when such work will commence.

GRAIN CARTAGE

The Hon. A. M. WHYTE: Constituents of mine have asked me to ascertain from the Minister of Agriculture why contracts for the cartage of grain from outlying areas to the terminals at Thevenard and Port Lincoln are not decided by the calling of tenders. Will the Minister ascertain that information for me?

The Hon. C. R. STORY: This matter is outside my jurisdiction as Minister of Agriculture and is a matter entirely for the bulk handling company. I will, therefore, seek a reply from it.

THEVENARD CHANNEL

The Hon. R. A. GEDDES: On October 3 I asked a question of the Minister of Agriculture, representing the Minister of Marine, regarding the deepening of the Thevenard channel. Having asked on October 24 if an answer was available, I was told by the Minister that he could not disclose anything, yet on October 29 I read in the press a statement made by the Minister of Agriculture, on behalf of the Minister of Marine, regarding the deepening of this channel. Will the Minister therefore inform me now what is to happen in this regard?

The Hon. C. R. STORY: In reply to the honourable member, I inform him first that I am not going to have a stroke. As I said in the Council on a previous occasion, I was not able to give the honourable member a reply on the day he asked the question because a decision had not been made. The representations of the members of the Legislative Council and of the member for the district were being considered at that time. The Minister of Marine tried and, indeed, took every possible opportunity to find the money necessary to make a start on work at Thevenard as soon as possible. It was after discussion with the Treasurer on the very day the honourable member referred to that a decision was made, which was that the work that was to commence in 1970 has now been advanced by a year, and the work of deepening the channel, which will increase its depth (and its depth at the wharf) by 4ft., will be commenced by private contract towards the end of this financial year. The actual wharf part of the work will be done by the Department of Marine and Harbors but the deepening of the channel will be done by contract. The present position at Thevenard is that an 11,000-ton ship is the largest that can come in but, when the deepening is completed, this maximum will be raised to 22,000 tons, which will provide for quite a sizable ship. I met a deputation at Thevenard and told it of the Government's plans. The Minister of Marine informed me before I left that there was a distinct possibility of a further industry going to Thevenard as a result of this work being advanced by the Government by 12 months.

SNOWTOWN POLICE STATION

The Hon. L. R. HART: I seek leave to make a short statement before asking a question of the Chief Secretary.

Leave granted.

The Hon. L. R. HART: The rebuilding of the Snowtown police station has been considered for some time, by both the present and the previous Governments. The latest information I have is that tenders for its rebuilding were to be called during October. To my knowledge, tenders have not been called so far. Can the Chief Secretary ascertain when tenders will be called and can he indicate a completion date for this work?

The Hon. R. C. DeGARIS: The rebuilding of the Snowtown police station is a work of high priority, as the honourable member realizes. I will obtain the information he seeks.

MALLEE FOWL

The Hon. H. K. KEMP: I understand the Minister of Agriculture has a reply to my recent question about mallee fowl.

The Hon. C. R. STORY: The Minister of Lands has provided me with the following reply:

The Land Board is at present negotiating with the lessees of the land situated between

the Princes Highway and the Coorong south of Salt Creek. In most instances these negotiations have reached an advanced stage. When they have been completed, which is expected to be by June 30, 1969, a substantial area between the main road and the Coorong as well as a considerable area between the Coorong and the sea coast will be preserved as a habitat for the mallee fowl and the many other species of bird that occur in the area. It will also result in the retention of the natural environment and attractive picnic spots along some 20 miles of the main highway and preservation under natural conditions of a series of lagoons which have considerable geological interest.

ELECTORAL ACT

The Hon. C. D. ROWE: Has the Minister of Local Government, representing the Attorney-General, a reply to my question of October 16 about possible amendments to the Electoral Act?

The Hon. C. M. HILL: My colleague informs me that a Bill to amend the Electoral Act is at present being drafted. It is expected it will be introduced within the next few weeks.

BARLEY

The Hon. C. D. ROWE: Has the Minister of Agriculture a reply to my recent question about the possibility of deepening the harbour facilities at Giles Point?

The Hon. C. R. STORY: Following approaches made to me and to other honourable members representing the Midland District by Y.P. Barley Producers Limited concerning extension of the grain handling facilities now under construction at Giles Point, I took up the suggestion with South Australian Co-operative Bulk Handling Limited. The General Manager (Mr. Sanders) does not support the suggested variation to the findings of the Parliamentary Standing Committee on Public Works, which inquired into this project. Clause 4 of the findings of the committee published on June 28, 1967, indicated that, when the works now under construction were completed, the facilities would be adequate for present needs but could be readily adapted to a 38ft. depth and an 800-ton an hour loading rate should future development prove this necessary.

Mr. Sanders states that, although the co-operative has provided for an 800-ton an hour loading rate from our shore terminal installation and although it plans to complete another cell storage block for 1,500,000 bushels of grain at Giles Point in 1969, there are no immediate prospects of substantial increases in grain tonnages above our earlier estimates. Whilst a 40ft. depth of water in the bulk loading berth to enable loading of a 50,000-ton bulk grain cargo would be elaborate, the capital cost of providing such facilities might not be justified when the annual throughput of grain might be 100,000 tons of barley and 25,000 tons of wheat at best.

TRESPASSERS

The Hon. C. D. ROWE: I ask leave to make a statement prior to asking a question of the Chief Secretary.

Leave granted.

The Hon. C. D. ROWE: My statement relates to police action that may be taken in connection with problems being suffered by landholders on the southern end of Yorke Peninsula because of the ravages of trespassers and others. People who own property adjoining the road from Corny Point to Marion Bay have complained to me about damage done by rifles being fired at stock by people travelling along the road. Also, vehicles that are commonly known as sand buggies have been driven on to properties. Consequently, the sand surface on these properties has been damaged and a drift problem has been caused. In other cases people have trespassed on crops that have been sown on properties or the vegetation has been damaged. In view of the approach of summer a serious fire risk will be faced.

I realize that the police, whose stations are 40 or 50 miles from this area, cannot keep a very careful watch on this situation, but I do believe that as much publicity as possible should be given to this kind of wanton damage and that, if necessary, the law relating to trespass should be considered to see whether more severe penalties can be imposed on people who damage private property in this way. Will the Chief Secretary consider this question and give what publicity he can to the damage caused by these people? Also, will he consider whether the laws relating to trespass should be amended to give greater protection to landholders in the area?

The Hon. R. C. DeGARIS: I am aware that similar problems exist in other areas in relation to trespass, particularly by people who use our coastal strips for a certain kind of recreation. I shall take up the question of amending the law relating to trespass and I shall also take up with the Police Department the question of its assisting in this matter.

SCIENTOLOGY (PROHIBITION) BILL

The Hon. C. M. HILL (Minister of Local Government): I ask leave of the Council to present a special report of the Select Committee on the Scientology (Prohibition) Bill, 1968, together with a letter and relevant minutes of evidence.

Leave granted.

The Hon. C. M. HILL moved:

That the special report of the Select Committee be read.

Motion carried.

THE REPORT

The Select Committee on the Scientology (Prohibition) Bill, 1968, has agreed to the following special report:

1. That the attention of the committee has been called to a letter from Mr. Ken Klaebe of 3, Selby Avenue, Ridgehaven, addressed to Mr. Ivor Ball, Secretary, Select Committee, Scientology (Prohibition) Bill, and that as such letter appears to reflect upon the conduct of the Chairman, the committee has agreed to report the same to the Council in accordance with Standing Order No. 399; and

2. That the letter and relevant minutes of evidence be tabled with this special report; in order that the Council may take such steps as it shall think fit.

(Signed) C. MURRAY HILL, Chairman
4th November, 1968.

THE LETTER

Kenneth Eric Klaebe, B.A. B.Sc.(Hons.)
3 Selby Ave.,
Ridgehaven, 5097,
30th October, 1968

Mr. Ivor Ball,
Secretary,
Select Committee,
Scientology (Prohibition) Bill

Sir:

Re: The Hon. Mr. Hill

Although I accepted at the time the reassurance of the Committee *re* its impartiality, on further reflection I feel I must make the following statement.

As I understand it from the comments of the Honourable Members during evidence on the 30th inst., if I believe that the above-named is unduly biassed against Scientology, I must formally charge him with that shortcoming. I now take up that suggestion. In doing so I restate the allegations I made in my evidence which I may point out the Honourable Gentleman was not prepared to deny.

