LEGISLATIVE COUNCIL

Tuesday, November 26, 1968

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

QUESTIONS

HIGHWAYS DEPARTMENT

The Hon. Sir NORMAN JUDE: I ask leave to make a short statement prior to asking a question of the Minister of Roads and Transport.

Leave granted.

The Hon. Sir NORMAN JUDE: In this morning's *Advertiser* and, I understand, on television last night an allegation was made by Mr. Hudson, M.P., "that time cards at the Northfield depot of the Highways Department had been altered to conceal several thousand hours of lost time". The newspaper article is quite lengthy. In view of its grave reflection on senior public servants in a most important Government department, will the Minister comment on the allegation?

The Hon. C. M. HILL: Mr. Hugh Hudson, M.P., made the following allegation on channel 9 on November 25 (and the words are taken from a recording of the interview):

Labour normally associated with departmental equipment is also being left idle and the lost hours are being concealed by alterations to time cards.

This is a most serious allegation and a grave reflection upon departmental officers and the Public Service generally. Unless the honourable member can provide proof of this claim forthwith, he should publicly withdraw the statement and apologize to the public servants concerned. The public servants, of course, are those in the Highways and Local Government Department.

The interview arose from a public meeting held at the Northfield depot of the Highways and Local Government Department earlier in the day. The allegation is that the department is manipulating men's time sheets in order to charge excessive time to repairs of departmentally-owned plant to make repair costs of privately-owned contractors' plant appear in a more favourable light. This evidently originated over a minor happening at Northfield regarding the apportionment of men's time, which I will explain in a few moments.

It was inferred that the department had been instructed by the Government to implement such action in order to justify its policy of engaging private enterprise for construction of roads at the expense of direct labour. Even if such action were suggested, no head of a department would be prepared to obey such an instruction. Apart from the moral aspects, all departments are subject to audit regulations and constant checking by Governmental auditors. Any malpractice of this nature would be revealed at an early date and the head of the department would be severely reprimanded.

Any such instruction is therefore emphatically refuted. There has been no such instruction or any suggestion made by the Minister. It is not clear how a relatively small increase on labour costs for tractor repairs, which, in effect, may theoretically increase hourly operating costs of departmental units, can have any serious bearing if these are related to contractors' operating costs. Very few of the 2,000-odd departmental machines are in the repair shop at any one time. Many of them are in rural areas and seldom, if ever, are at Northfield.

I will now deal with the charging up of time. In order to give the Senior Plant Engineer greater control of the cost of labour incurred at the Northfield workshops, separate accounts have been opened for the various shops (for example, the tractor shop, the motor shop, etc.) to record the unproductive time of employees lost as a result of accident or hours during which the men are not actually engaged on either productive or unproductive works.

The purpose of this procedure is to ensure that only the productive hours are shown against each particular machine and that any wages debited to the unproductive accounts I have mentioned are separately recorded so that the Senior Plant Engineer is informed of the position and can decide on what remedial action is necessary.

During the first four months of this financial year, 772 hours were debited to these accounts. This represents about one-third of 1 per cent of the total hours of all the workshop employees. Recently, the Senior Plant Engineer's attention was drawn to the number of hours debited to these unproductive shop orders, and he immediately discussed the matter with the Accountant and the senior workshop personnel and directed that each individual debit be closely investigated. He instructed the Workshop Superintendent and the Assistant Workshop Superintendent that every endeavour must be made to ensure that the charges were correct and that, if employees were given

other work to perform pending the delivery of parts, etc., their time was to be debited accordingly. That time, I understand, is known in the department as idle time.

This action had no bearing whatsoever on the recent announcement by me that I was investigating methods by which construction of roadworks might be carried out by contract. The Government's policy to carry out as much work as possible by contract is in keeping with the policy of the Government's political Party. That Party is directly opposed to Socialism, which Mr. Hudson advocates. The Government's investigation into this matter is also influenced by the Auditor-General, who on page 2 of his annual report for the year ended June 30, 1968, said:

In some departments in recent years more work has been done by private contract than previously. I consider that, as works can often be carried out more economically by this means than by day labour, and provided that there is adequate control, still more work should be done by contract.

Similar statements have been made by the Auditor-General in previous annual reports. I understand that on television last night Mr. Hudson requested that this whole matter be placed in the hands of the Auditor-General. I am quite prepared to ask the Auditor-General to investigate the allegations Mr. Hudson made on television last night and in the press this morning.

The allegations are of a very general nature, and it is the member's responsibility and duty to provide to the Auditor-General complete details of his allegations. Meanwhile, to remove the slur that Mr. Hudson has cast publicly on departmental officers of the Highways and Local Government Department (and, of course, as we know, these officers cannot answer for themselves at this moment) and, I feel sure, the Public Service generally, I expect Mr. Hudson to retract forthwith his allegations that departmental officers have falsified time records.

The Hon. S. C. BEVAN: Will the Minister request the Auditor-General to investigate these matters that have been alleged against the department in respect of time records and time sheets?

The Hon. C. M. HILL: I am quite prepared to do that. However, as I have said, I want further information from the honourable member and all the details of the claims he makes, because without that information such an investigation could not get very far.

SOAPS

The Hon. V. G. SPRINGETT: I seek leave to make a short statement prior to asking a question of the Minister of Health.

Leave granted.

The Hon. V. G. SPRINGETT: Publicity has been given lately to the existence on the market of at least one brand of soap which is responsible for increased sensitivity to the effects of sun on the skin of the persons using it. Can the Minister of Health say whether these soaps are on sale in South Australia and whether the Public Health Department is taking any steps to warn the public of the risks associated with their use?

The Hon. R. C. DeGARIS: As far as I know, these soaps are on sale in South Australia. I understand that the substance under suspicion is biothionol, which apparently causes skin complaints. This drug is at present under review by the Commonwealth Drug Evaluation Committee, and it will be considered by the National Health and Medical Research Council, a representative on which is one of the chief inspectors of the South Australian Public Health Department. That committee met last week to consider this matter, and I hope that full information on this investigation will be available shortly. If the allegation that this drug causes skin sensitivity is correct, then the necessary action to protect the public against its use can be speedily taken.

MAIN ROAD No. 410

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

Leave granted.

The Hon. M. B. DAWKINS: My question relates to the intersection of Main Road No. 410 (which proceeds from Bolivar to Angle Vale and then indirectly to Gawler) with the main road from Salisbury to Waterloo Corner. Following a series of accidents, this intersection was closed off and made a "T" junction. This action was taken during the term of office of the Hon. Mr. Bevan as Minister and the intersection was to be redesigned. Considerable time has elapsed and as far as I know, little progress has been made. The Salisbury council suggested that a roundabout would be the solution, and various suggestions have been made to the department. Will the Minister of Roads and Transport ascertain how this matter is proceeding and endeavour to expedite it?

The Hon. C. M. HILL: I recall that this intersection was altered during the term of office of the previous Minister after a series of serious accidents, in which there were some fatalities. I thought, because of the fatalities that were so often occurring there, that it was the only action that could have been taken. I recall, too, that officers of the Salisbury council mentioned to me earlier this year during an inspection of the Salisbury municipality that at some stage they would like to put forward some ideas on how what is now a junction could be improved so that it could be made safer, while allowing a more effective traffic flow to be achieved. In view of the attitude of these officers and as the honourable member has now raised the matter, I will have it taken up to see what is the present plan concerning this junction.

RADIO SERVICE

The Hon. R. A. GEDDES: I seek leave to make a short statement prior to asking a question of the Minister of Agriculture.

Leave granted.

The Hon. R. A. GEDDES: I understand that the Postmaster-General's Department is committed by international agreement to see that all high frequency radio services are converted to very high frequency radio by 1970. It is also the Postmaster-General's Department's policy that all Emergency Fire Fighting Services radios be converted to V.H.F. I have also been advised that this conversion may cost the E.F.S. as much as $400,000. Can the Minister tell us what the policy will be in assisting the E.F.S. and other organizations to purchase equipment for converting to this type of radio communication by 1970?

The Hon. C. R. STORY: I have been into this matter at some length and will bring down a complete report for the honourable member.

MONEY-LENDERS

The Hon. F. J. POTTER: Has the Chief Secretary a reply to a question I asked last week about the Money-lenders Act?

The Hon. R. C. DeGARIS: The matter raised has been examined by officers of the Treasury, who have reported to the Treasurer and to the Attorney-General, who administers the Act. As a result, a draft Bill designed to deal with the matter and with certain other contemplated variations in the provisions of the Act is now almost ready for approval by Cabinet. It is expected that the proposals may be before Parliament shortly, though it is not certain that the introduction of this Bill will be possible before Christmas.

VASCULAR DISEASES

The Hon. V. G. SPRINGETT: I seek leave to make a short statement before asking a question of the Minister of Health.

Leave granted.

The Hon. V. G. SPRINGETT: For some time now there have appeared in the lay press of this country (and in other parts of the world, I understand, and particularly in Germany) details of treatments available for protracted problematical and resistant medical conditions. One such group covers certain vascular diseases, of differing types, which are responsible for a number of fatalities and persons becoming invalid. In view of the high incidence of this group of people and of these conditions in the community, and naturally in view of the desire of the sufferers to seek relief, and cure if possible, can the Minister make a statement on any known therapeutic value of treatments given for hypertension and other vascular diseases which are available in Germany and which, apparently, are said not to be available in this country? Also, will he say whether any authenticated records are kept in the department of any beneficial value resulting from these treatments?

The Hon. R. C. DeGARIS: I could make a statement at this stage, because I know something of this matter, but I will get a full statement for the honourable member.

BURRA MINING

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

Leave granted.

The Hon. R. A. GEDDES: In the *Burra Record* of November 12 appeared a letter to the editor criticizing certain statements made by the member for Burra (Mr. E. C. Allen) when he opened the recent Burra show. The letter states:

Mr. Allen spoke of the results of drillings carried out during the past few years, both by the Mines Department and by Mines Exploration Limited. He also mentioned the possibility of a short-term reopening of the old Burra mine area. The facts as given by Mr. Allen are no doubt correct and the opinions expressed given in good faith. However, the danger in these facts and opinions lies not in what has been said but in that not nearly enough has been said. There are many unanswered questions in people's minds. Such statements, accepted without further information and consideration, can be misleading.

Could the Chief Secretary say, for the assistance of the person writing this letter, what is intended in regard to the reopening of the copper mines at Burra?

The Hon. R. C. DeGARIS: I have read the letter in the Burra newspaper referred to by the honourable member. The gentleman who wrote the letter asked a series of 10 or 12 questions, and at this stage it would be difficult to answer them all. As far as work being done in the Burra area at present is concerned, reserves of about 3,000,000 or 4,000,000 tons of copper ore, assaying at about 1.6 per cent of copper, have been proved. However, metallurgical problems associated with the separation of the ore body relate to the two open-cut mines in the Burra area. Due to that metallurgical problem, the department is not much further forward with the development of the mine referred to.

The area concerned does not in any way affect any other section of Burra; in other words, there will not be any cause to move any houses to enable the mine to begin, and the old chimney stack will not be affected, although some of the old buildings in the area of the old mine will have to be moved or demolished to allow this mine to begin operating. Not much more can be said except that this metallurgical problem exists, and it will have to be solved before the mine can be developed. I am certain that in the development of the mine all sensible action will be taken to preserve the historic relics associated with the mining enterprise that took place at Burra over 100 years ago.

BUSH FIRES

The Hon. H. K. KEMP: I ask leave to make a short statement before asking a question of the Minister of Agriculture.

Leave granted.

The Hon. H. K. KEMP: The serious fire on the West Coast raises a matter of urgency in that the greater part of our pastoral country, particularly the north-eastern section, is very vulnerable to fire. In view of this, will the Minister say whether it would be possible to provide strategically placed patrol road graders in this area, because effective work in combating a fire is generally carried out in the first few moments, or hours, of an outbreak? It is almost impossible in this kind of country to contain a fire once it gains control, but a patrol grader can be used more effectively than the bulldozers that were used in combating the West Coast fire.

The Hon. C. R. STORY: I thank the honourable member for his question. A fire has been burning on the West Coast in the last few days, and I am pleased to report that it appears to have been brought under control. The Hon. Mr. Hill investigated this matter at my request and arranged for departmental equipment to be used in the area. At least three vehicles capable of being used for making fire-breaks are available, and three police officers are in constant touch with the situation. The general question raised by the honourable member is related to collaboration with the Highways Department. Under a system that has worked for at least 10 to 12 years, Sir Thomas Playford assured the Emergency Fire Fighting Services organization in all parts of the country that everything would be done to help in checking fires wherever it could be done, and departments have co-operated wherever possible by making Government vehicles available.

I will certainly raise this matter with the Minister of Roads and Transport, to see whether the areas specifically referred to by the honourable member can be given this assistance. I point out that fire fighters on the West Coast have received the utmost co-operation from the Highways Department in fighting the fire there.

The Hon. H. K. KEMP: I hope I made it clear that I was not referring so much to using ordinary equipment already in the district as to providing special equipment that would be stationed there for that purpose. Those who have had experience in fighting bush fires know that the work must be done promptly and quickly. Moving heavy equipment rapidly for long distances is not practicable. Will the Minister of Agriculture comment further?

The Hon. C. R. STORY: This is really a matter for the Minister of Roads and Transport because the equipment is under his control, but we co-operate as much as possible. If we took this matter to ridiculous extremes we could have all the Highways Department's equipment tied up in various places, but we would not want to do that. I am sure my colleague will co-operate.

GREENHILL ROAD

The Hon. H. K. KEMP: Some time ago the Minister of Roads and Transport said that it was likely that work would start on a safety fence on Greenhill Road before the end of October. Has he any further information on when this work will start?

The Hon. C. M. HILL: Speaking from memory, I think the tender for the work was accepted by Cabinet eight days ago. This means that it would already have been processed by the department, and I would think that the work would commence soon.

STAMP DUTIES ACT AMENDMENT BILL (No. 2)

Read a third time and passed.

CATTLE COMPENSATION ACT AMENDMENT BILL

Read a third time and passed.

TEXTILE PRODUCTS DESCRIPTION ACT AMENDMENT BILL

Read a third time and passed.

AGED AND INFIRM PERSONS' PROPERTY ACT AMENDMENT BILL

Read a third time and passed.

OATHS ACT AMENDMENT BILL

Read a third time and passed.

BOILERS AND PRESSURE VESSELS BILL

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

The Hon. C. R. STORY (Minister of Agriculture): I move:

That this Bill be now read a second time.

There have been tremendous developments in the use of pressure vessels and in their methods of construction since 1935, when the Steam Boilers and Enginedrivers Act was passed. The Government therefore considered that it was most desirable that some important amendments should be made to that Act. The Steam Boilers and Enginedrivers Act applies only to vessels in which steam or air is generated or stored above atmospheric pressure. There are now many gases, liquefied gases and liquids that are stored at high pressures, and in the interests of safety it is necessary that the scope of the Act should be extended.

The Act, and also the Steam Boilers and Enginedrivers Act of 1911 which preceded it, provides that a person is not permitted to operate a steam boiler unless he has a certificate of competency from a board constituted under the Act, but there is no statutory requirement regarding qualifications for persons who actually manufacture these boilers. Representations have been made on several occasions by the Australian Welding Institute that only those welders who have reached a certain standard of proficiency should be permitted to work on the manufacture of pressure vessels. These representations had the support of the Metal Industries Association of South Australia. The Government considers that, with the present methods of construction and the materials used in boilers, provision should be made to require persons who weld boilers during their construction to be properly qualified.

It is also considered desirable that the present provisions requiring the design of any pressure vessel to be approved before construction commences should be amplified, and also there are many administrative amendments which need to be made to the present Act concerning the registration of pressure vessels. As the Steam Boilers and Enginedrivers Act has been amended only once since it was passed in 1935, the Government considered that it would be preferable to repeal that Act and replace it with a new Act with a more appropriate title in today's circumstances.

The Bill that has been drafted is for a Boilers and Pressure Vessels Act. As many gases and liquids are now stored at high pressures, the Bill requires the design of all boilers and pressure vessels, except those set out in the definitions of boiler and pressure vessel in clause 4, to be submitted to the Chief Inspector of Boilers for approval. Provision is made in the definition of pressure vessel for the Governor, by proclamation, to exempt a pressure vessel from the Act if there are grounds for the Act's not being applied to any particular class of pressure vessel. An example that has been suggested is that a gasholder, which would not normally be regarded as a pressure vessel, may be said to be within the definition. It is not intended to apply the Act to a gasholder of the traditional type and these can be excluded by proclamation, but gas for reticulation to consumers is now being stored under high pressure in parts of Australia and the design of these vessels should be subject to the Act.

Irrespective of the use to which any boiler or pressure vessel will be put, the Bill provides that they must be manufactured and constructed to a standard that the Chief Inspector is satisfied is equivalent to that required by the Boiler Code of the Standards Association of Australia, and any boiler or pressure vessel may be tested by an inspector during the course of, or at the completion of, construction.

The registration provisions of the Bill will apply only to boilers and pressure vessels to which the Minister, by a notice to be published

in the *Government Gazette,* applies those provisions, and regular inspections will be made of only these vessels. However, the Bill provides that an inspector will have the authority to make an inspection of any boiler or pressure vessel, as defined, and direct that repairs be carried out if it is, or would be likely to become, dangerous to life or property or is not in good repair.

The provisions for inspection of boilers and pressure vessels, and those relating to the granting by the Enginedrivers Board of a certificate of competency to enginedrivers and boiler attendants, are not in such detail as those in the present Act. It is more appropriate for many of the details to be prescribed by regulation. The Bill provides for inspectors to have the authority to require any owner of an unsafe boiler or pressure vessel not to operate it, or alternatively enables an inspector to ensure that such a boiler or pressure vessel is operated subject to such restrictions as he considers necessary to ensure its safe operation. There is a right of appeal to the Minister or a person appointed by the Minister against such actions of inspectors.

I now deal with the Bill in some detail. Clauses 1 to 3 are quite formal. Clause 4 inserts a number of definitions, which are self-explanatory. Clause 5 repeals the old Steam Boilers and Enginedrivers Act, 1935-1952. Clause 6 provides that the Crown shall be bound by the Act. Clause 7 exempts certain boilers and pressure vessels used in agriculture, horticulture, etc., from the provisions of the Act relating to registration and the need to have certificated operators.

Clause 8 gives further power to exempt, by proclamation, from all or portion of the Act, certain pressure vessels. Clauses 9 to 11 provide for the appointment of a Chief Inspector of Boilers and Inspectors of Boilers and continue in operation appointments made under the repealed Act. Clauses 12 to 15 reconstitute the Enginedrivers Board, which is the authority for issuing the various certificates of competency for operators of certain boilers and pressure vessels. Clauses 16 and 17 provide that the design and construction of boilers and pressure vessels shall be in accordance with approved standards and authorize the making of tests and examinations in the course of construction.

Clauses 18 to 23 set up the procedure for registering boilers and pressure vessels and continue in force registration of boilers in force under the repealed Act. Clause 24 vests powers of entry and inspection in inspectors under the Act. Clause 25 provides a penalty for persons who hinder, disturb or otherwise impede an inspector in the execution of his powers and functions under the Act. Clause 26 gives power to an inspector to inspect a boiler or pressure vessel. Clause 27 relates to the issue of certificates of inspection and in effect provides that the intervals between inspections of registered boilers or pressure vessels shall not exceed one year and two years respectively. Clauses 28 and 29 relate to the issue by an inspector of directions requiring boilers or pressure vessels to be kept in good repair.

Clause 30 relates to the suspension of certificates of inspection while certain repairs are being made to boilers or pressure vessels. Clause 31 prohibits the use of a registered boiler or pressure vessel in respect of which there is not a current certificate of inspection, but subclause (2) allows a period of grace of 28 days to enable the certificate of inspection to be renewed. Clause 32 makes provision for the inspection of documents held by the Secretary for Labour and Industry in relation to any boiler or pressure vessel. Clauses 33 to 38 relate to the granting by the board of certificates of competency of the classes set out in clause 35, and in clause 38 provision is made to continue in force such certificates as were held under the repealed Act.

Clauses 39 to 43 provide that after a day appointed under clause 40 (2) only holders of a welder's certificate or persons working under the supervision of the holder of a welding supervisor's certificate can carry out prescribed welding operations on a boiler or pressure vessel. These clauses also deal with matters incidental to the grant, etc., of such certificates. Clauses 44 to 50 provide for rights of appeal to the Minister or a person appointed by him, and deal with a number of miscellaneous matters. These clauses are self-explanatory. Clause 51 provides for the making of necessary regulations. I commend the Bill to honourable members.

The Hon. A. F. KNEEBONE secured the adjournment of the debate.

STAMP DUTIES ACT AMENDMENT BILL (No. 3)

Second reading.

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

That this Bill be now read a second time.

Stamp duty has been charged since 1959 on the net cash price payable under a hire-purchase

agreement and since 1964 on the principal amount of a loan lent by a money-lender under a contract in writing. The present rate of duty payable in each case is 1½ per cent. The duty in each case is payable on a document and in relation to a transaction of a specific nature as provided in the Act. There is a fairly wide range of comparable financing transactions that have been free of duty and, besides, it is not surprising that some financiers and financial institutions have sought and found ways and means of so arranging their affairs that duty would be avoided or reduced to a minimum. The purpose of this Bill is to bring as far as possible all comparable financing transactions within the field of dutiable transactions.

This Bill accordingly extends the duty charged on hire-purchase and money-lending contracts to other forms of instalment purchase agreement such as credit purchase and rental agreements. It also applies the same rate of duty on other forms of business transacted in the field of money-lending, the granting of credit, and the renting of goods irrespective of the existence of an instrument evidencing the transaction. The Bill follows in substance the comparable legislation in other Australian States.

The Bill is in two parts. The first part falls under the heading of "credit and rental business" and deals with credit and rental business generally. It applies to those persons who carry on the business of making loans, of entering into credit arrangements or discount transactions or of granting to any person the right to use goods on a rental basis. Duty will no longer be payable directly on a money-lender's contract, and this new part will apply to all dutiable credit and rental business that is not evidenced by an agreement upon which duty is payable under the provisions in the Bill falling under the heading of "instalment purchase agreements". These agreements are hire-purchase agreements, credit purchase agreements and rental agreements.

Under the new provisions, all personal loans made at a rate of interest exceeding 9 per cent per annum, including those that are evidenced by some form of documentation which for some reason has avoided the duty that would have been payable if a money-lender's contract had been issued, will be dutiable. For credit arrangements and loans, the duty will apply only to such arrangements as bear interest at a rate that exceeds 9 per cent per annum on the balances from time to time outstanding. The provisions of the Bill do not apply, therefore, to the ordinary commercial lending of banks but they apply to loans made by banks or their subsidiaries that carry an interest rate in excess of 9 per cent and to discounting of bills of exchange and promissory notes where the rate of discount exceeds 9 per cent per annum.

The duty will apply only to those persons who conduct credit and rental business, within the meaning of the Act, and, therefore, isolated lending by private individuals and internal lending by interrelated companies will not be dutiable unless, of course, the transactions are evidenced by a document that is itself dutiable under the provisions of the second part of this Bill or under the existing provisions of the Act. All persons who carry on credit or rental business as defined in the Bill will be required to register with the Commissioner of Stamps and, being so registered, will be required to submit a monthly return showing the extent of all dutiable credit and rental business conducted during the month. They will then be obliged to pay duty to the Commissioner on the basis of the business, subject to allowable deductions, as shown in the return.