In view of the seriousness of my position in this matter, I request that henceforth Mr. Mark Harrison be allowed to represent my interests before the Honourable Committee as Counsel.

Yours faithfully,
(Signed) KEN KLAEBE

MINUTES OF EVIDENCE

Kenneth Eric Klaebe, 3 Selby Avenue, Ridgehaven, called and examined.

39. The Chairman: Have you any matter that you would like to circulate? . . . Yes.

40. Would you like to read your statement? . . . Yes. (1) I am appearing as a witness before the Select Committee with several misgivings which I wish to have resolved. In view of the manner in which the 83 witnesses who appeared for scientology before the Melbourne inquiry were ridiculed and their evidence made little of in contrast to the 13 witnesses who appeared against it, I wish to be certain that this will not take place here. Certainly, I do not want to jeopardize my present job as a result of giving evidence, as was the case with people in Victoria. (2) In addition, I also need to be reassured by the committee that, in view of the Chairman's refusal to see me some weeks ago because, as he stated over the telephone, he had "made up his mind on the matter" and that I would be better advised to seek somebody else who had not made this decision, I feel I must request the reassurance of the committee that the hearing and evidence tendered will be examined in a completely impartial manner and not subject to bias in a way, shape or form. Have I, then, the committee's reassurance on these matters?

41. The Hon. S. C. Bevan: I, as a member of the committee, take exception to paragraph (2). I do not know what transpired in any telephone conversation—

42. The Chairman: I am quite prepared to make some explanation, in view of this point that has arisen.

43. The Hon. S. C. Bevan: The implication is, more or less, that the committee could be biassed. I take exception to that. I would not be a member of any committee that was biassed before evidence was tendered to it, and I give Mr. Klaebe an assurance, as a member of the committee, that any evidence tendered before the committee will be dealt with in a fair and just manner.

44. The Chairman: I have had drawn to my attention Standing Order No. 399, "Committee to report but not inquire into charges against members", which states:

> If any information come before a Committee that charges any member of the Council, the Committee shall only direct that the Council be acquainted with the matter of such information, without proceeding further thereupon.

I interpret that to mean that, without proceeding further on this particular charge, the Council shall be acquainted with it. Mr. Klaebe, I ask you to withdraw while the committee deliberates, because we ought to clear up this matter before we go further? . . . Yes.

(The witness withdrew temporarily.)
(The witness returned.)

45. The Chairman: Regarding paragraph (1) where you seek some assurance there of protection and express some fear of your employment being jeopardized, I refer to Standing Order No. 438, which states:

> All witnesses examined before the Council or any committee thereof—

(and this is a committee thereof)—

> are entitled to the protection of the Council in respect of anything that may be said by them in their evidence.

46. Do you understand that? . . . Thank you.

47. This gives you that protection. Regarding your paragraph (2), you may not be aware, because of the procedural matters relative to the Bill so far, that the Bill has reached the second reading stage in the Legislative Council and opinions have been expressed at or about the time of the Bill's introduction and also during speeches that have already been made by members, but irrespective of those opinions that have been expressed, I give you the assurance that this committee will look at this matter impartially? . . . Thank you.

48. The only other point to be cleared up is that we would like to assume that you are not making any charge in paragraph (2). If you are making a charge against any member of the committee or the committee itself, a charge along the lines that you do not believe that we are able to look at the question impartially, we must treat that matter as a charge, and the procedure is that we cannot hear further evidence from you and we must report that charge back to the Council under our Standing Orders? . . . I see. What happens then?

49. That is up to the Council to decide. The question I would like to resolve is whether or not you are making a charge or accusation at this point that you feel that this committee cannot or will not look at matters impartially? . . . All I have asked for is the committee's reassurance on these matters. I have not made a charge against the committee.

50. In that case, we have given you that assurance and accept your explanation that you have not made a charge against the committee or any member of it? . . . This is correct.

51. Is there any further point in regard to the first page that you would like to explain before we move on?

52. The Hon. C. D. Rowe: I think this should be taken a little further. We have said we are prepared to look at the matter in an impartial way and that anything you say here will not prejudice you in regard to your position. That means you tender your evidence and you accept the situation that you believe the committee to be impartial and capable of looking at the matter in an impartial way? . . . Having had the committee's assurance on that, I accept it.

Later:

The Hon. C. M. HILL moved:

That the special report from the Select Committee on the Scientology (Prohibition) Bill be taken into consideration tomorrow.

Motion carried.

STAMP DUTIES ACT AMENDMENT BILL

Second reading.

The Hon. R. C. DeGARIS (Chief Secretary): I move:

That this Bill be now read a second time.

It gives effect to the proposal announced in the Budget speech relating to the imposition of a stamp duty on a wide range of receipts. The ability of the Government to finance the revenue proposals as contained in the Estimates, which have received the approval of this House, is dependent on the acceptance by Parliament of the several revenue measures therein announced. This is the measure that is expected to attract the greatest additional revenue in the bridging of the gap between essential expenditures and available revenues to bring to the State's finances the degree of stability which this Government set out to achieve.

Apart from the fact that receipts for salaries and wages and for superannuation pensions and like payments are exempt from duty, the Bill follows very closely the Act that has been in force in Victoria since February this year. Principally and primarily it imposes an obligation to issue a receipt and, where the receipt is chargeable with duty, to issue a duly stamped receipt on every person receiving any payment of money, no matter how small, except in certain specified cases or unless the person receiving the payment or the transaction under which the money is received is specifically exempted from duty. However, a private person who does not carry on a trade, business or profession is exempted from payment of duty in respect of any receipt for an amount not exceeding $10. Such a private person needs to give a stamped receipt where the amount received exceeds $10, and in such case duty at the rate of 1c for each $10 or part thereof must be paid by impressed or adhesive stamp.

Where a person does carry on a trade, business or profession there is no exemption in respect of money not exceeding $10, and every such person and every corporation must pay duty on all amounts received (unless specifically exempted) at the rate of 1c for $10, or part, of each amount received. However, such persons or corporations may elect to pay the duty on the basis of a periodical bulk return, in which case the duty is calculated at the rate of 1c for every $10 of the total amount received for the period covered by the return, and the duty so calculated is to be payable to the Commissioner of Stamps by cheque or cash at the time the return is lodged.

Depending on the size and nature of the business, each person or firm electing to pay duty on the bulk return system will be required to complete returns at monthly, quarterly, half-yearly or yearly intervals as fixed by regulation or, in any particular case, by the Commissioner and to pay the duty at the rate of 1c for every $10 (or part of $10) of the total amount shown in the return. In this regard, every attempt will be made to suit the convenience of the taxpayers in fixing

the various periods for making the returns and effecting payment, subject of course to adequate protection of the Crown revenues.

Certain relatively minor amendments have been made to the wording used in the Victorian Act. These changes have been made after discussions with officers responsible for the drafting and administration of the Victorian Act and are designed:

(*a*) to express more clearly the intention of the Victorian Act so as to prevent certain avoidance of duty which has been noted in that State;

(*b*) to eliminate the possibility of double duty where more than one State is concerned; and

(*c*) to vary somewhat the exemptions where the Victorian provisions are clearly not appropriate in our particular circumstances.

Some honourable members may recall that when the Premier of Victoria introduced similar legislation in the Victorian Parliament in 1967 he indicated that he was aware that if other States introduced similar schemes of receipt stamp duty there could be double payment of duty where a person carrying on business in a State might receive payment outside that State for goods supplied or services rendered in that State. To prevent any such persons from deliberately arranging for such payments to be made in a State where no such duty is payable and thereby avoiding duty, the Victorian Act provided that in certain circumstances such moneys were to be deemed to have been received in Victoria.

Accordingly, in the absence of special provisions, when this Bill becomes law, it is possible that a receipt of money in South Australia, dutiable under this measure, may also be dutiable under the Victorian Act as being "deemed" to have been received in Victoria. To avoid this situation, provisions for the elimination of double duty have been agreed in principle with Victoria and are incorporated in this Bill. The Victorian authorities will take up with New South Wales, Tasmania and Western Australia the enactment of similar provisions, and Victoria will itself make the appropriate amendments as soon as practicable. The provisions are quite simple, and it may be that after a measure of experience in operation some rather more refined provisions may be desirable to do complete justice as between State Governments, particularly if subsequently there should be differing rates of duty as between States.