The person making the return will not be required to include in the return loans made for housing purposes where, by declaration, the borrower has stated that the loan is required to assist in financing a house or flat that is intended for the borrower's own occupation and the loan is made on the security of a mortgage over the land on which the house or flat is built or is being built. It will not be necessary to include in a return amounts debited pursuant to a credit arrangement associated with the sale of goods unless: (*a*) a charge in excess of 9 per cent per annum on the amount outstanding is made; and (*b*) the amount of credit granted is in excess of $300. Thus, no duty will be payable in respect of normal monthly charge accounts; nor will what are known as "budget accounts" attract duty unless the amount of credit obtained exceeds $300.

In Victoria and Queensland, budget accounts with a credit limit of $200 are exempted from duty. In New South Wales, duty is payable only where individual items costing in excess of $200 are financed under a credit arrangement, and it has been announced that this limit will be raised to $400 in January next. This Bill adopts the Victorian and Queensland approach but fixes the exemption limit at $300. This will exempt most budget accounts operated by the average person. Budget accounts larger than $300, by whatever name they might

be described, will be dutiable if, as is usually the case, the rate of interest charged exceeds 9 per cent per annum on the balances outstanding.

The registered person will also be required to include in the return the amount expended on discount transactions, but this applies to the discounting of bills of exchange and promissory notes only if the rate of discount exceeds 9 per cent per annum on the amount expended in the purchase of the bills or notes. The term "discount transactions" includes the factoring of book debts, but does not include, for the purpose of inclusion in the return: (*a*) the purchase of book debts relating to export sales; or (*b*) the purchase of book debts by a related company purely for the purpose of operating a centralized credit accounting system. In connection with the second of these exclusions, I am informed that it is common practice for credit sales of subsidiary companies to be transferred to a central company which, in fact, buys the debts of the subsidiary at face value less a charge to cover accounting and administrative costs. The customer then receives his monthly statement from the central company and not from the related store at which he made his purchase. In this Bill, as long as the consideration is not less than 96 per cent of the face value of the book debts transferred, this sort of arrangement is not regarded as a "discount transaction" that has to be included in the return.

It has been noted that in some cases lending and factoring is essentially a short-term operation. Much factoring of book debts, for example, has an operation of 30 to 90 days. The essence of short-term lending and factoring is to achieve a frequent turnover of capital, with fine profit margins. Thus a given amount of capital engaged in short-term lending has to be lent, recovered, and re-lent several times a year to achieve an earning rate comparable with a loan made for a year's duration. However, if a loan is made for, say, one year, duty is payable at 1½ per cent on the amount of the loan only once during the period of the loan. If the same amount is lent, recovered and re-lent, say, 10 times during the year there would be payable as duty, in the absence of any special arrangements, 10 times the amount of duty. This could seriously inhibit such short-term lending, and the Bill therefore makes provision for a person to elect to have a loan or discount transaction treated as a short-term loan or a short-term discount transaction. In such case the person is required to pay duty at the rate of ⅛ per cent a month in a fashion that equates the duty to be paid to the rate of 1½ per cent per annum on the amount financed. By definition, a loan on current account is considered to be a "short-term" loan, and in such case duty is payable on the maximum amount of principal outstanding during the month.

Since many loans described as "personal loans" are made on the security of a bill of sale, it is apparent that duty would, in the absence of other arrangements, be payable in these cases at 1½ per cent in respect of the loan and at ¼ per cent in respect of the bill of sale. If a hire-purchase agreement is executed, the total duty for the same loan is 1½ per cent. The Bill allows a deduction to be made in the return of duty payable in respect of loans made to the extent of duty already paid in respect of a mortgage or bill of sale document that secures the repayment of a loan included in the return. This means that, effectively, duty is paid at 1½ per cent on the loan as included in the return and the documentary duty combined.

Leasing of all forms of goods will be dutiable. Of recent years the practice has become common for goods such as television sets, motor vehicles, office machines, heavy equipment, etc., to be leased rather than purchased with finance made available under a hire-purchase agreement or by personal loan. Where the hirer is engaged in business, there are some taxation advantages under certain circumstances for such equipment or goods to be leased rather than owned. The Bill requires a person who carries on a rental business to include in his return the amounts received in respect of rental business for the month in question and to pay duty at the rate of 1½ per cent on such amounts. "Rental business" for the purpose of liability for duty excludes the business of granting to any person the right to use goods in conjunction with a lease to occupy or use land. Thus no duty is payable in respect of, for example, the farming plant included with the lease of a farm or in respect of the household effects included in the lease of a furnished house.

Provision is included in the Bill to deal with those cases where a person engaged in rental business engages also to provide service in respect of the goods rented. In Victoria and New South Wales, a person engaged in this type of business is permitted to exclude from his return such proportion of the amount of

rental received as in the opinion of the Commissioner is properly attributable to the servicing of the goods. Information available suggests that the fixing of these proportions to be excluded in respect of the numerous and growing categories of goods being leased is creating a task of administration in the other States that is out of proportion to the revenue being received. Inquiries have been made into the experience in the other States and, on the basis of their experience, this Bill has been drafted to permit persons carrying on rental business to exclude from their return up to 40 per cent of the rental received as being a proportion required to cover servicing costs. It is considered that this percentage will cover the majority of cases. Provision is included in the Bill to permit persons to make application to the Commissioner to fix a higher percentage if they can show that the 40 per cent allowed by this Bill is inadequate to meet the servicing costs in their particular rental business. Where a person carries on rental business only and the extent of his rental business in the preceding year was not in excess of $2,000, the registered person may elect to lodge an annual return instead of a monthly statement. If the amount of such rental does not exceed $2,000 in any one year, such a registered person is not obliged to pay any duty. If the volume of business rises above $3,000, the registered person is obliged to resume submitting monthly returns.

I should like at this stage to draw the attention of honourable members to the fact that, by definition, the business of lending books by a library is excluded from rental business on which duty is payable. The policy adopted in this State in relation to duty on hire-purchase agreements and money-lenders' contracts has been to place the onus of payment on the lender or the vendor and to prohibit recovery of the duty from the borrower or purchaser except where the agreements are terminated before the due date. This same policy has been continued in this Bill in relation to duty paid in connection with credit and rental business and to the several dutiable documents of agreement.

The second part of the Bill relates to instalment purchase agreements. At present, duty at the rate of 1½ per cent is payable only on hire-purchase agreements that in essence are agreements under which the ownership of the goods concerned does not immediately pass from the vendor to the prospective buyer. Duty at the same rate will now be payable, in addition, on credit purchase agreements where purchases of goods are made by at least six instalments over at least six months, and on rental agreements. Duty will not be payable, however, where in terms of a rental agreement goods are merely ancillary to the leasing of properties and business. As far as rental agreements are concerned, duty will be payable at 1½ per cent on the price at which the goods being rented could have been purchased at the time of entering into the rental agreement. The duty in these instances may be paid, as is the case with hire-purchase agreements at present, by either impressed or adhesive stamps. Persons who sell or rent goods under agreement may, however, be declared by the Commissioner to be approved vendors, in which case they are relieved of the responsibility of affixing adhesive stamps or having impressed stamps affixed to the document, but they must pay duty on the basis of a monthly statement of amounts financed by dutiable agreements.

The Bill requires the vendor under an instalment purchase agreement to prepare an instrument containing information relating to the loan similar to that required under the Hire-Purchase Agreements Act or the Money-lenders Act. The only exemptions provided in the Bill are:

(1) instalment purchase agreements involving a purchase price that does not exceed $20;

(2) any instalment purchase agreement where the parties are in the nature of wholesaler and retailer in the sale of goods of the same kind—for example, motor vehicle "floor plan" financing; and

(3) any rental agreement for the renting of goods together with real property or any business.

The purpose of this last exemption is to exempt from duty agreements covering goods included in the leasing of farms, shops, milk rounds, etc.

I refer now to the Bill and its specific clauses. 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 repeals the provisions of the existing Act relating to hire-purchase agreements and enacts new sections 31b to 31t relating to credit and rental business and to instalment purchase agreements.

New section 31b defines certain terms that are essential in the interpretation and implementation of the Bill. I have already discussed

the important features of these. In the definition of "credit business", the exclusion in paragraph (*b*) of any business evidenced by an instrument under the heading of "Instalment Purchase Agreement" is not to exempt the business but to avoid such business being dutiable under both of the two separate parts of the Act. Subsections (2), (3), (4), (5), (6), (7) and (8) of new section 31b define the term "interest at an annual rate per centum" found in the definitions of "loan" and "credit arrangement" and explain how the annual rate of interest is to be determined in cases where no such rate payable on the balances outstanding from time to time has been agreed between the two parties involved. This procedure is necessary, particularly with personal loans wherein a so-called "flat" interest rate is applied. The formula is the one most commonly used for these purposes and, though not completely accurate from an actuarial viewpoint, it is sufficiently accurate to determine whether a rate of more than 9 per cent per annum on decreasing balances is imposed. It is essential to have a fairly simple formula capable of being calculated by persons without actuarial training. It gives a slight exaggeration of the interest rate as applied to decreasing balances but, if a lender may feel aggrieved by the operation of such a formula, he has available the very simple alternative of agreeing to an interest rate applied to oustanding balances instead of imposing a "flat" rate.

New section 31d imposes heavy penalties for persons who carry on any credit or rental business without being registered. The provisions of this section are wide enough to extend to persons who without an established place of business in South Australia undertake negotiations for any credit or rental business in South Australia, or enter into discount transactions relating to book debts and other negotiable instruments situated or enforceable in South Australia.

New section 31e requires the Commissioner to register a person who applies for registration and allows such a person to cancel his registration if he ceases to carry on a credit or rental business in South Australia. New section 31f requires registered persons to lodge with the Commissioner a monthly statement setting out details of their transactions and to pay the duty calculated on that statement.

I have already referred to the special rate of duty applicable to short-term loans and short-term discounting transactions. The registered person is required to set out amounts of short-term loans and short-term discounting transactions separately from the amounts of other loans and other discounting transactions. As I explained earlier, were it not for these provisions the aggregation of short-term and long-term transactions would result in money with a high rate of turnover being subject to the duty of 1½ per cent every time it was used to make a loan or a discount transaction. The rate of duty proposed by this Bill in such cases is one-twelfth of 1½ per cent or ⅛ per cent. Thus the duty, for example, on an amount loaned for a period of one month at a time would be equal to 1½ per cent of that amount at the end of 12 such transactions.

The registered person is also required to set out the amounts debited for the sale of goods or the provision of services pursuant to every credit arrangement under which credit in excess of $300 has been provided. In addition, the statement must show amounts which in the past have been debited for the sale of goods or the provision of services under an arrangement that is interest-free (such as a monthly account) but which subsequently have become part of such a credit arrangement. This could happen where an interest charge in excess of 9 per cent per annum on the balance of credit outstanding is made in respect of a monthly account that is not settled by the due date. It is quite usual for retailing firms to provide credit to their customers for the purchase of goods under arrangements bearing a variety of names, such as budget accounts, No. 2 accounts, household accounts, optional charge accounts, etc., where a charge is made which, when converted to an annual rate of interest in accordance with new section 31b, is in excess of 9 per cent per annum. It should be noted that the dutiable amounts relating to credit arrangements will not include the value of goods returned or services not provided.