For the present, the provisions will achieve the prime objective, which is to protect the taxpayer against double tax. In general terms, these provisions are that, this being a receipts duty, the duty will be paid in the State where the money is actually received and in which the receipts are issued rather than in the State where the goods or services were supplied unless the State where the money was received is not a "proclaimed State". A State will become a "proclaimed State" if it is imposing a similar duty and has enacted similar reciprocal provisions. Thus, if a person resident and carrying on business in South Australia should arrange to receive payment in Canberra or in Queensland for goods or services supplied in South Australia, the money will nevertheless be deemed to have been received in South Australia and duty will be payable in this State. On the other hand, if the money were received in Victoria (which will be a proclaimed State), duty would normally accrue to Victoria in respect of the transaction. However, receipt duty will not be payable in the State where the money is received where that State is a "proclaimed State" and the moneys are received therein as part of a centralized system of accounting, if the relevant goods were supplied or services were rendered in another State imposing its own receipts duty. In this case provision is made for the duty to be paid in the State where the goods were supplied or the services rendered, and for the amounts so received to be omitted from the return made in the State where the money was actually received.

As indicated by the Government during the Budget debate, this Bill is patterned on the Victorian legislation. A number of submissions have been made that we should not adopt the procedures established by Victoria in relation to the responsibility of agents in the payment of duty but that we should place that responsibility upon the principal. These submissions have been given very careful consideration, and there are two substantial reasons why the Government has decided to retain this part of the Victorian provisions. The first is that under these arrangements the duty will be payable in the first instance by business men such as solicitors, land agents, stock firms, accountants and the like who ordinarily would be paying duty on the return system rather than by the principals who in many cases will be private citizens not registered to pay on the return system.

Experience in both Victoria and Western Australia suggests that there is considerably

better protection of revenue by adoption of this method than if payment of the duty were left to private individuals to stamp receipts with an adhesive stamp, and, in any case, the procedure is much easier and more simply accomplished. The second reason is that in legislation such as this there is very great merit, particularly from the viewpoint of the business community, in achieving as complete a degree of uniformity as possible with the larger States. The Government understands that New South Wales will adopt similar provisions regarding the payment of duty by agents as have been introduced by Victoria and as are contained in this Bill.

Under these provisions, duty is not payable when an agent receives money from his principal for payment to someone else but it is payable by the agent where he receives money on behalf of his principal. When duty is so paid, no further duty is payable by other agents through whose hands the same money may pass or by the principal himself when it finally is passed on to him. There is nothing in the Bill to prevent the agent from recovering any duty so paid from the principal, from deducting the duty from the moneys so received before payment to the principal, or from recovering the duty simply as an adjustment to his fee or commission as agent. The manner of recovery is a matter for agreement between principal and agent. However, if the principal is registered to pay on the return system and has requested the agent not to pay the duty on his behalf either on a particular amount received or on all amounts generally, then the agent is absolved from the obligation to include the relevant amounts in his return. This provision provides reasonable flexibility and enables both the agent and the principal to come to some working arrangement that suits the convenience of both parties.

Provision is made in the Bill to deal with certain problems that arise in dealing with marketing boards, equalization arrangements, stabilization funds, etc., associated with the marketing of primary products. The mechanics of these schemes usually involve the flow of money through several artificial steps, and sometimes back again. By a system of rebates and exemptions, multiplication of duty because of the several artificial steps is avoided, and duty is restricted to the basic transaction involved. Provision is similarly made to cancel out duty paid on deposits received in respect of contracts or tenders when these deposits are subsequently refunded.

I have mentioned only the principal matters contained in the Bill. I turn now to the detail of the Bill itself. Clause 1 gives the short titles to the amending Bill and the principal Act as amended thereby. Clause 2 provides that the Act will come into operation on a day to be fixed by proclamation. Clause 3 relates to section 5 of the principal Act, which provides for the charging of duties subject to the exemptions contained in the Second Schedule of the Act. Apart from the exemptions listed in the Second Schedule of the principal Act, it is desired to provide additional exemptions in the main body of the Act. Consequently, it is necessary to make these amendments to section 5 of the principal Act. Clause 4 inserts new sections 27c, 27d and 27e in the principal Act. These sections have been derived from the Victorian legislation and they give powers to the Commissioner to inspect documents and other records to counter possible evasion of duty, and to assess duty on impounded instruments. Appropriate provision is also made to protect the Commissioner against any legal action when he is acting *bona fide* in the exercise of his powers.

Clause 5 repeals sections 82 to 84c of the principal Act which are the existing provisions for receipt duty and inserts in their place under the heading "Receipts" new sections 82 to 84j. New section 82 (1) defines certain terms that are essential in the interpretation of the Bill. The definitions of "employee" and "employer" should be read in conjunction with section 84e contained in this clause and with exemptions 15 and 22 contained in clause 6. "Receipt" is defined to mean any note, memorandum or writing acknowledging the receipt of any money or the settlement of a debt of any amount. The Bill provides that all "receipts" are chargeable with duty unless specifically exempted. "Wages" includes salary, commission, bonuses and allowances, and receipts of any one or all of them by an employee are exempted under exemption 22 contained in clause 6 of this Bill.

Subsection (2) of this section exempts from duty a mere exchange of money. It makes certain, however, that any commission earned in oversea exchange dealings or any discount earned on the sale of a bill of exchange or promissory note is chargeable with duty. Subsection (3) provides that a receipt which is chargeable with duty and which is issued by a person who has not elected to pay duty on a return basis will be regarded as duly stamped if the duty is denoted on it by impressed or

adhesive stamps. A receipt issued by a person who has elected to pay duty on a return basis will be regarded as duly stamped if he endorses it with "SD/" and the serial number allocated to him by the Commissioner. New section 82a deals with receipts to be made out in respect of money transfers within the banking system. For the purposes of this section, under the provisions of subsection (5) of this section the term "banker" is extended to include pastoral companies or any other person who holds money on deposit or on current account.

A number of persons customarily use the facilities provided by banks, pastoral companies, etc., to settle debts and other obligations by a simple transfer of funds from one account to another. This section, therefore, is designed to make the transfer of such amounts chargeable with duty as they would have been had they been paid in cash. Subsection (1) of this section deals with amounts deposited by a person to the credit of a bank account of another person; subsection (2) deals with the transfer of money from a person's bank account to the credit of his banker or to the credit of the bank account of another person held in the same bank or any other bank or from a person's bank account to the credit of a banker other than his own. In every case where duty would have been payable if it had been an ordinary cash transaction, the person or banker who receives the credit is liable to pay the duty either by issuing a duly stamped receipt for the amount credited or by including that amount in the appropriate return if he has elected to pay duty on the basis of a return. Subsection (3) prescribes a penalty, for non-compliance, of $100 and double the amount of duty that would have been payable.

New section 83 deals with amounts of money which are received or credited outside of South Australia for goods or services supplied in South Australia and which in certain cases are deemed to have been received in South Australia and therefore subject to duty. Amounts of money received or credited in South Australia are dutiable in any event under the provisions of this Act as a general rule, but for amounts received or credited outside South Australia to be dutiable in this State certain conditions must exist. The person who receives the money or the credit must be either a resident of South Australia or a person carrying on business in this State, and the money or credit received must be related to a payment for goods supplied or services rendered in South Australia. In addition, in order to be dutiable the payment must ordinarily be received in a place other than a "proclaimed State". (A State or Territory of the Commonwealth will be proclaimed a "proclaimed State" if it has adopted similar legislation and has made reciprocal arrangements with South Australia.) However, if a payment for goods or services supplied in this State is received in a "proclaimed State" by a person who is operating a centralized accounting system, it would nevertheless be dutiable in this State and not in the State wherein the centralized system is operated.

These provisions are enacted primarily in order to reduce the avoidance of duty by firms that arrange payments for goods or services supplied in this State to be made in a place outside the State. Regarding cases where a centralized accounting system is operated, however, it is considered that cases would arise wherein, but for the existence of such a system, payments would have been received in the State in which the goods or the services were supplied. The Commissioner therefore is given the power to declare a person as one operating a centralized accounting system in a "proclaimed State" and that person then becomes liable to pay duty in South Australia in respect of receipts arising out of his business in this State. To avoid double duty, that person would be permitted to omit from his total receipts in the "proclaimed State" that portion of his receipts in that State that is attributable to his South Australian business. A corresponding allowance would be made in South Australia under the provisions of section 84f (3) of this Act in cases where payments for goods or services supplied outside South Australia are made to a central office in South Australia.

New section 84 provides that a person will be guilty of an offence and liable to a penalty not exceeding $100 if he gives an unstamped receipt that is not specifically exempted from duty or when that person is not paying duty on a return or bulk basis. A person who has elected to pay duty on the return or bulk basis may issue an unstamped receipt if it is endorsed with "SD/" and the serial number assigned to him by the Commissioner of Stamps. A person will be guilty of an offence if, when requested to do so, he refuses to issue or omits to give a receipt, and a penalty is also provided for under-stamping a receipt or for dividing amounts received in order to avoid duty. When a receipt is not requested, a duly

stamped receipt will be deemed to have been given if a receipt is made out and duly stamped even if it is not delivered to any person. In that case it must be retained for a period of three years. If, however, the receipt is exempt from duty or the recipient of the money has elected to pay duty on the return or bulk basis, there is no need for the receipt to be made out.

Subsection (8) deals with acknowledgments of payments contained in documents such as land transfers or mortgages that are stamped as transfers and mortgages but not stamped as receipts. Any duty paid on these documents will not satisfy the requirements of this Bill, and a separate receipt with the requisite duty will be required for money paid in relation to those documents. New section 84a limits to three years the time within which a complaint or an information may be laid for an offence under this Act. New section 84b specifically permits duty to be denoted on a receipt by adhesive stamps where it is not denoted by an impressed stamp. New section 84c deals with moneys received by an agent either from or on behalf of his principal and provides, in effect, that a transfer of money from one person to another through one or more agents will be subject to duty only once.

Subsection (1) of this section provides that a receipt for money received by an agent from his principal for payment to another person who is not also a principal of that agent shall be exempt from duty. When the agent acts for both parties (say, a buyer and a seller) then that agent is liable to pay duty on the amount received from the buyer for transmission to the seller unless the seller himself has elected to pay duty on the return system and has indicated in writing to the agent that he will pay the duty himself. Subsection (2) provides that, when duty on money received has been paid by an agent, then subsequent receipts of the same money by other agents on behalf of that same principal or by the principal himself are exempt from duty.

Subsection (3) requires the duty on money received by an agent to be paid by the principal who is on the return system where he has advised the agent in writing that he will do so. Subsection (4) requires an agent who transfers any amount from money held by him on behalf of his principal to his own account to pay duty on the transferred amount. The effect of this subsection is that, apart from the duty (if any) payable on the gross amount received by an agent on behalf of his principal, duty will also be payable by the agent on his commission and other charges deducted from that gross amount, because that deduction will be treated as a separate dutiable payment by the principal to the agent.

New section 84d provides penalties for the late stamping of receipts and the late lodgement of returns. Where the delay in lodgement exceeds two months, the penalty may be as high as $100 but the Commissioner is given the right to remit such a penalty to an amount not less than $10 and to remit the whole or any part of any other penalty prescribed by the section. New section 84e provides that any person carrying on a trade, business or profession (unless he is doing so as an employee) or any body corporate or unincorporate, or any other persons or classes of person specially declared by the Minister may elect to pay duty on the basis of a return rather than by adhesive or impressed stamps on individual receipts. This section also allows a person who has elected to pay duty on a return basis to revoke such an election. Any receipts issued by a person who pays duty on a return basis shall not be required to be stamped with impressed or adhesive stamps.

New section 84f deals with the lodging of a return (referred to in the section as a statement in the prescribed form) and the payment of duty on the basis of such return. The return, showing the total amount of money received or deemed to have been received within a prescribed period, must be lodged with the Commissioner at prescribed intervals, the duty must be calculated at the rate of 1c for every $10 or part thereof on the total amount shown on the return and must be paid to the Commissioner at the time the return is lodged, and any receipt issued by a person who has elected to pay duty on a return system must be endorsed by him with "SD/" and the serial number assigned to him by the Commissioner.

New section 84g provides penalties for failing to comply with the provisions of new section 84f—for example, failing to include an amount received in the total shown on the return or failing to endorse any receipt that is chargeable with duty and issued by him with "SD/" and the serial number. In addition, this section provides heavier penalties for a person who is not on the return system and improperly endorses any receipts issued by him with "SD/" and a serial number or with any other similar endorsement.

New section 84h allows the Commissioner to come to some arrangements for calculating the duty payable on a return with

a person who has elected to pay duty by return but who finds it difficult to calculate precisely the amount of his receipts for the purposes of the return. The section also allows the Commissioner to cancel any such arrangements. It is intended that this provision shall be invoked only in extraordinary cases where the normal practices may be impracticable.

New section 84i is designed to eliminate the otherwise multiple receipt duty which could result because of conditions imposed by primary industry marketing schemes and because of refunds of deposits received in respect of tenders or contracts. Payments made, for instance, by the dairy industry to its Equalization Committee are, under subsection (1) (*a*) of this section, subject to a rebate of duty equal to 1c for every $10 of the amounts paid, in order to offset the duty otherwise paid or payable upon the proceeds of sales in the local market. At times the dairy industry sells some of its products to the Australian Dairy Produce Board on a temporary basis and at that time its pays receipt duty. When its buys back these products it is entitled to a rebate of duty under subsection (1) (*b*) of this section. It is worth noting that the amounts received under these arrangements by the Equalization Committee and the Australian Dairy Produce Board are exempt from duty under the provisions of Exemption 23 contained in clause 6 of this Bill. Furthermore, any receipt of Commonwealth subsidy by the Equalization Committee may also be exempt from duty under the provisions of Exemption 18 contained in that clause.

Subsection (1) (*c*) of this section allows a rebate of duty for the amount of any deposit refunded in respect of a tender or a contract and for which amount duty has been paid or is payable. The receipt of the refund itself is exempt from duty under the provisions of Exemption 16 contained in clause 6 of this Bill. It is important to note that only persons or bodies who have elected to pay duty on a return system may be allowed the rebate of duty. Subsection (2) of this section defines "prescribed marketing scheme" and provides that, apart from any marketing schemes constituted under a Commonwealth or State Act, the Minister of Agriculture may declare any other scheme for the marketing of primary products to be a prescribed marketing scheme for the purposes of the Act.

New section 84j deals with transitional provisions. Subsection (1) provides for money received before the commencement of the Bill to remain dutiable at the rates existing before the Bill becomes law. Persons using the existing return or bulk system will be required to make a final return of moneys received between the period covered by their previous return or assessment and the commencement of this Act or have the duty on such money assessed by the Commissioner at the existing rates. Subsection (3) relieves any person now using the return system of the necessity to make another election in order to continue the use of the return system after the commencement of the Bill. This subsection, however, also allows such a person to revoke his election to use the return system. Clause 6 repeals the existing item in the Second Schedule relating to receipts and all the exemptions thereto and enacts a new item and exemptions in their place. The new rates provide for a duty of 1c to be paid for an amount not exceeding $10 or, in cases when the amount exceeds $10, for a duty calculated at a rate of 1c for every $10 or part thereof.

New Exemption 1 exempts receipts issued only by Commonwealth and State Government departments and the South Australian Housing Trust. Those issued, therefore, by statutory authorities will be subject to duty unless they are specifically exempted from the payment of stamp duty under any other Act. For example, the Electricity Trust of South Australia will be liable for stamp duty, and so will the State Bank to the same extent as any other bank. The exemption of receipts given by the Housing Trust follows the Victorian precedent. New Exemption 2 exempts receipts for any payment to a municipality that are issued for rates and for grants or loans made by the Government, but it does not exempt receipts arising from the municipality's operations of a public utility (for example, an electricity undertaking) or receipts issued for parking fees and fines and other licences, or for any trading functions.

New Exemption 3 exempts receipts in respect of private short-term lending and borrowing, short-term inter-company lending, short-term money market transactions, overdraft with banks, and short-term deposits. It should be noted that this exemption refers to the principal amount only and not to interest in respect of the above transactions. Receipts for interest or dividends are dutiable except in cases when they are given in respect of Commonwealth inscribed stock declared by the Commonwealth to be exempt from stamp duty. It should also be noted that receipts

given for principal for fixed deposits or loans with a term exceeding 12 months are chargeable with duty. New Exemptions 4 and 5 exempt receipts given in respect of money deposited in or withdrawn from a bank by a depositor. This exemption is granted on the basis that in such transactions the funds remain the property of the depositor.