Subsections (2), (3) and (4) of new section 31f have the effect of exempting from duty a person who is carrying on rental business but no credit business if the amount of rental received by him during the prescribed 12-month period did not exceed $2,000. Such a person is allowed to lodge with the Commissioner annual statements instead of monthly statements. The subsections go on to provide that, if the amount received by him thereafter during any period of 12 months exceeds $3,000, the arrangement may be cancelled and he would then have to revert to lodging monthly statements with the Commissioner. New section 31g sets out various conditions

under which amounts relating to loans, discount transactions, credit arrangements and rental business should be included in the statement referred to in new section 31f. New section 31h provides for the duty to be denoted by cash register imprint on the statement or in another manner that may be found to be more efficient.

New section 31i sets out the amounts that should not be included in the statement referred to in new section 31f. The effect of subsection (1) (*d*) is to eliminate the further duty under these sections which otherwise would become payable in cases where book debts, loans, instalment purchase agreements or leased goods, upon which duty has already been paid, become the security for a further loan. Subsection (1) (*e*) eliminates the further duty under these sections which otherwise would be payable in cases of rediscounting book debts and other things in action, or in cases of discounting instalments purchase agreements which have been subjected to duty under these sections as credit or rental business or where duty has been paid on the instrument. Subsection (1) (*f*) exempts from duty an amount relating to the cost of servicing leased goods that may be as high as 40 per cent of the rental collected. As I have pointed out, experience in other States has shown that in the majority of cases the servicing cost does not exceed 40 per cent of the rental. For isolated cases, however, where such cost is shown to exceed this limit the Commissioner is given power to fix a higher percentage. Subsection (1) (*g*) exempts from duty any amount relating to the leasing of goods owned by one company to another related company. The purpose of subsection (1) (*h*) is to exempt from duty any business which is transacted outside South Australia and which is not connected with the South Australian operations of a person registered in South Australia. Therefore, a firm with branches in South Australia and Victoria will not pay duty in South Australia for any business conducted between the Victorian branch and a Victorian person.

New section 31j provides for books and working papers to be kept by a registered person for a period of three years, or any other lesser period as the Commissioner allows. New section 31k allows the Commissioner to determine the basis upon which calculation of the amounts required to be shown on the statement are to be made if it is impracticable to calculate them precisely, and it also allows him in special cases to accept statements relating to a period other than a month. Such arrangements, however, may be cancelled by the Commissioner by giving notice in writing to the registered person. New section 31l provides that the duty payable on any credit or rental business cannot be passed on to the person who receives the loan, credit, proceeds of a discount transaction or to the person who is going to use the leased goods except in the case of early termination of a loan, in which case, where no agreement covers the situation, a formula is set down for apportioning this duty paid between the lender and the borrower. This formula has similar effect to that presently provided in the Money-lenders Act.

New section 31m defines the three types of agreement that fall under the heading of "instalment purchase agreements" and other related terms. Credit purchase agreements are agreements under which goods are purchased where, irrespective of the time the property in the goods passes, the purchase price is payable by six or more instalments over six or more months with at least one instalment being payable after delivery of the goods. Agreements relating to lay-by transactions therefore will not be dutiable. The new definition of hire-purchase agreements enlarges the area covered by the existing definition as it extends to agreements under which provision for credit is to be made in the event of a subsequent purchase of goods and as it does not exclude agreements under which the property in the goods passes at the time of the agreement or upon or at any time before delivery of the goods. Rental agreements cover agreements which in the last few years have taken the place of hire-purchase or other credit agreements. For the purposes of such agreements, duty is payable not on rental received as in the case of "rental business" but on the price at which the goods rented would have been purchased for cash at the time of entering into the rental agreement.

New section 31n imposes duty on all instalment purchase agreements and provides that the duty denoted by impressed or adhesive stamps shall be paid by the vendor unless the vendor is not bound to comply with the section. In cases where the vendor is not bound to comply with the section, the purchaser is required to pay the duty within 15 days after the making of the agreement. This latter provision follows a comparable one in the Victorian Act and is designed to deal particularly with the case of the Commonwealth Banking Corporation, which does substantial business

in hire-purchase and comparable lending. The Commonwealth Statute exempts the corporation from State stamp duties. As a consequence of the Victorian provision placing the responsibility of paying the duty in this instance on the purchaser, the corporation has in that State arranged to ensure the impressing or affixing of the appropriate duty stamps, and it is expected that it will act similarly in this State when such a provision is enacted. New section 31o allows the Commissioner to declare a vendor to be an "approved vendor". Such a vendor is then relieved of the responsibility of paying the duty by impressed or adhesive stamps but is liable to pay the duty on a statement lodged with the Commissioner monthly. The duty payable is calculated at 1½ per cent of the sum of the "purchase prices" of all dutiable instalment purchase agreements entered into during the previous month. The Commissioner, however, may revoke such a declaration. The approved vendor must keep books and working papers for a period of at least three years, or any other lesser period as the Commissioner allows.

New section 31p prohibits the passing on of the duty from the vendor to the purchaser except in the case of early termination of agreements where, in the absence of agreement, a formula for apportioning duty between vendor and purchaser is provided which has similar effect to that provided in the Hire-Purchase Agreements Act. Under new section 31q a vendor, whether he is an approved vendor or not, must prepare an original instrument where the purchase price of the goods obtained under an instalment purchase agreement exceeds $20. Such instrument containing the information set out in subsection (3) of the section must be stamped within seven days after the agreement is entered into or, in cases where the vendor is an approved vendor, it must be suitably endorsed with "approved vendor: duty payable on monthly return". The original instrument so prepared must be kept and be made available for inspection during the period the goods are bailed or while any rent or instalments are payable under the agreement.

New section 31r re-enacts existing section 31d, which together with the other sections relating to hire-purchase agreements is repealed by clause 3. This provides for a duty of 10c for each $100 on assignment of a hire-purchase agreement. New section 31s provides that duplicates or counterparts of an original agreement, which is chargeable with duty, shall not be chargeable with duty. New section 31t contains necessary transitional provisions relating to hire-purchase agreements entered into before the commencement of this Act. For such agreements the existing provisions relating to stamp duty shall continue to apply after the commencement of this Act as if they are still in force and have not been repealed.

Clause 4 repeals the provisions of the existing Act relating to stamp duty on money-lender's contracts, which it is proposed will in the future be covered by provisions of this Bill. Clause 5 enacts transitional provisions relating to money-lenders' contracts entered into before the commencement of this Act. For such contracts, the existing provisions relating to stamp duty shall continue to apply after the commencement of this Act as if they are still in force and have not been repealed.

Clause 6 inserts in the principal Act the usual provision for the prosecution of a person who has committed an offence. Clause 7 allows regulations made under the provisions of the principal Act to prescribe matters necessary to be prescribed for the purposes of that Act.

Clause 8 amends the Second Schedule of the principal Act by striking out the items under the headings "Contract or Note or Memorandum of a Contract" and "Hire-Purchase Agreements" and by inserting the item entitled "Instalment Purchase Agreement", together with exemptions. The new provisions require the payment of duty equal to 1½ per cent of the purchase price as set out in the original instrument constituting or evidencing an instalment purchase agreement. These provisions, however, are subject to the exemptions to which I have earlier referred. I commend the Bill to honourable members.

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

STAMP DUTIES ACT AMENDMENT BILL (No. 1)

Adjourned debate on second reading.

(Continued from November 20. Page 2610.)

The Hon. S. C. BEVAN (Central No. 1): Like other Opposition members, I oppose this Bill because it is another instance of the present Government's following taxation measures of another State. I have previously criticized the Government for adopting this practice. We have just heard the second reading explanation of another Bill that follows a measure adopted in another State.

The Hon. M. B. Dawkins: You used to do this often when you were in Government.

The Hon. D. H. L. Banfield: You used to oppose it, too.

The Hon. M. B. Dawkins: When things are different they are not the same.

The Hon. S. C. BEVAN: This legislation will have a tremendous impact on the whole community. The duty will be payable at the rate of 1c for every $10 or part thereof, so a 1c tax will be imposed on every small transaction, irrespective of the amount of the purchase. What an impact this legislation will have on the small business man! How will he cope with the extra cost involved? Not only the small businesses but also the larger emporiums will be put to additional cost, and extra labour will have to be employed to cope with the additional work involved. Already these businesses have informed their customers that, because of rising costs, they will discontinue granting a 2½ per cent settlement discount from February 1 next. When this point was referred to in another place, it was disputed. However, I have had an account at a city departmental store for many years and I recently received the following circular:

Dear Customer,

In recent years all members of the Retail Traders' Association, of which this store is a member, have found that costs have risen steeply. This applies particularly to the increasing cost of work involved in recording credit sales and the higher cost of providing finance. Members of the Retail Traders' Association, which includes shops and stores in metropolitan and country areas, have agreed to discontinue the granting of 2½ per cent settlement discounts on all accounts and cash purchases.

South Australia has been the only State which has provided this concession since it was discontinued in Queensland almost 30 years ago. This alteration will have the effect of treating all customers in a similar way. Although the announcement of the change is being made now, it will not take effect until next year. Settlement discounts will not apply to purchases made on and after February 1, 1969.

Prepared by the Retail Traders' Association of South Australia for distribution by members, including Cox-Foys Limited, G. J. Coles & Co. Ltd., J. Craven & Co. Pty. Ltd., The Demasius Store Pty. Ltd., Harris, Scarfe Ltd., David Jones (Adelaide) Ltd., John Martin & Co. Ltd., Miller Anderson Ltd., Charles Moore & Co. (S.A.) Pty. Ltd., Myer Emporium (S.A.) Ltd., Peoplestores Pty. Ltd., and Woolworths (S.A.) Limited.

This has been brought about by the increased costs incurred over the last few years by these stores. As a result of their action, they will lose many customers because people will no longer have an inducement to operate monthly accounts with them. I am sure the stores must have been influenced by the imposition of this stamp duty. Notwithstanding their action, their costs must rise steeply and extra staff will have to be employed to keep the records and prepare the returns. Today, many people shop at supermarkets like those operated by Woolworths (S.A.) Limited and Coles Food Markets Pty. Limited. An enormous number of individual purchases at such stores will not be of $10 but the customers will still have to pay the duty of 1c. Therefore, the smallest transaction will attract a duty at a rate of more than 1c in $10.

The Hon. R. C. DeGaris: Are you sure about this?

The Hon. S. C. BEVAN: I am dead sure about it and, if the Chief Secretary reads the Bill, he will see that the stipulation is for 1c on each $10 or part thereof. If a $2 purchase is made, the customer will pay 1c on it. How will the girls at the cash registers cope with this? Will they have to write out a receipt for each customer passing through the checkout point? If so, one can imagine the congestion that will occur, the time that will be wasted and the cost that will be involved. I realize that this Bill provides for the payment of duty by businesses in one payment, say, annually. Under this arrangement the imprint of the cash register will be sufficient receipt. This means that cash registers will have to be converted if businesses nominate to operate under this provision. Who will pay the cost of conversion? It will be paid either by the stores, or by the customers through increased prices. It certainly will not be paid by the Government.

Records of individual sales will have to be kept, and this will result in added costs. Recently we dealt with the imposition of stamp duty on certificates of compulsory third party motor car insurance. Now, we have a further impost on the motorist, and no-one can guess what it will amount to. Already it is rumoured that the private motorist will take on walking, and that he will carry on his back a sandwich board that will read "Sock it to me". The consumer will pay for the added costs that business houses incur. I recall the comments of Liberal members in 1965, when the then Labor Government introduced legislation increasing the stamp duty on amounts of $10 and more. This was done on a progressive basis. However, Liberal members' attitudes to this Bill are a complete somersault, compared with what they were in 1965. A couple of things that were said at that time

bear out what I have maintained from time to time regarding the passing on to the consumer of the added taxation and the following of other States in passing taxation measures. One such comment was made by the Hon. Mr. Potter who, incidentally, put the blame where it rightly belongs, namely, on the Commonwealth Government. I think the honourable member's remarks are worth repeating, remembering, of course, that at that time he was a member of the Opposition. Dealing with the effect on business houses of the Stamp Duties Act Amendment Bill introduced by the Labor Government, the honourable member (page 3237 of 1965 *Hansard*) said:

Do not imagine for a moment that they—

he was referring to the business houses—

will absorb that extra cost! The truth is, like everything else, they will pass on that cost to the consumer and, therefore, it is the consumer who will pay.