New Exemption 6 exempts receipts for money to be applied for a charitable purpose. New Exemption 7 exempts receipts issued for settlements between banks in the ordinary course of banking business including the transactions in a bank clearing house. This exemption is granted on the basis that these transactions are of the nature of continuing agency transactions. New Exemption 8 exempts any receipt issued in relation to racing bets placed on racecourses or betting shops, as it has always been recognized that to make these receipts dutiable is quite impracticable. New Exemption 9 exempts any receipt issued in relation to bets placed with totalizators operated by racing clubs or the T.A.B. The effect of this and Exemption 8 is that not only are receipts of money by bookmakers, T.A.B. and totalizators exempt, but receipts of money by the public in the form of winnings are also exempt.

New Exemption 10 exempts receipts for the subscription for, or for any money received on redemption, purchase or sale of stock, debentures and other securities of various Governments, local authorities, public statutory bodies, and the Savings Bank of South Australia. It should be noted that amounts received by way of brokerage in respect of the above transactions are chargeable with duty. New Exemption 11 exempts receipts for money delivered by an approved carrier from or to any bank. New Exemption 12 exempts receipts of money by a member of a friendly or benefit society for hospital or medical benefits but receipts given by such a society for subscriptions are not exempt. It should also be noted that a receipt of money by a doctor or hospital from such a society, which has made the payment on behalf of a member, is chargeable with duty.

New Exemption 13 exempts receipts of money by a representative of another country where he received them in his capacity as such a representative. For instance, money received by such a person by way of dividends and interest from personal investments will be chargeable with duty. New Exemption 14 exempts receipts for payments made under the Workmen's Compensation Act to a person directly entitled to compensation thereunder. A payment to a doctor or hospital is not such a payment of compensation and therefore is chargeable with duty. New Exemption 15 exempts receipts made out in the course of the internal administration of a business for accounting or office purposes only. For instance, receipts issued for money advanced to or returned by an employee in respect of travelling expenses will be exempt.

New Exemption 16 exempts receipts issued upon the refund of a deposit previously lodged in respect of a contract and upon the refund of any overpaid rates and taxes. Receipt, therefore, of an income tax refund cheque will be exempt from duty. New Exemption 17 exempts receipts for any payment under the Social Services Act, Repatriation Act, Tuberculosis Act or Commonwealth Employees' Compensation Act to a person directly entitled to a benefit thereunder but not to a doctor or hospital. New Exemption 18 allows the Government to exempt by proclamation receipts for payments or a class of payments made under an Act such as bounties or subsidies and scholarships. New Exemption 19 exempts receipts for payments made for superannuation, pensions or retiring allowances.

New Exemption 20 exempts receipts for payments made by any Government or a charitable institution for purposes of relief, assistance or maintenance. New Exemption 21 exempts receipts for an amount not exceeding $10 issued by a person who is not a person to whom section 84e of the Act applies. In other words, the exemption will apply to receipts given by persons who are not carrying on a trade, business or profession, and those who are not given the option by the Treasurer to pay duty on a return basis. New Exemption 22 has the effect of exempting receipts for payments of wages, salaries, commissions, bonuses or allowances made by an employer to an employee, and receipts for reimbursement of expenses incurred by an employee. New Exemption 23 exempts receipts for money paid to a marketing scheme constituted under a Commonwealth or State Act or to any other scheme for the marketing of primary products which has been approved by the Minister of Agriculture.

New Exemption 24 exempts receipts for money received by an agent on behalf of his principal who is not residing in and is not carrying on business in South Australia. As a result, money received by an agent on behalf of interstate sellers of marketable securities or wool and livestock is exempt from

duty. New Exemption 25 refers to receipts arising from sales of marketable securities by sharebrokers on their own account provided they were purchased by them within two days prior to their sale. New Exemption 26 provides that an agent does not have to pay duty on an amount received on behalf of his principal if that amount would be exempt from duty in the hands of the principal. It should be noted, however, that any commission or other charges retained by the agent are chargeable with duty under the provisions of new section 84c (4).

New Exemption 27 exempts receipts for payments made by the State under the Commonwealth-State Housing Agreement to building societies and the State Bank of South Australia. Receipts, nevertheless, issued by these institutions relating to interest and repayment of loans are chargeable with duty, just as receipts of such payments to banks and other lenders are dutiable. New Exemption 28 exempts payments to a company director by way of director's fees. It is considered that such fees are comparable to salary payments. New Exemption 29 exempts receipts for payments of membership contributions made to friendly societies and medical and hospital benefit organizations and payments of membership subscriptions made to a trade union or other association of employees.

This is not an easy Bill to understand and to assist members in their examination of the various clauses I propose to make available to members a copy of the explanation of the Bill which I have just given. Finally, since the Bill provides for the new duty to come into force as from a day to be fixed by proclamation, and since much planning and administrative work must be accomplished but cannot really be commenced until the Bill is approved by Parliament, I would ask honourable members to give the measure their earnest, but speedy, consideration, so that finance may be forthcoming from this source as soon as possible to assist in meeting the obligations which this Council has sanctioned by its acceptance of the Appropriation Act.

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

PUBLIC EXAMINATIONS BOARD BILL

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

RAILWAYS STANDARDIZATION AGREEMENT (COCKBURN TO BROKEN HILL) BILL

Adjourned debate on second reading.

(Continued from October 24. Page 2124.)

The Hon. A. F. KNEEBONE (Central No. 1): I support the second reading. The Bill is the result of considerable negotiations over a long period between the Commonwealth Government and the Government of this State, followed in recent times by further agreement between those two Governments and the New South Wales Government. The negotiations concerned that short section of line connecting Cockburn, on the South Australian border, with the 4ft. 8½in. gauge line at Broken Hill.

Under present conditions on the railway line from Broken Hill to Port Pirie the section of line between Cockburn and Broken Hill is owned and operated by the Silverton Tramway Company. An Act passed by the New South Wales Parliament in 1886 laid down the conditions under which the company operated this line. After the incredibly short-sighted railway policy adopted by the various Colonies (as they were called before Federation), it was not long before people realized the need for standardization of railway gauges. As early as 1897 the Premiers of New South Wales, Victoria and South Australia met and agreed that a standard gauge was desirable. However, nothing was done. The question of conversion to standard gauge by South Australia and Victoria was debated on a number of occasions from that time onwards. Emphasis was always placed upon the urgency of the matter, but little progress was made.

Difficulties encountered in connection with the movement of troops and equipment during the Second World War eventually stimulated action. After the end of the war the Commonwealth Labor Government called for a report on standardization from the Director-General of Land Transport (Sir Harold Clapp). After he had presented his report the Commonwealth Minister for Transport, the late Mr. Eddie Ward, brought all the State Ministers together to consider the report and to plan the standardization of the Australian railway system. After a series of conferences, New South Wales, Victoria and South Australia agreed to proceed towards standardizing their railway systems with Commonwealth Government financial assistance. Since all the railway lines in New South Wales were already standard gauge, there was no need for conversion of that State's lines, but New South Wales, under the agreement, was to receive 85 miles of new line from Bourke to Barrington. Victoria was to convert all its broad gauge lines to standard gauge.

The agreement provided that South Australia was to convert all its broad gauge lines to standard gauge, and to convert to standard gauge the narrow gauge lines of the South-East and Peterborough Divisions. However, there was no provision for the conversion of the narrow gauge system on Eyre Peninsula. The 1946 agreement provided that New South Wales should, under the provisions of the Silverton Tramway Act, acquire the Silverton railway and vest it in South Australia. The agreement provided for the conversion and construction of a north-south line from Port Augusta to Darwin, the conversion of the existing narrow gauge section, and the construction of a line to bridge the gap between Alice Springs and Birdum.

The Hon. C. M. Hill: You will have to wait a long time for that.

The Hon. A. F. KNEEBONE: The financial arrangements were to be on the general principle of the States' bearing about half of the cost, allocated among the three States on a population basis. South Australia's obligation under this arrangement would have been about 37 per cent. Before it could become effective, the agreement had to be ratified by legislative action of all the Governments, but the South Australian Government was the only State Government to take such action. Therefore, the agreement lapsed. Subsequently, an agreement was made in 1949 between the South Australian Government and the Commonwealth Government, and ratifying legislation was passed by both Governments. The 1949 agreement was similar to the 1946 agreement in regard to the standardization proposals in this State. As New South Wales was not a party to that agreement, an attempt was made to get over the problem of the link between Cockburn and Broken Hill; this was attempted in clause 23 of the 1949 agreement, which states:

> The Commonwealth shall take all reasonable steps to ensure that the Silverton Tramway and its locomotives and rolling stock thereon should be acquired and vested in the South Australian Commissioner.

I do not know how the Commonwealth Government was to carry this out, as the acquisition could only be achieved by the New South Wales Government under the appropriate Act, and the New South Wales Government was not a party to the agreement. It is anyone's guess (and I think my legal friends would agree with me) what "all reasonable steps" meant. Clause 23 of the agreement this Bill seeks to ratify cancels out clause 23 of the 1949 agreement. However, in the former agreement there was some improvement in regard to the financial arrangements: instead of participating with the other States in meeting half the costs on a population basis, South Australia was to repay the Commonwealth Government three-tenths of the costs over 50 years. This agreement also provided for the Commonwealth Government, at its own expense, to convert to standard gauge the Commonwealth narrow gauge line from Port Augusta to Alice Springs, to construct a new standard gauge line from Alice Springs to Birdum, and to convert to standard gauge the existing narrow gauge line from Birdum to Darwin.

After this agreement was announced people were quite excited that something would be done. If this agreement was carried out in its entirety, the Commonwealth Government would carry out a long-standing agreement to connect Adelaide and Darwin by a direct north-south line. The Commonwealth completed a standard gauge line to Marree in July, 1957. The north-south line was provided for in the Northern Territory Surrender Act, 1907. The first work undertaken in South Australia under the 1949 agreement was the conversion of the narrow gauge line in the South-East to broad gauge on the understanding that the State Government would, at its own cost, subsequently convert this line to standard gauge at the appropriate time. This conversion to broad gauge was completed in 1959, when the State Government unsuccessfully sought Commonwealth approval to proceed with work on the Peterborough Division.

Subsequently, repeated attempts were made to obtain Commonwealth approval for further standardization work. At last, in an endeavour to force the Commonwealth Government to agree, the State Government took an action to the High Court in 1961, but the court's decision was that the State Government could not determine the rate at which the Commonwealth Government should carry out the terms of the agreement. After the South Australian Government had made further approaches, the Commonwealth Government agreed in April, 1963, to the conversion to standard gauge of the narrow gauge line from Port Pirie to Broken Hill.

The question of the link between Cockburn and Broken Hill was a problem at that time, and it has been a problem ever since, but it has now been resolved by the agreement that this Bill ratifies. Solving the problem in the way proposed (by another route, using none of the facilities now existing on the present

Silverton line) will pose some problems for the South Australian Railways Department. On the other hand, there should be a reduction in operating costs resulting from the upgrading of the line, from the fact that our Railways Department will operate over the whole route and from the use of more modern equipment. It is to be hoped that the changeover from one gauge to the other will be achieved smoothly, because it would be to our disadvantage if it was necessary to operate both gauges at the same time for any length of time; this would be necessary if the mining sidings were not completed in time for the opening of the main line. Therefore, I urge that everything be done to see that this work is completed.

One of the problems associated with the new route is that there is a loop-line on the present Silverton route which serves a number of private sidings, and the new route will not serve these sidings. In negotiations with the Commonwealth Government during my term of office we pointed out that the elimination of these sidings could seriously affect the ability of the South Australian Railways to hold the business emanating from the firms served by such sidings. I believe that this business represents a net revenue of some magnitude and comprises back-loading between Adelaide and Broken Hill for trains after delivery of ore concentrates to Port Pirie. Every effort has been made, and I believe it is still being made, to retain this business for the South Australian Railways.

The Hon. C. M. Hill: That is so.

The Hon. A. F. KNEEBONE: Clause 3 (1) of the schedule contains the following provisions:

(*c*) The construction at Broken Hill of such facilities as the Minister approves as being necessary to provide service to customers in place of facilities the use of which will not be appropriate to the operation of the railway;

(*d*) The conversion to standard gauge for use in conjunction with standard gauge railway operations between Port Pirie and Broken Hill of such private sidings as are approved by the Minister for that purpose;

(*e*) The conversion to standard gauge for use between Port Pirie and Broken Hill of such privately owned rail tank cars as are approved by the Minister for that purpose.

These were some of the provisions that I insisted be included before I was prepared to accept some of the provisions the Commonwealth Government desired. It is necessary, of course, for the three Governments in this case to pass legislation before much more than has already been achieved can be done in regard to the new route.

As the Minister has already told us in reply to a question that I asked, survey teams have been at work in New South Wales. Of course, some of these were operating during the term of office of the South Australian Labor Government. However, before any necessary land acquisition and other vital matters can be finalized, the New South Wales Government has also to pass legislation to enable the work to proceed. Clause 7 of the schedule provides that New South Wales must introduce legislation for that purpose. It reads:

The State of New South Wales shall—

(*a*) authorize the State of South Australia to own, construct, operate and maintain the railway; and

(*b*) resume, appropriate or acquire all land required for the carrying out of the work and make available to the State of South Australia, subject to reimbursement of all costs reasonably incurred, all such land as is required for the construction, operation and maintenance of the railway, other than land resumed, appropriated or acquired for the purpose of a road or other public service, unconnected with the railway, made necessary by the carrying out of this agreement.

In view of the unfortunate happening in 1946 when the Commonwealth Government and the South Australian Government ratified an agreement and the New South Wales and Victorian Governments did not, thus resulting in that agreement lapsing, I urge the Minister to press his colleague in New South Wales to introduce legislation urgently in regard to this matter so that there will be no further delay in the completion of this section of line.

I do not intend to speak at any great length regarding other standardization work necessary in South Australia. Both the former Liberal and Labor Governments made approaches to the Commonwealth, and I understand that the present Minister has done likewise in relation to these works. The connecting of Adelaide to the standard gauge line across the continent has already been the subject of a number of approaches, and emphasis has also been placed on the need for associated conversions north of Adelaide so that at the time Adelaide is connected with this line across the continent the additional standardization in that area will be carried out, thus avoiding the creation of more breaks of gauge than exist at present.

Approaches have also been made regarding the Port Augusta to Whyalla section. I urge the Government to keep the pressure on regarding these further standardization works, because it is urgently necessary that we get

on with this work. After all is said and done, we were the first State to reach agreement with the Commonwealth on standardization. More money has been spent by the Commonwealth on standardization in Western Australia than has been spent in South Australia.

The Hon. R. A. Geddes: That is, up to this point of time.

The Hon. A. F. KNEEBONE: Yes.

The Hon. C. M. Hill: Much more.

The Hon. A. F. KNEEBONE: Yes. We have kept fairly close to our estimates regarding the work in South Australia, but this could not be said of the work done in Western Australia. Through the work done in the Commissioner's office in South Australia, we have made very knowledgeable estimates of what the work in South Australia would cost, whereas the costs in Western Australia have far exceeded the original estimates. We have behaved ourselves in every way possible in this State with regard to standardization, so we should receive further consideration from the Commonwealth. We should not have to go through the procedure that we had to go through previously, when for at least four years we were arguing with the Commonwealth as to when it should start on further standardization. I only hope that sufficient pressure can be brought to bear on the Commonwealth to see that this work is done soon. I support the second reading.

The Hon. R. A. GEDDES secured the adjournment of the debate.

TRUSTEE ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 24. Page 2127.)

The Hon. C. D. ROWE (Midland): I support the Bill but, in doing so, I make several reservations regarding my support, especially after hearing the remarks made by the Hon. Sir Arthur Rymill on October 23. As outlined in the Minister's second reading explanation, the purpose of the Bill is to provide for amounts to be deposited with permanent building societies as trustee investments in accordance with the provisions of this Act.

True, the purpose of the Act is to provide that a limit is placed on the investments available to trustees to ensure that the principal money and the interest thereon is not lost to the beneficiaries of the trust. For that reason, we have had a Trustee Act in South Australia for many years, which Act has prescribed avenues in which moneys held in trust can be invested. Unless the document creating the trust gives the trustees power to place the money in other investments, they are restricted to those set out in the Act.

In his very able speech on this Bill, Sir Arthur Rymill pointed out the safeguards provided for moneys invested as trustee securities in savings banks and in other institutions, and he pointed out some of the dangers that may arise if we do not ensure that building societies are controlled properly and that adequate protection is given to people who invest in those societies. I do not wish to reiterate the matters mentioned by Sir Arthur Rymill, but I thank him for the attention he gave to this matter and for the contribution he made to the debate.