How true that was. This bears out something that my colleagues and I have said on numerous occasions over the years on the floor of this Council. I now wish to refer to the comments that you, Mr. President, made in 1965 when you were the Leader of the Opposition in this Council. Your comments at that time related to this Government's following the legislation of other States. On November 25, 1965, page 2954 of *Hansard*, you said:

The Government has built things up to the stage where everything we do now is based on the fact that "some other State has this" . . . When we get our costs up to the equivalent of those in other States and are taxed equally with them, then I am afraid it will be a poor look-out for South Australia. We did not build up our economy and prosperity on the basis of trying to chase the costs of other States. Rather have we built up our economy by deliberately trying to keep our costs below those of other States. It is upon that basis that all our prosperity depends . . . It is a complete breach of faith on the part of the Government with the electors of South Australia.

Mr. President, I could not agree more with those comments, for on that occasion you repeated my beliefs. In fact, I have mentioned this matter repeatedly. But what have we today? Since this Government has been in office, every time a taxation measure has come here from the other place we have been told by the responsible Minister that this has been done or that has been done in some other State and therefore it should apply here. That has been told to us again today. We have been told that because Victoria was doing a certain thing, we should catch up with the people who were supposedly evading tax.

The Hon. R. C. DeGaris: Do you agree with me that it is an avoidance of tax, not an evasion?

The Hon. S. C. BEVAN: The Hon. Mr. Banfield referred to a circular sent out by the executive of the Local Government Association. Accompanying this circular was a copy of a letter proposed to be sent to ratepayers in every municipality and district council. To say the least of it, the contents of that letter are highly misleading. Addressed to "Dear Ratepayers", it states:

You are no doubt aware that Parliament has recently amended the Stamp Duties Act to impose a receipts tax which is now payable by your council.

I assume that this letter is to be sent out if and when this legislation is passed by this Council and any amendments that might have been made are agreed to by the other House. Therefore, it is wrong to say, "You are no doubt aware that Parliament has recently amended this legislation." This legislation was opposed by every Labor member in the other House; they voted against both the second reading and the third reading, and divided the House on both occasions. I foreshadow that the same thing will apply in this Council. It is definitely misleading in this instance to say, "Parliament has passed this legislation." The Government, yes, but I will not accept "Parliament".

The Hon. Sir Arthur Rymill: The Government does not pass legislation.

The Hon. S. C. BEVAN: In this case, Parliament has not passed it.

The Hon. Sir Arthur Rymill: You said, "The Government, yes."

The Hon. S. C. BEVAN: The Government will pass it, but it is opposed by the Labor Opposition in both Houses. This circular does not tell the ratepayers that, and to me it borders on blackmail of every member of Parliament when it goes on to say that the association "wrote to every member of the Parliament and objected to the imposition of the tax on local government, again without success". The circular was sent to every member in another place after this Bill had been debated and carried by that House. How can the association claim that the circular was "sent to every member, without success"? How could it expect any member in another place to do anything about it? It pointed out that it had waited upon the Minister for an

amendment, but without success. It then goes on to say that it "wrote to every member, again without success". It makes that observation, which I think is definitely wrong.

It finishes (and this is the sting in the tail) by saying that no-one in another place had any opportunity to have a look at the association's representations. As I said, this was sent to members of the other place after the Bill had passed through that place. The circular states:

> Your council recognizes that you as ratepayers have a democratic right to exercise your votes in local government to ensure that your affairs are properly conducted. You have the same rights as regards your members of Parliament.

In other words, it says that they have the right at the next election, because of the attitude of their local member of Parliament, to vote against him. If that is not unfair, I have yet to learn what is.

The Hon. C. M. Hill: Did that go to the ratepayers?

The Hon. S. C. BEVAN: No. This is the letter that is to go out after this legislation is passed.

The Hon. C. M. Hill: I think they have had second thoughts about sending it out to ratepayers.

The Hon. A. J. Shard: Then they have not told us about it.

The Hon. S. C. BEVAN: If this is not an attempt by pressure tactics to try to stand up members of Parliament, I have yet to learn what is.

The Hon. C. R. Story: Their rights would be protected by this Government.

The Hon. A. J. Shard: We would take as much action to protect them as you would.

The Hon. S. C. BEVAN: The Minister can be sarcastic. He is a smooth potato when it suits him.

The PRESIDENT: Order!

The Hon. S. C. BEVAN: Despite what I say regarding the contents of the proposed letter to ratepayers, I consider that local government has a just case in relation to the matter to which it is drawing attention: that local government should be exempted from this tax. It is justified in requesting that. The name itself denotes what it means and what it stands for: local government. Whence does local government get its finance? Primarily, it gets it from its ratepayers. If this Bill is passed in its present form, it will mean that ratepayers will pay the stamp duty twice.

The Hon. C. M. Hill: No. This tax is not payable on rates collected.

The Hon. S. C. BEVAN: I agree that rates are exempt, as are moneys granted to local government by the Government. However, all the rest of its income is subject to tax, and whence does it obtain finance? Is the Minister saying that, if this legislation passes, councils will not be forced to pass this cost on to their ratepayers? They will not be able to afford it themselves so it will be passed on, and the ratepayer will pay twice. He will pay for his purchase in the store, which I have already dealt with this afternoon, and he will also have to contribute to the council to enable it to pay the Government.

Local government is another form of Government. All Government departments are exempt from this tax, so I see no reason why local government should not be exempted. For that reason I intend, in Committee, to move an amendment to exemption No. 2 in clause 6 to exempt local government. This will meet the desires expressed by the councils, and I think that such an amendment is justified. I make no apologies for saying that I intend to vote against the second reading of the Bill.

The Hon. R. C. DeGARIS (Chief Secretary): In opening his remarks, the Leader of the Opposition said he opposed the Bill for many reasons. One of the main reasons he gave was that the Government had no mandate to introduce a Bill of this type. His attitude is not a legitimate reason for opposing the Bill. He went on to say that, during the election campaign, no indications were given that the Government would introduce a Bill of this nature. However, many of us in this Chamber were involved in the last election campaign, and everyone in this Chamber can say that the Liberal and Country League pointed out clearly on every possible occasion that the next Government, whatever its political complexion, would find increased taxation measures inevitable.

The Hon. S. C. Bevan: You didn't come out and say it.

The Hon. M. B. Dawkins: We did.

The Hon. R. C. DeGARIS: I did not speak on any occasion during the election campaign without using those words.

The Hon. D. H. L. Banfield: There was nothing in the policy speech about it.

The Hon. R. C. DeGARIS: Although no specific indication was given, is was clearly

indicated by every member with whom I was on the platform during the election campaign that increased taxation was inevitable.

The Hon. S. C. Bevan: You finished up by saying that, if the Labor Government were returned, increased taxation was inevitable.

The Hon. R. C. DeGARIS: I do not think any member said that in my presence. During the three years of the previous Government we constantly reminded it in this Council of matters not included in its policy speech. If one went back through the last three years one would find that constantly we reminded the Government that taxation measures it was introducing were not mentioned in its policy speech. Nevertheless, on no occasion was a Bill to raise further revenue defeated in this Chamber on the ground that it was a revenue-producing Bill.

The Hon. S. C. Bevan: No. It was annihilated.

The Hon. R. C. DeGARIS: During the previous three years there was what one might call an astronomical increase in charges. Increased taxation measures went through and, from my recollection, only one of those Bills (the Succession Duties Act Amendment Bill) was defeated. Several honourable members indicated that they would not object to an increase in succession duties provided there was an over-the-board increase in succession duties and that the fundamental philosophy of succession duties in this State was not tampered with.

The Hon. Sir Arthur Rymill: That is correct. The transport legislation is, I think, the only other Bill, and the Government went back on it.

The Hon. D. H. L. Banfield: What did you do with the Stamp Duties Act?

The Hon. R. C. DeGARIS: I will come to that in a moment, if the honourable member will be patient. I have two volumes alongside me from which I can quote for the honourable member's benefit examples of increases in taxation implemented by the previous Government. Only on occasions when the fundamental principles of existing legislation were seriously undermined did this Council take action during the term of the previous Government. I refer to the stamp duties legislation introduced by the previous Government. As honourable members will remember, certain objections were taken to some matters in that Bill during its passage through this Council. We had a disagreement with another place about certain aspects of it, and a conference was held with another place in which a compromise was reached. Our objection to the legislation was based not on any increase in stamp duty but on the burden it would place on the commercial and industrial world in collecting those duties. The Hon. Mr. Shard quoted me at length on this matter; perhaps I can now quote him.

The Hon. A. J. Shard: You were not misquoted.

The Hon. R. C. DeGARIS: I was not misquoted but I was taken out of context. In the debate on that Bill in 1965, I said:

The Minister of Local Government said that the members in this Chamber representing business houses were making a noise about all this. I do not represent any business house but am concerned about this legislation, because it does not achieve anything.

The Hon. Mr. Bevan then interjected:

It does as far as we are concerned.

I continued:

I am wondering what it achieves from the Government's point of view. The Chief Secretary in his second reading explanation said: "It is expected that the extended list of receipts exempt from duty will almost cancel out the increase in duty, leaving possibly a small net increase overall."

From the Government's point of view, anyway, it was hardly a taxation measure: it was not going to get any financial benefit from it, except a small overall increase. I continued:

If the extra cost of this to one business in this State will be £1,000 a month, what will the cost be to commerce as a whole in South Australia?

I had that from a big business organization in South Australia.

The Hon. S. C. Bevan: Can you tell us how much this will cost?

The Hon. R. C. DeGARIS: Let us leave that for the moment. We had an argument at that time, and I have been quoted in this debate. At the conference the point was raised that, while the Stamp Duties Act Amendment Bill introduced by the previous Government would achieve only a very small increase in revenue for the State, it would place a tremendous burden on the commercial world in collecting that very small increase in revenue. I read from page 3416 of *Hansard* as follows:

Suggested amendment No. 2—That the Legislative Council do not further insist on its suggested amendment and that the House of Assembly make the following amendment to clause 13: . . . (2) the following sections are inserted in the principal Act after section 84 thereof:

84a (1) Any person carrying on any trade, business or profession may give notice in writing in the prescribed form to the Commissioner that he elects to pay duty under this section in lieu of being obliged to comply with the requirements of this Act with respect to the payment of duty on receipts pursuant to section 84 hereof, and any person who has given such a notice may revoke the notice by giving a notice of revocation in the prescribed form to the Commissioner.

The amendment continues at some length. So, what concerned us was the load being placed on the business and commercial world of affixing stamps to all receipts of $2 or over.

The Hon. S. C. Bevan: Over $10.

The Hon. R. C. DeGARIS: I cannot recall that at the moment. This was written into the legislation by agreement at the conference. So the fact that this would impose a tremendous burden on the business world to undertake that was agreed at the conference, and the Bill passed. If the Leader wishes me to refer to the policy speeches of both Parties, I mention that the only increased taxation promised in the policy speech of the Labor Party at the last election was a slight increase in land tax for the metropolitan area, to be earmarked for a certain purpose. In that speech no mention was made of any further taxation measures.

The Hon. S. C. Bevan: Stamp duty was referred to.

The Hon. R. C. DeGARIS: Perhaps I may ask members of the Labor Party exactly how they would face the problem of meeting the deficit that this Government has had to face during its term of office.

The Hon. D. H. L. Banfield: Quote one section from your policy speech that indicated a taxation increase!