I wish now to refer to the possibility of people who own Crown leasehold land having trust moneys invested on first mortgage on that land. Section 5 of the Trustee Act provides:

> A trustee may, unless expressly forbidden by the instrument (if any) creating the trust, invest any trust funds in his hands, whether at the time in a state of investment or not—
>
> (*a*) in South Australian Government securities;
>
> (*b*) on real securities in the State.

It has been held that the power to lend the money on real securities as provided in section 5 (*b*) does not entitle the trustee to lend money upon a mortgage of leasehold estate and, accordingly, Crown leases, whether they are perpetual leases or for limited terms, are excluded from the list. While we are amending this Act the Government should examine the possibility of allowing perpetual leases, and probably some other Crown leases, to be regarded as trustee securities.

I realize that a Crown lease is subject to forfeiture on certain conditions; that is, if the rent is not paid or if certain provisions of the Sand Drift Act, the Noxious Weeds Act or some other Acts are not complied with. We would have to be certain that the trustee who lent money on the security of a Crown lease did not find his security was lost because the lease became forfeited through the failure of the Crown lessee to observe all these conditions. In general terms, however, those points could be overcome.

We should include a limitation that the Crown lease, which would be approved as a trustee security, would need to be a perpetual lease or a lease at least for a large number of years. I am informed that in the English counterpart of our Trustee Act (which, I believe, is known as the Trustee Investments Act and which was amended in 1961) a mortgage of leasehold property was approved.

provided that the unexpired term of the lease was not less than 60 years.

I do not wish to delay the Council unduly on this matter, but in the course of my own practice I have had experience of cases of hardship where people have had perpetual lease property available as security but could not obtain trustee money as a mortgage on that property, even though the investment was sound, because a Crown lease was not an authorized trustee investment. I therefore respectfully submit to the Government that while it is examining this Act we should examine this particular aspect. It is only infrequently that the Trustee Act is before this Council, and if we miss this opportunity now it may be some time before it is before us again. I support the second reading.

The Hon. R. A. GEDDES secured the adjournment of the debate.

STATE BANK ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 24. Page 2127.)

The Hon. H. K. KEMP (Southern): I cannot let this Bill go forward without paying a tribute to the State Bank of South Australia for the vital role it has played in the development of the agricultural industries of this State through the administration of the Loans to Primary Producers Act and through its other banking functions. When one looks around the State today and sees the work for which this bank has been responsible and which, without it, could never have been achieved, some appreciation of its importance and the value of its work to this State can be made. The sum of $100,000,000 or more has been provided by it to enable buildings and services for agriculture and fisheries to be provided. Every port in this State now has a refrigerated depot or factory serving the fishing industry.

The dairying industry is served by factories at Mount Compass, Jervois, Kenton Valley and Parkside, and there may be others. In the hills there are huge storages for fruit crops. Indeed, there are eight co-operatives in all, capable of storing over 750,000 bushels of fresh fruit. There are wineries at McLaren Vale, at Clare, in the Barossa Valley, and at Waikerie, Berri, Renmark and Loxton. There are also huge packing plants in all of these districts as well as at Mypolonga to handle the dried fruits and citrus crops. Even here the tale is but part told.

There is a huge cannery as well as a fruit juice factory at Berri, and there is another large cannery in the Adelaide area, as well as co-operatives serving the vegetable industry at Virginia, Adelaide and Paringa. Only through the operation of this institution has it been possible for these industries to remain viable in the very difficult period that confronts export industries. A very high labour component is included in their costs and, as is inevitably the case in the fruit and field crop industry, the impact of high wages is much higher on the fruit industry than it is on any other form of primary production.

Every increase in costs, particularly labour costs, increases this load, and only by making every possible saving by large-scale operation on the processing side of our industries has it been possible to overcome the problem in part. We have by no means resolved it on all sides. It will be appreciated why I wish to pay a tribute to the work of the State Bank, and to it must be added thanks for the many other ways in which it has helped primary industry over very difficult years and, at times, disastrous years of depression, drought and bush fire.

For this reason it is with deep regret that I view this Bill, which can only have the effect of limiting the bank's future activities. The state of our economy must be deplorable to force the Treasurer to introduce this measure. I know other banks pay tax but the State Bank has never been accused of trading on that advantage in its working or of any unfair practice at all. In view of this, I have grave misgivings and doubt about supporting this measure.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Disposal of profits."

The Hon. R. C. DeGARIS (Chief Secretary): It has been asked whether action taken under this clause will reduce the ability of the bank to service primary industry. I agree that the State Bank has played an excellent part in financing co-operatives and the irrigation, the fruit and vegetable and the citrus industries. This money is made available under the Loans to Producers Act and similar legislation, but this is completely different from the question of the State Bank making some contribution to the Treasury from the profit it makes. This year $450,000 more will be made available to primary industry than was provided last year. We are not taking away the ability of the bank to assist the industries that the Hon. Mr. Kemp has mentioned; nor are we

limiting the bank in the role it will play under the various Statutes that make money available for these industries.

The Hon. Sir Arthur Rymill asked a question about interest payments to the Treasury on funds provided to the bank. Towards the end of the Auditor-General's Report, in the financial statements of the State Bank, we see that the bank paid to the Treasurer during the last financial year upon capital funds received interest amounting to $647,168. This interest payment was in full reimbursement to the Treasurer of interest costs to him of all Loan money provided by him to the State Bank for capital purposes.

Clause passed.

Remaining clauses (5 to 9) and title passed.

Bill reported without amendment. Committee's report adopted.

CONSTITUTION ACT AMENDMENT BILL (No. 2)

Second reading.

The Hon. A. J. SHARD (Leader of the Opposition): I move:

That this Bill be now read a second time.

When it was introduced in another place, it contained only one important clause, effecting two things. In the present Bill clause 4—"Qualifications of electors for Council elections"—repeals section 20 of the principal Act and substitutes the following new section:

20. (1) A person who is entitled to vote at an election for a member of the House of Assembly shall, subject to the Electoral Act, 1929-1965, as amended, be qualified to have his name placed upon a Council roll within the meaning of Part V of that Act.

(2) A person so qualified to have his name placed upon a Council roll, and whose name is on that roll, shall, subject to the Electoral Act, 1929-1965, as amended, be entitled to vote at an election of a member or members of the Legislative Council.

(3) No person other than a person entitled to vote at an election by virtue of subsection (2) of this section shall vote or be entitled to vote at that election.

Clause 5 repeals sections 20a, 21 and 22 of the principal Act, consequential upon the passing of the Bill in another place and here.

When the Bill was being debated in another place, the Premier challenged the members of my Party there to accept certain provisions, on the undertaking that he would support full adult franchise for the Council. That is contained in clause 3, with which I will deal shortly. I think the Premier was rather surprised when he got ready acceptance of that challenge, because it had previously been stated that we were directed or ordered by certain people to do this, that, or the other. Every now and again a position arises in debate that proves conclusively we are not bound or directed by certain people, as our friends in this Chamber and in another place would have the public believe. I think the debate so far on this Bill has proved conclusively that possibly in this regard we have more freedom than members of the Liberal Party have, in that the Premier was chastised for the part he played in another place, where it was said he had broken a pledge to his Party. Other members said they had to honour the pledge they had signed by supporting the Party attitude.

The Hon. D. H. L. Banfield: It is different from the story we used to get.

The Hon. A. J. SHARD: Yes. We have been told (and it cannot be denied) that our political opponents have complete liberty to vote how they like on any subject.

The Hon. D. H. L. Banfield: Provided it is in accordance with instructions!

The Hon. A. J. SHARD: I have been a member for a long time, and I know that comment is correct. I have seen members who have paid the penalty for disobeying instructions. However, I do not intend to embark upon the tragic subject of members who have been disciplined because of certain actions they have taken. It is astounding, after hearing all the noise made because people were put to the test and voted according to their conscience, that members opposite—

The Hon. S. C. Bevan: Are you suggesting that the Government is a leaderless legion?

The Hon. A. J. SHARD: I do not know whether it is, but on this matter I believe the Government is split down the centre. We do not know who is leading it.

The Hon. D. H. L. Banfield: I think more members are on the Premier's side, so it cannot be split down the centre.

The Hon. A. J. SHARD: I think it will be found that the Cabinet will be split five to four on this matter. I want this matter to be put in its proper perspective. The Premier offered a challenge to members of the Opposition, which was accepted immediately. That should prove to the Government and to the people that the Labor Party is more concerned with getting some semblance of democracy into the system of election to this Council than it is with bringing about its abolition. We agree that the Upper House should be abolished, but only if that is the desire of the people.