The Hon. R. C. DeGARIS: I have said quite clearly that, when he spoke on the platform at the last election, every member of the Party I represent said that increased taxation was inevitable, whichever Party was in power.

The Hon. D. H. L. Banfield: There was no mention of it in your policy speech as printed in the newspapers.

The Hon. R. C. DeGARIS: The Hon. Mr. Shard said that the proposed stamp duties could go further than any amendment proposed by the Labor Party during its term of office. We must consider what is meant by "go further". I freely admit that this legislation goes further in the raising of revenue for the State than the previous Bill introduced by the Labor Party went, but we are faced with a large inherited deficit and such measures, we believe, are necessary for the health of the State's Treasury.

However, the proposed alterations to stamp duties contained in this Bill do not go further in unproductive employment. I have already said that this matter was disagreed to between the two Houses and, by compromise with another place, it was written into the legislation that a business organization could make a return over a period so that it need not stick stamps on every transaction. In this present legislation, I believe we have taken every possible action to keep to a minimum the unproductive labour needed to collect these stamp duties. That, I assure the Council, will be the general policy to be followed in this legislation. We hope to reduce to an absolute minimum the loss of time incurred by business and ensure that it will not have the effect of loading unproductive work on to commerce and industry.

The Hon. S. C. Bevan: What about keeping records, which will have to be kept for three years?

The Hon. R. C. DeGARIS: When someone is making returns, it will be a simple matter to make them on the amount of receipts during a certain period.

The Hon. Sir Arthur Rymill: Anyone who does not keep his records for six years is looking for trouble.

The Hon. D. H. L. Banfield: You suggested two years was too much in our Bill, and here you have three years.

The Hon. R. C. DeGARIS: The Leader also said—and he was taken up by the Hon. Mr. Banfield in his usual pugnacious way—that it could cost as much as 5c in $10. In his rather lavish speech, the Hon. Mr. Banfield said the tax would be 1c on a bunch of carrots and could apply also to a box of matches. That will not happen under this Bill, from a practical point of view in business as we know it today.

The Hon. A. F. Kneebone: It is possible, though.

The Hon. R. C. DeGARIS: But it is not a practical situation, nor can it be. No-one for a moment would consider it a practical situation where a receipt had to be given.

The Hon. D. H. L. Banfield: You said in your second reading explanation that it was necessary.

The Hon. R. C. DeGARIS: It would be necessary for every business in South Australia, in a practical situation, to be given an S.D. Under new section 84e, power exists to pay receipt duty on a statement. Under the provisions of new section 84e (1), notice can be given in writing in the prescribed form to the Commissioner that a person elects to pay duty under new section 84f. The new section applies to the following:

(*a*) Any person who carries on a trade, business or profession otherwise than as an employee;
(*b*) Any body corporate or unincorporate;
(*c*) Any person of a class declared by the Treasurer by notice published in the Gazette to be a class of persons to which this section applies.

In the new section dealing with exemptions, item No. 21 is as follows:

Receipt for any money not exceeding $10 received by or paid to any person who is not a person to whom section 84e of this Act applies.

It is obvious that, in a practical situation, every person engaged in business must come under the provisions of new sections 84e and 84f. In my view, in the practical situation a receipt would not have to be given covering the sale of a bunch of carrots or a box of matches.

The Leader also mentioned that the rate of duty would not remain for long at the rate of 1c for each $10. I realize that this is possible. No-one regrets the necessity for a tax of this nature more than I, although I believe everyone appreciates the situation regarding the State Treasury. I agree that this type of taxation more than any other types of taxation can be damaging to the community. It is possible that in future the tax of 1c in $10 will increase, but I believe that once we have achieved a balance in expenditure and revenue after facing this inherited deficit there will be no immediate need for any increase. The best way I know of assuring no rapid escalation of the rate is to keep the present Government in office.

The Hon. A. J. Shard: You would be joking! Take this to the people and see how you get on! We will give you the blue ribbon for that statement.

The Hon. R. C. DeGARIS: That is the only assured method I know of keeping taxation at a reasonable level. In my view, the Hon. Mr. Kemp made a profound statement during this debate when he said the following:

It does not impose a burden on the means of production or on industry or services regardless of prosperity or impose a mortgage on our future.

I would like members of this Council to note that statement; I think it is probably one of the more profound statements made in this debate. As I have said, no-one likes increasing taxation and no-one suggests for a moment that the proposed tax is completely equitable, and I have never claimed it to be so. Perhaps one could mention the salaries of members of Parliament.

The Hon. S. C. Bevan: I would not mention them, if I were you; they are too low.

The Hon. R. C. DeGARIS: The honourable member has his own opinion. I know of people engaged in primary production and in small businesses who, in the net result, would not receive as much as members of Parliament receive, yet they will be paying a receipts tax on a far greater amount of money than would members of Parliament, who are paid reasonably large salaries by comparison but who will not have to pay 1c of the proposed stamp duty tax.

The Hon. Sir Arthur Rymill: Would the Chief Secretary accept an amendment that salaries of members of Parliament be taxed?

The Hon. R. C. DeGARIS: I think this opens up a wide question in relation to directors' fees, and also salaries and wages. However, it was a decision of Cabinet that wages and salaries should be exempt, for reasons known to honourable members.

The Hon. S. C. Bevan: You need not mention the reasons; we know them.

The Hon. R. C. DeGARIS: Cabinet has decided that wages and salaries will be exempt.

The Hon. A. F. Kneebone: For how long?

The Hon. R. C. DeGARIS: No-one on the Government side has suggested that the proposed tax is completely equitable over the whole of the community, but it is a tax on money actually circulating in the community and, as the Hon. Mr. Kemp has said, it does not impose a tax that will place a mortgage on anyone's future. I believe that this was the thinking of the Government when it moved into this field: it believed that other fields of taxation could be exploited that would have a far greater effect on the economic health of the community than the proposed stamp duties will have.

The Hon. Mr. Kemp also mentioned co-operatives. I do not intend to deal with that aspect at this stage, because I have no doubt that the matter will be raised in Committee and that it will then be given more detailed attention. The Hon. Sir Arthur Rymill referred

to the burden of the business world in collecting, particularly the burden that would be placed on solicitors and agents. I agree, and have agreed, with the contention that this burden should be lightened as much as possible.

The Hon. A. M. Whyte: We will see that they are helped.

The Hon. R. C. DeGARIS: However, other difficulties arise over interpretations. I agree with the Hon. Sir Arthur Rymill that in certain circumstances the business world will have to face grave difficulties if an assurance cannot be given that some different methods of collection can be adopted. The Government is anxious that the proposed tax will be collected with as little burden as possible being placed on the commercial and industrial world. If any suggestions can be made in this Council about how this can be achieved, then I assure honourable members that such suggestions will be carefully examined by the Government, which has anticipated the matters covered by proposed new sections 84c and 84h. Especially has it considered 84h, which provides for an alternative basis for collection of amounts included in statements. That provision was included in an attempt to overcome any grave difficulties that may arise in the collection of the proposed tax. If this clause does not satisfy honourable members, I shall be only too pleased to consider amendments to overcome any problems that may arise, because the Government is anxious to avoid any wasteful effort in collecting the tax. The Hon. Mr. Banfield spent the greater part of his speech on matters that hardly deserve a reply, because they had only a tenuous connection with the Bill. He referred to unemployment in South Australia, but I could not quite see how it was relevant.

The Hon. A. J. Shard: Your members interjected, "Have you seen the unemployment figures published today?" That is how it arose.

The Hon. R. C. DeGARIS: The unemployment figures for South Australia have improved dramatically in the last six months. We no longer have the highest unemployment. We have slightly more than 1 per cent at present, which is the lowest it has been for many years.

The Hon. A. F. Kneebone: It is the lowest it has been for many years over the whole of Australia.

The Hon. R. C. DeGARIS: That may be so, but our relative position, compared with that of other States, has improved quite dramatically. The Hon. Mr. Banfield also referred to local government. Under this Bill, local government will pay duty only on its revenue-producing activities, not on rates as such. I have some sympathy with local government, especially when Parliament takes certain actions with regard to its revenue-raising capacity. The honourable member made a tear-jerking plea for retailers and he then said that this would be a better money-spinner for retailers than the change to decimal currency was. It was alleged that the retailers would use this measure to fleece the public, as they allegedly did during the changeover to decimal currency.

The Hon. A. J. Shard: You would not deny that prices went up?

The Hon. R. C. DeGARIS: I deny that retailers as a whole deliberately fleeced the public, which is the implication.

The Hon. D. H. L. Banfield: The word "fleeced" is your word.

The Hon. R. C. DeGARIS: I believe that the honourable member used a similar word: I am only quoting his words.

The Hon. D. H. L. Banfield: You cannot show me the word "fleeced" in the speech.

The Hon. R. C. DeGARIS: I thank honourable members for the attention they have given the Bill. It is not an easy Bill to understand, and I hope to answer any further questions during the Committee stage.

The Council divided on the second reading:

Ayes (14)—The Hons. Jessie Cooper, M. B. Dawkins, R. C. DeGaris (teller), R. A. Geddes, G. J. Gilfillan, L. R. Hart, C. M. Hill, Sir Norman Jude, H. K. Kemp, F. J. Potter, C. D. Rowe, Sir Arthur Rymill, V. G. Springett, and C. R. Story.

Noes (5)—The Hons. D. H. L. Banfield, S. C. Bevan, A. F. Kneebone, A. J. Shard (teller), and A. M. Whyte.

Majority of 9 for the Ayes.

Second reading thus carried.

In Committee.

Clauses 1 to 4 passed.

Clause 5—"Repeal of ss. 82 to 84c and enactment of sections in their place."

The R. C. DeGARIS (Chief Secretary): I have amendments on file, but as several other amendments have been placed on honourable members' files this afternoon I ask that progress be reported.

Progress reported; Committee to sit again.

LICENSING ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.

(Continued from November 21. Page 2654.)

The Hon. A. J. SHARD (Leader of the Opposition): This Bill once again increases taxation to a section of the community, namely, the licensees of hotels. It increases licence fees from 5 per cent to 6 per cent of the previous year's turnover. I raise no objection to it, because this was an action that we had to take when we were in Government and, unfortunately, it has to be done. However, with Governments having to take such action I wonder whether finally they will not kill the goose that lays the golden egg, because the danger is that this commodity will be taxed out of the reach of the average person. I just doubt the wisdom of continually increasing the duty on liquor.

The Bill also provides for Penfolds Wines Proprietary Limited to function as the Act intended that the company should function. I raise no objection to this, and I indicate that my colleagues support the Bill.

The Hon. L. R. HART (Midland): When the Licensing Act was before this Council last session it was recognized that certain anomalies would, in due course, become evident. This Bill sets out to rectify some of those anomalies. I am very pleased to see the attitude taken by the Leader of the Opposition in relation to the increase in fee. This is a different attitude from that adopted in another place.

The Hon. A. J. Shard: No, it is not; they adopted the same attitude down there. You want to read your *Hansard* and do your homework.

The Hon. L. R. HART: They went into it in much more detail.

The Hon. A. J. Shard: Only on the question of the age.

The Hon. L. R. HART: They went into more detail on the question of fees, too. It was implied, of course, that the Government was taxing a section of the community that was least able to afford it. When we consider the huge amount of alcoholic beverage consumed in this country and the enormous sum invested in the industry, we realize that the consumption of alcoholic liquor is not the sole province of the so-called working man. This Bill sets out to correct two anomalies that have become evident.

The Hon. A. J. Shard: Only one anomaly.

The Hon. L. R. HART: I stand corrected; it sets out to correct one anomaly that has become apparent. I understand that in due course another Bill will be coming forward to correct many of the anomalies brought to light in recent months.

It is interesting to investigate this increase in licence fees. The increase authorized in this Bill is from 5 per cent to 6 per cent on the previous year's turnover, which of course is an increase of 20 per cent. Under the Labor Government the licence fees were increased from 3 per cent to 5 per cent, or a 66 per cent increase. The need for the increase has come about on this occasion because of the need for increased revenue, which is required to make up the deficiency incurred by the previous Government.

The Hon. A. J. Shard: That is not entirely correct, either; we had some increased costs.

The Hon. L. R. HART: The previous Government increased fees to provide it with revenue to meet the expenditures of its own creation.

The Hon. A. J. Shard: And the increases in costs generally.

The Hon. L. R. HART: We are doing it to meet the expenditure incurred by the previous Administration. The other clause in the Bill makes it possible for a company not incorporated in South Australia to obtain certain licences under the Act. The main company involved here is Penfolds Wines Proprietary Limited, which is incorporated in New South Wales but registered in South Australia. Possibly other companies are involved. However, Penfolds Wines Proprietary Limited is a very old-established firm which has done much trade over the years in South Australia.

Under section 82 of the Act, that firm cannot obtain a vigneron's licence, so the Act is being amended to enable a firm of this type to obtain a licence. I do not think anyone objects to this. Indeed, perhaps this should have been recognized when the Act was before this Council previously. However, these things happen, and this anomaly was not recognized at the time. As the Bill sets out to correct the position, I have pleasure in supporting it.

The Hon. Sir ARTHUR RYMILL secured the adjournment of the debate.

PRICES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 21. Page 2659.)

The Hon. M. B. DAWKINS (Midland): I support this short Bill, which merely sets out to extend the prices legislation for one further year. It amends section 53 of the principal Act by striking out "sixty-nine" and

substituting "seventy", and it makes one or two minor consequential alterations to the short title.

While I support this Bill, I could never become very enthusiastic about price control, because I have never at any time believed in control for control's sake. However, I must concede the value of the Prices Branch over the years and the good work it has done in helping to keep our cost structure in a sound position. One honourable member this afternoon quoted some very wise words that the Hon. Sir Lyell McEwin had said regarding costs, with which I entirely agree. Prices legislation has had a bearing on the generally satisfactory state of our cost structure, at least until 1965. The Hon. Mr. Hart referred to meat prices. Both he and I have had something to do with this part of primary industry, as we were once both connected with the State Lamb Committee and were closely connected with this activity.

Prices legislation has probably had as much indirect effect as it has had direct control, because many people who were likely to get out of line knew that this legislation existed and that, if they got over the border, so to speak, it could be used to curb any excessive prices. The legislation has had possibly more benefit from its indirect effect than from the actual control it has exerted.

I remember going to the Highbury area and seeing some houses that had been badly constructed. These houses were badly cracked, and I understand that the Minister of Housing has since visited some of these places. In some cases the cause can be attributed, in part at least, to faulty construction. These houses were priced at a satisfactory figure from the point of view of the person building them, but they were not sufficiently well built. In this respect, the Prices Branch was able to make possible some redress to some of the people who had to put up with the faulty construction. There are other ways in which this legislation has been of advantage to the State over the years in addition to the direct control that has been exercised. Although I do not believe in hamstringing controls, I believe it has been necessary over the years to exert some control and that this legislation has in general terms been of advantage to the State in keeping it in a sound position. I congratulate the Government for having removed some items from price control and keeping the matter within bounds, and I support the Bill.

The Hon. H. K. KEMP (Southern): Several things must be raised regarding this Bill, the first of which is the excellent work that has been done by the Prices Branch in bringing some reorganization and system into the grape industry. This has largely been attributable to the branch. The position has dramatically altered in the last year or so, with the tremendous increase in production and consumption of non-fortified wines. The position today, compared with what it was three or four years ago, is almost unbelievable. Whereas three or four years ago there were surplus grapes and growers were experiencing great difficulty in placing their crops at reasonable prices, there is now a shortage of the types of grape that can be made into unfortified table wines, which have so greatly improved in popularity in the last three or four years. That is the first and probably the most important point I wish to make.

Many people do not like price control, but I do not think any of those people would deny the advantage that has accrued to South Australia from it. We must largely thank our Prices Commissioner and his staff for some of the rapid progress that South Australia was able to make in the immediate post-war years. This legislation helped us tremendously in keeping down costs on so many lines, and this gave us a definite advantage compared with the position where this legislation was removed too hurriedly. I know there are still many instances where price control is needed, and in this respect I can speak with specialized knowledge.

I believe that the retail trade in insecticides and pesticides requires careful examination by the Prices Branch. I come into contact with this frequently. Although I know that packaging and merchandizing costs for small quantities are indeed high, there is no doubt that margins are higher than they need be for the small pack sold to the retail buyer. There is, of course, an illustration that must be drawn in comparison. I believe the cost of salicylic acid, which is the basis of aspirin, is indeed low, and all members know how costly it is to buy aspirin in the small packs we use. To some extent the comparison is not analogous, but I find difficulty in reconciling the fact that a cheap bulk insecticide is at times retailed at very high cost. One instance that has come to my notice recently concerns a material that is injected into trees from a pressure pack. The treatment for a single tree involves no more than a few cents worth of bulk material, but the pressure pack costs $10. This is one of the

things that makes one jack up and ask whether a fair deal is being given to the public. Of course, the agricultural chemical field is a very complex and costly one. The cost of finding a new material, proving its value and bringing it through the stringent tests required before such materials can be used on crops, is astronomical. Indeed, I believe to introduce a new material in the United States of America may involve a capital expenditure of several million dollars, and this must be recouped from the sale of these materials. However, I am sure the position has arisen where the actual cost of providing these materials has no relationship to the amount charged. The pricing of many of these materials is determined more on what the traffic will bear than on the true value of the material. To some extent, this cannot be avoided completely because many of the materials tested for use as pesticides are rejected as useless, dangerous to health or for some other reason, so there must be some sharing of the costs involved in the ceaseless search for new materials. But that is no excuse for the inordinate difference between the charge made for the commercial pack and the bulk material available and the charge made for the small pack to retail users. I ask the Minister to direct the attention of the Prices Branch to this aspect of the pesticides trade. In doing so, I know I shall be very unpopular with many people whom I hope I can call friends at present but who will probably be out to shoot me tomorrow.

The Hon. C. M. Hill: One never loses points by being courageous.

The Hon. H. K. KEMP: But one can get into a lot of trouble by acting in that way. I wish also to refer to the disastrous situation of the fruit crop in the Adelaide Hills this year. This will probably prove to be one of the worst cherry seasons on record in this State. It was bad enough early in the year but since then we have had continuing rain. We have had rain on and off since Friday—and that is a lot of wet weather for this time of the year, when fungus diseases are really on the rampage.

In South Australia two or three of our fruit crops are much more sensitive to oversupply than is the cherry crop. The other day one of our prominent growers said, "It never worries me when there is a light crop of cherries because, when there are not so many cherries, we have a contrast with other crops and we can work out the position better than when there is a heavy crop of cherries." As regards three of our major crops—citrus, apples and pears—we have in South Australia been able to conduct unofficial price regulation until recent years by exporting the surplus. This has brought about a reasonably sound financial structure for those industries, but this system is now breaking down because the cost of oversea transport is becoming inordinately high. Where we export fresh fruit, we are now being asked to pay a charge of $2.40 for every bushel of fruit sent to the European markets. This $2.40 must be considered in relation to what the grower is getting for his citrus crop this year—a little over 50c. I make this comparison to show the difficulty facing the orange industry with the surplus it cannot dispose of in South Australia.

On the other hand, more and more of the South Australian buying market is passing through the hands of extremely well-organized buyers like the supermarket chain store organization, which is taking over too much of the retail trade. The individual grower against this combination is very nearly helpless; he has reached the stage where he will have to ask for assistance from the community to enable him to resolve some of the difficulties facing him. We had the greatest hopes of legislation designed to help the citrus grower out of this difficult position by setting up the Citrus Organization Committee. We hoped this would be a move in the right direction. Instead, it has very nearly broken the grower with the price that I mentioned earlier, a price that is only a fraction of the cost of production of a box of fruit. The C.O.C. has organized the whole show very well but everybody gets paid for what he does: the packer gets paid for his work in the packing shed, the carter gets paid for bringing the fruit to the merchant on marketing days, and the merchant gets his commission for selling. The man who has to live on what is left after all these costs have been met is the grower, who now gets very little return.

We must look at the whole cost structure for the distributing and merchandizing of the fruit crop, not only citrus but also apples and pears and many other items in this particular commercial group. I think that last year I gave some details of the costs that we as an industry are up against when we try to send a box of fruit (not fresh fruit) from the Adelaide Hills to be marketed in a centre like Minnipa or any other remote country centre. It costs more to place a box of fruit in the hands of a retail buyer in Minnipa or Pinnaroo

than it does to put it in the hands of a retail buyer in Glasgow, London or Hamburg. We can be helped here. Probably the only trained staff in South Australia are the officers of the Prices Branch. I believe it will not be long before an official approach is made to the Government for help. We cannot expect to be paid any more for our fruit than it is worth, but I must draw attention to the fact that three sections of the community are dependent upon the fruit crop and, if we take away the people who are indirectly dependent on and belong to that chain of distribution, we see that many people are involved, and they are verging on not financial insecurity but not being able to live at all, as they stand today. It must be acknowledged even by its strongest critics that the Prices Branch is well worth while persisting with. However, when we consider the job it has done and is doing, we appreciate that there are sections of the industry to which it should be devoting its attention that are at present escaping its attention. I support the Bill.

The Hon. C. D. ROWE secured the adjournment of the debate.

FRUIT AND PLANT PROTECTION BILL

Adjourned debate on second reading.

(Continued from November 21. Page 2655.)

The Hon. A. F. KNEEBONE (Central No. 1): I support the second reading. Only recently we dealt with a Bill designed to prevent the introduction into this State of stock diseases and to prevent the transmission of such diseases to domestic animals and even to human beings. We were then able to say that South Australia was fortunate in that some of the most frightening of these diseases had not yet been introduced into Australia. However, we have not been so fortunate in regard to fruit and plants. By quick action and by the co-operation of the citizens of this State, we have been able in most cases to control such outbreaks as have occurred.

Anyone who has lived in other States for any length of time has, no doubt, been appalled by the havoc wrought by such pests as the fruit fly, which is just one of the pests that this Bill is designed to control. The type of fruit fly prevalent in Western Australia is, I believe, the Mediterranean fruit fly. While I was living in that State I became aware of the extent of the infestation there. In recent years there have been three outbreaks of Mediterranean fruit fly at Port Augusta. These outbreaks were evidently caused through infested fruit being carried from Western Australia on the train and being dropped out of carriage windows by passengers.

Under the old Act (the Vine, Fruit and Vegetable Protection Act, which has been in force since 1885 with very little alteration) certain areas were proclaimed as being infested with fruit fly. Agriculture Department officers then stripped all plants and trees that were or could become infested. Compensation was paid to householders whose fruit trees and vegetable plants had been stripped. Each time such compensation had to be paid, a Fruit Fly (Compensation) Bill was introduced. Since 1947 there have been outbreaks in 39 districts, but in only a few districts has there been a recurrence of the original outbreak. The majority of the outbreaks have been of the Mediterranean fruit fly, and the remainder have been of the Queensland fruit fly.

We owe much to the Agriculture Department officers for the very efficient manner in which they have traced the outbreaks and worked conscientiously to control and eliminate the pests. Of course, this Bill does not deal solely with the fruit fly. Section 3 of the old Act, which gives the definitions of "disease" and "insect", indicates which pests were troubling people in the industry when that legislation was drafted. However, a long list of proclamations under sections 3 and 4 of that Act indicates the great number of diseases and insect pests that have plagued fruit and vegetable growers since that Act was passed. In 1907, a proclamation was made prohibiting the introduction of any ant or the larvae or eggs thereof. It would be interesting to know what caused such a proclamation to be made.