The moves made in another place represent the biggest breakthrough in constitutional reform in this State since 1856. It must be remembered that, by subscribing to the widening of the franchise for the Legislative Council

on an adult basis, the Premier has thereby admitted that the Council is not and has never been democratic. All members of this Council realize the ludicrous situation that exists, but some members refuse to admit it. The power exercised by this Council is almost unlimited. It can veto a Government's legislation, although it appears that such veto is generally confined to occasions when a Labor Government is in power. If this Council is meant to be a true House of Review, let us make it such with the support of the people. What it all boils down to is that the public has virtually no say in making its own laws. Such laws are subject to the whims and desires of the L.C.L. members of this Council.

Let me remind Government members here that those members of another place who voted in favour of this Bill represent about 90 per cent of the electors of South Australia; that is, 547,704 out of a total of 610,922. Those figures are according to the last return issued on State election figures of March of this year. If any member of this Council votes against this Bill he will be voting against the wishes of those people; that is, the people he should be representing. Those citizens who are disfranchised from voting for the Legislative Council have no effective voice in the Government of this State, as this place can effectively prevent the will of the majority from being accepted if the people who are represented here in some way or other choose to thwart the will of the majority of the people. There have been many examples during the history of this Council when it has exercised power over the majority of the people completely contrary to the principles of democracy, principles well established in many parts of the world.

If we are to have government of the people by the people, then it is the people who must be represented as effectively in one House as in another. There is no reason for all members of the Upper House to be elected at the same time as members of the Lower House, and there is no reason why they should be elected from the same group of districts. The essential is a democratic vote to return members to this Council.

The Bill is short. Clause 1 gives the short title, and clause 2 sets out that it shall come into operation on a date to be fixed by proclamation. Clause 3 contains the provision that the Premier challenged members of our Party to accept: it provides, in effect, that the Legislative Council shall not be abolished. What is more, it goes further than I expected when I heard the challenge, as it provides that the powers of the Legislative Council shall not be abolished. In effect, it states that the Council or its powers shall not be abolished except by referendum. That is a precaution as it affects the wellbeing of this Council, if people want to look at it from that point of view. However, I thought I would never see members of the Labor Party support a provision of this type.

Let me be frank about this: I agree with the idea of requiring a referendum for the abolition of this Council, but the Bill goes further and protects its powers, which are as wide and important as exist in any other Parliament in the world, to my knowledge. I understand that, while we are in this Bill safeguarding the powers of this Council, the United Kingdom Parliament is taking steps to limit the powers of the House of Lords.

The Hon. A. F. Kneebone: Further limiting them.

The Hon. R. C. DeGaris: Does that meet with the approval of a majority of the people in Great Britain?

The Hon. A. J. SHARD: I do not know.

The Hon. S. C. Bevan: I think that, if a referendum to abolish the House of Lords were held, it would be successful.

The Hon. A. J. SHARD: We cannot answer such questions here, because we are a long way away from the scene. However, I believe that if a referendum were held on the abolition of the Legislative Council in this State it would probably succeed.

The Hon. Sir Norman Jude: And to abolish the Lower House, too.

The Hon. A. J. SHARD: If the honourable member wants to make a joke of this, he may, but he must take the responsibility for doing so. Nobody has ever heard me express a wish that the Lower House should be abolished. I do not believe honourable members should joke about serious matters, and this is a serious matter. If that is the best the honourable member can do in this debate, then it is better that he does not speak. This is a serious matter as it affects the people of South Australia, and it is not only the people of this State but also possibly all of the Australian people who are waiting to see what happens to this Bill to liberalize the vote for this place. When watching a sporting event yesterday, I was rather surprised that a Victorian whom I had never met before asked me what would happen.

This shows how much public interest there is in this matter, so it is our duty to give it proper consideration.

The Hon. L. R. Hart: Which side would you be on in a referendum?

The Hon. A. J. SHARD: The honourable member should not have to ask that question, because he has often heard me say that I do not think we need a Legislative Council in this State. If there was a referendum, I would sincerely support the abolition of this Council. I make no apologies for this: it was on record long before the honourable member became a member of this Council, and I have never departed from it.

The Hon. Sir Arthur Rymill: This is the real purpose of this Bill, isn't it?

The Hon. A. J. SHARD: No. If we had wanted to abolish this Council as quickly as possible we would not have accepted the Premier's challenge, as the amendment he has moved and had carried makes it somewhat harder to abolish the Council.

The Hon. M. B. Dawkins: Only somewhat?

The Hon. A. J. SHARD: Yes. I believe that in the course of time and with a democratic vote the Labor Party will eventually get the numbers in this Council.

The Hon. S. C. Bevan: We may not see that day.

The Hon. A. J. SHARD: It will happen eventually. The people of the State will see that something is done to ensure that this Council is elected on a more democratic basis than it has been in the past. Clause 4 provides for full adult franchise: those people on the House of Assembly roll will be entitled to be enrolled on the Legislative Council roll. It will not be compulsory: because people have the right to be enrolled and because they are on the House of Assembly roll, they will not automatically be entitled to vote in Legislative Council elections—they will have to apply for enrolment. Clause 5 repeals sections 20a, 21 and 22 of the principal Act. Clause 6 provides:

Section 44 of the principal Act is amended by striking out the passage ", and no clergyman or officiating minister".

I think we would all agree with this provision. Clergymen are debarred from becoming members of Parliament. I do not know why they should be so debarred and I believe that some clergymen would be welcome additions to this Council.

I sincerely submit this Bill for honourable members' consideration. The Chief Secretary said in connection with another Bill that, because he needed money to keep the Treasury going, he hoped it would be passed quickly. I suggest that honourable members should give this important Bill an equally speedy passage. Both the public and members of Parliament want to know what will be done with this Bill, so I hope it will be dealt with expeditiously.

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

REGISTRATION OF DOGS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 24. Page 2128.)

The Hon. A. M. WHYTE (Northern): This Bill provides for a simple amendment to the principal Act, and I do not believe it will be opposed in this Council. Amendments are made because of the changeover to decimal currency, and an amendment is made to induce people to desex female dogs. This is a splendid idea. The Bill will enable dog owners to have female dogs desexed with some advantage to both the general public and the dog owners. I think the amendment could have been taken further by providing an inducement to people to desex male dogs. However, I support the Bill.

In his second reading explanation the Minister said that the original Bill was introduced in 1887, so apparently this legislation has served a fairly good purpose for both dog lovers and dog haters since that time. The principal Act has been amended in many ways since then. Section 20 provides:

(1) Any dog found at large in any part of the State may be seized by any member of the Police Force, special constable, or Crown lands ranger, or by any person authorized in writing by any municipal or district council to seize dogs found at large . . .

(3) Any dog so seized may, after four days from the time of the seizure, unless it is claimed, and the amounts prescribed by the Fifth Schedule have been paid, be destroyed . . .

Four days is a very short period for an advertisement or notice to be circulated throughout the State, particularly when we remember present-day methods of transport. A person who lives in the far west of this State or further north could easily lose a dog in Port Augusta, and he would have no opportunity of knowing in four days whether the dog had been found.

The Hon. S. C. Bevan: If the dog is wearing a disc?

The Hon. A. M. WHYTE: This applies if the dog is wearing a disc, but many dogs do not wear collars because it is not practicable to put collars on them while they are

working on farms. The period could be extended by three days without seriously affecting State funds. Regarding the Second Schedule, I have always considered it an imposition for a person honest enough to register a dog (and it is only those who are honest enough to register them who are affected) to be penalized $1 if the dog is not registered within 31 days of the last day on which it should have been registered. I do not think many dog lovers or people that considered dogs would try to avoid registering them. However, it is quite easy for a dog owner to find himself a month behind with his registration, and he is immediately penalized for this. Therefore, I intend to move at a later stage for this period to be increased to six months. This would not deprive the State of any revenue.

Compared with the many controversial issues before this Council, this matter is a minor one, so I do not intend to say any more on the subject. I believe the amendments contained in the Bill are worthy ones, and I support them. However, later I will move an amendment to the Second Schedule.

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

ADELAIDE TO GAWLER RAILWAY (ALTERATION OF DRY CREEK TERMINUS) BILL

Returned from the House of Assembly without amendment.

ADJOURNMENT

At 4.33 p.m. the Council adjourned until Wednesday, November 6, at 2.15 p.m.