This Bill is an improvement on the previous legislation in most respects. However, I object to clause 8 (3), which places upon the owner of an orchard the onus of proving that he did not know of the pest or disease. It is generally acknowledged that the onus of proof should rest with the prosecution. If the onus were not so placed there would be many miscarriages of justice, and I believe there may be such miscarriages if this clause remains as it now stands. Any orchardist, in his own interest, would be sure to look for an outbreak. If, however, he missed seeing an outbreak, how could he prove that he had overlooked it? The penalty is $200. Surely the careless orchardist whom the department is out to catch could be caught and convicted on the evidence of the department. If he was negligent, surely the department would find such negligence simple enough to prove. Surely

it would be much simpler for the department to do this than it would be for the orchardist to prove that he had done all that was required of him, but an outbreak had escaped his attention. Consequently, I foreshadow an amendment that clause 8 (3) be struck out. I support the second reading.

The Hon. H. K. KEMP secured the adjournment of the debate.

ELECTORAL DISTRICTS (REDIVISION) BILL

Adjourned debate on second reading.

(Continued from November 21. Page 2663.)

The Hon. M. B. DAWKINS (Midland): I support the Bill with some reluctance because I doubt the wisdom of some portions of it. It provides for 47 seats in the House of Assembly, instead of 39 seats. It also provides for consequential changes in Legislative Council electoral districts. Over the last five or six years, two or three Bills have been introduced in connection with redistribution of electoral districts. All honourable members will agree that a redistribution of electoral boundaries in this State is well overdue. It is only because of the differing opinions of the two Parties that this has been postponed until the present time. Whilst there are several matters that I look upon with some doubt, I support the definition of the metropolitan area in the Bill. The definition is good and will cater for the development of the metropolitan area over the next few years.

Some time ago a Bill was introduced in another place that provided for 42 seats in the House of Assembly and gave about equal representation to the country and metropolitan areas. I believe it would have provided a good set-up for the continuing good government of the State, but that Bill was not passed. Also, a Bill was introduced for 56 seats, of which 30 were to be within the existing metropolitan area. Of course, the metropolitan area, as defined in the legislation that applies at present, is very much smaller than it actually is. In the Bill that provided for 56 seats, there were 26 so-called country electoral districts. This Bill had many faults. First, the metropolitan area was to be defined as being between Gepps Cross and Brighton, so it was quite out of touch with present-day circumstances. The 26 so-called country seats included areas like Elizabeth, Para Hills, Tea Tree Gully, Port Noarlunga and Christies Beach, so the Bill was quite out of touch with reality. Under that legislation there were to be 30 seats within the restricted metropolitan area. Far from having 26 country seats, we were to have a kind of "wheel of fortune": several seats were to jut into the greater metropolitan area, and they would have been dominated by that area. This to my mind was a most unsatisfactory state of affairs, and it would have been more accurate to say that there were about 16 country seats out of the 56 rather than 26.

This set-up was intended to be the so-called one vote one value principle. The numbers in the city seats would have been about 11,000 and the numbers in so-called country seats about 8,000, if my memory serves me correctly. This would have meant, of course, even under this bill, that whereas in Enfield it would have taken 11,000 to elect a member it would have taken only 8,000 to elect a member in Elizabeth.

It just goes to show that it is impossible in this State to get to a situation of this so-called one vote one value. I have never been able to understand what one vote one value means, —other than some attempt at a mere mathematical equality—because the word "value" surely has something to do with the service a member of Parliament can give to his constituents. It has always been apparent to me that, although it is relatively easy to serve a number of constituents within a three-mile or four-mile radius, where there are all the facilities that exist in the city, it is very difficult to serve a constituency in which a member has a radius of 50 or 100 miles to cover.

It is much easier for people in the city area to contact their member and talk to him for half-an-hour on the telephone if they wish to, at a unit fee, than it is for country people to be in touch with their representative. Therefore, I believe this is the reason for some notice being taken of the area as well as of the numbers, although we have all been prepared to concede that, having regard to the type of seat and the type of area, the numbers should be somewhat similar.

In Western Australia, for example, for the city seats there is a quota which is observed within about 10 per cent for all the city seats. There is a differing quota for the country and still another quota (admittedly a low one) for the very large country pastoral areas in that State. There is a similar set-up in Queensland, where there are three different categories of seats. However, Queensland also has this recognition of some equality, having regard to the type of seat and the type of area in which people are called upon to serve.

I was interested to note that the Hon. Mr. Shard, the Leader of the Labor Party in this Council, supported this Bill. With all due respect to my honourable friend, it did not altogether make me feel that the Bill was a better one just because he supported it. At page 2420 of *Hansard*, the honourable gentleman said:

I have always thought that Gawler should be included in an enlarged metropolitan area.

I do not doubt that the honourable gentleman was quite sincere in that comment. All I can say is that if he has always believed this I do not think he has ever mentioned it before, because we all know, as I said earlier, that the metropolitan area in his Party's Bill finished at Gepps Cross.

It is rather strange to find this sudden concern to get the town of Gawler into the enlarged metropolitan area, and I can only think that the Labor Party is concerned to get one more member into the metropolitan division. The Bill as it stands provides for probably 29 members in the inside or enlarged city area and 19 members in the country.

The Hon. D. H. L. Banfield: Your arithmetic isn't too good.

The Hon. M. B. DAWKINS: I am sorry: I should have said 18 country members. Of course, this is something that the commissioners will decide, but it could be 29 and 18. The commissioners will have to go into that matter. I believe that this is giving the city a very good say in the affairs of the continuing advancement of this State. It is not satisfactory for the country areas. It means that they will be very much in the minority, and for that reason I believe it is all the more important that in no circumstances should there be any reduction in the country representation in the second Chamber.

I have mentioned before in this Chamber the situation that obtains in New Zealand. I have been told by people living in that country that, if the two Parties in Auckland decided to get together, Auckland could do exactly what it liked. During my short visit a couple of years ago I had the opportunity to spend an afternoon with a friend of mine whom I met at Hobart some four years ago and who is a member of the Labor Party of New Zealand. He said to me, "There are three Parties in New Zealand—the National Party, the Labor Party and the Auckland Party. If the two Parties get together in Auckland they can do more or less what they like."

This indicates that if it is necessary (and I query whether it is) to come somewhere near this so-called one vote one value in the Lower House it is all the more essential that we should have some wider distribution in the Upper House such as there is in the Senate, where there are 10 Senators for each State regardless of size, or of numbers.

In my contact with men living in the South Island of New Zealand, who are very much outnumbered in their one-House Parliament, I found that they were very browned off and that they were inclined to go it alone, so to speak, because not only were they outnumbered considerably by the North Island, particularly by the northern end of that island, but they had no form of redress and no form of equalization by having a second Chamber.

I heard the interjection the other day, "What about New Zealand?", with the implication that New Zealand was an example of a nation that did very well under a unicameral system. From what I could observe, I would say that New Zealand had suffered considerably by getting rid of its bicameral system and by having just the one Chamber in which things could be put through very quickly. Admittedly, the New Zealand people have tried to provide for this by having a period, I think of a fortnight, between the second reading and third reading of Bills, and they have also used to some considerable degree Select Committees to try to get away from the weakness of having one House. However, from what I could observe it was a very poor substitute for the second Chamber. Many things that have been done in New Zealand were done in a hurry and have been regretted since then.

This Bill provides for 47 seats in the Lower House. I query the wisdom of this Bill, and I cannot say that I can work up any enthusiasm for it. However, I believe that, by and large, the House of Assembly should be able to work out its own destiny, to some extent at all events, and I believe the same thing applies to this honourable Chamber. The arrangements that apply in this Council should be, by and large, worked out by this Council for the better Government of South Australia.

In answer to my friends opposite who are so interestedly talking among themselves, I consider that this Chamber has done a splendid job over the years. I cannot work up any enthusiasm for this Bill, but with some reluctance I support it.

The Hon. H. K. KEMP secured the adjournment of the debate.

PUBLIC EXAMINATIONS BOARD BILL

Adjourned debate on second reading.

(Continued from November 21. Page 2665.)

The Hon. G. J. GILFILLAN (Northern): This Bill seeks to reconstitute the Public Examinations Board. We have heard some very good speeches in this Chamber from the Hon. Mr. Kneebone, the Hon. Mr. Springett, the Hon. Jessie Cooper and the Hon. Mr. Dawkins who, between them, have covered most of the relevant points, and I do not intend to weary the Council by going over the same points again. However, I am surprised to find this Bill before us. It was introduced in another place by the present Government against the opinions expressed in this Council when a similar Bill was before us last session. The same objections I had to the previous Bill still apply. I believe a board such as the Public Examinations Board, in order to be fully effective and to the best advantage of education, must have the widest possible representation.

Other speakers have referred to the important part that the Public Examinations Board plays in fixing standards. Of course, the functions of the board go much further than this, because the board is also responsible for much administrative work in conducting examinations, publishing results, marking papers and all the things that go to make an examination under our educational system. These examinations represent many years of work and study by the students concerned, and I believe that the board, which sets these standards while at the same time being responsible for much of the administrative work connected with the examination, must be as impartial as possible. The board does not handle all subjects: some technical subjects are handled by the Education Department, and the Public Examinations Board merely publishes those results. I had some experience as a member of a school council some years ago of the problems that could arise in a large department when a question was raised about the accuracy of the marking of papers. I will not go into that matter in detail, but it has convinced me that we need a completely impartial Public Examinations Board if we want to further the interests of education in this State.

Our Education Department has grown by leaps and bounds in the post-war period, and it has had to meet many urgent problems in providing a good standard of education for today's young people. I believe that in the main it has done a good job in this regard. The Education Department is responsible not only for the teaching of our children but also for the training of our teachers. It is, in fact, becoming a dominating factor in the educational system of our State, which informs the minds of our citizens of the future. I do not suggest this in a critical way, but we must recognize this point. The Bill will give 10 representatives out of a total of 32 to one section of education, and this is a large bloc vote in a board of this size. All honourourable members know that, to obtain any influence in an organization meeting or on the floor of a House of Parliament, if any organization or department starts with a bloc vote it has a big advantage in imposing its will on that group.

I agree with the amendments foreshadowed by the Hon. Mr. Springett. I believe it is sound thinking that members of the Institute of Teachers should be represented on the Public Examinations Board. From experience I have found that teachers are concerned about the absolute fairness and accuracy of the marking of examination papers, because they are responsible for teaching the students and for bringing them up to the required standard. It has been suggested that, because the Education Department is now so much larger in the secondary education field than are the independent schools, it should have a greater representation, but I believe the reverse is the case. I believe that the greater the domination of the Education Department on education within the State the more desirable it is for the Public Examinations Board to have the widest possible representation to ensure its impartiality in all the complex matters that come before a board of this description. I support the Bill in view of the proposed amendments.

The Hon. C. D. ROWE secured the adjournment of the debate.

ABORIGINAL AFFAIRS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 21. Page 2665.)

The Hon. A. M. WHYTE (Northern): I support this Bill, the intention of which is merely to revise the Act, the revision of which is apparently long overdue. Clause 2 removes the reference to the register of Aborigines which, I believe, was never kept up to date or used. Clauses 7, 8 and 10 make it clear that the administration of the Act is to be

placed in the hands of the Minister rather than the Aboriginal Affairs Board. This is a commendable move. The intention of the Bill is merely to revise and bring some form of consistency into the administration of the Act, and I have no hesitation in supporting it.

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

ADJOURNMENT

At 5.31 p.m. the Council adjourned until Wednesday, November 27, at 2.15 p.m.