LEGISLATIVE COUNCIL

Thursday, November 12, 1970

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

PASTORAL ACT AMENDMENT BILL

His Excellency the Governor, by message, intimated his assent to the Bill.

QUESTIONS

SITTINGS AND BUSINESS

The Hon. R. C. DeGARIS: Can the Chief Secretary say, first, when the Government intends that the Council will rise for the Christmas break; secondly, whether the session will continue next year; and, thirdly, when honourable members will be required to sit at night?

The Hon. A. J. SHARD: The Government definitely intends that this part of the session will end on Thursday, December 3; whether it extends into Friday, December 4, will depend on honourable members. The Government intends that this session will continue next year but no definite date has been fixed for the commencement of sittings next year. However, I hope to be able to announce the date shortly. I think it will not be until near the end of February or early March, and the session will continue perhaps until after the Easter period. I thank the Leader for giving me the opportunity of informing honourable members that, although the Notice Paper may not at present appear very long, by the time today's sitting is completed there will be more items on it. Consequently, I expect it will be necessary for honourable members to sit in the evening during the next three weeks.

WARREN RESERVOIR

The Hon. M. B. DAWKINS: I seek leave to make a statement before asking a question of the Minister of Agriculture, representing the Minister of Works.

Leave granted.

The Hon. M. B. DAWKINS: My question relates to the Warren reservoir, which is a small storage considering the large area it services. The previous Government, and Governments before that (back to the days of Sir Thomas Playford), planned to supplement the storage of this reservoir by a main from Swan Reach to Stockwell, and this facility began operating in 1968. However, I believe that it was necessary for the Engineering and Water Supply Department to install pumps that had been previously used in the Morgan-Whyalla main, and, although they were still fairly efficient, they had a limited life only. Will the Minister ascertain from his colleague whether these pumps have been replaced and, if they have not been, whether it is possible for the main to be used to its full capacity by using the present pumps? Also, when does the Government expect that it will be necessary to replace them?

The Hon. T. M. CASEY: I will obtain a reply from my colleague for the honourable member.

MILK

The Hon. A. M. WHYTE: I seek leave to make a statement before asking a question of the Minister of Agriculture.

Leave granted.

The Hon. A. M. WHYTE: As the Minister is aware, over the years we have negotiated for better refrigerated transport to Leigh Creek on the Commonwealth Railways, and I think that, between us, we have to some extent been successful. However, residents of Leigh Creek are dissatisfied with the milk that is delivered, and are experiencing some difficulty in keeping the milk for any time. Milk sold in 2-pint cartons is susceptible to curdling and souring, though there is a little better result with milk sold in 1-pint cartons. The Far Northern Development Association cannot understand the resistance to dating of containers which is straight-forward and clear-cut compared to coding, which, to say the least, can be confusing, particularly to people without a good command of the English language. As I cannot understand, either, why coding is preferred to the straight-forward method of dating, will the Minister ask the Manager of Golden North Dairies why coding is used and not dating?

The Hon. T. M. CASEY: I shall be pleased to discuss this matter with this company. As the honourable member has indicated, this matter had been brought to my attention before. I had a lengthy discussion with Mr. Bowker of Golden North Dairies, and I know that the company installed a special machine. I agree with the honourable member, and it seems to me most unusual why a straight-out date system cannot be used instead of a code.

The Hon. R. C. DeGaris: There is a good reason for it.

The Hon. T. M. CASEY: Yes, I understand that there are certain reasons for this. I will bring the honourable member's question before Golden North and see whether we can achieve something along the lines indicated.

STOBIE POLES

The Hon. C. M. HILL: On November 5 I asked the Minister of Agriculture, representing the Minister of Works, whether the Electricity Trust was undertaking any research to evolve a safer, less rigid and aesthetically more attractive power pole than the traditional one commonly called the stobie pole and, if it was, whether information on the subject could be made available to this Council. Has the Minister a reply?

The Hon. T. M. CASEY: The Electricity Trust is continually investigating means of improving the appearance of overhead mains. In a recent trial at Glenelg some experimental poles of different appearance were used. The results of the trial are still being evaluated, but one of the obvious problems at this stage is increased cost. The trust is aware that some collapsible poles are being used in the United States of America. So far as is known, these are used only for supporting street and highway lights connected by underground wires. The trust would be very reluctant to use this type of pole for carrying overhead power lines because the collapse of the pole would bring down live wires. This would occur not only at the pole suffering impact, but might also affect adjacent poles connected by the power lines. This would create a more serious hazard than the one it was designed to avoid.

HOSPITAL SERVICES

The Hon. E. K. RUSSACK: Recently, I asked a question of the Chief Secretary concerning hospital services in the Kadina district. Has he a reply?

The Hon. A. J. SHARD: The committee has completed investigations, and a report, which is being finalized, is expected to be made to the Government in the near future.

SUCCESSION DUTIES

The Hon. R. A. GEDDES: This morning's Australian Broadcasting Commission's radio news contained a statement alleged to have been made by the Treasurer that the Legislative Council could not amend the Succession Duties Bill because the Grants Commission had instructed the Treasurer that this State's succession duties must be comparable with those of New South Wales and Victoria. Can the Chief Secretary, representing the Treasurer, say whether the Government will consider tabling that report of the Grants Commission so that the advice given to the Government can be evaluated?

The Hon. A. J. SHARD: I do not know whether we have an actual report as such. However, I shall refer the question to the Treasurer. Whilst it may be technically correct to say that the Legislative Council cannot alter the Succession Duties Bill, it can make recommendations to or advise the other House. Once again, it is a case of not believing all one hears.

ROAD SAFETY

The Hon. R. C. DeGARIS: I seek leave to make a short statement prior to asking a question of the Chief Secretary.

Leave granted.

The Hon. R. C. DeGARIS: I direct my question to the Chief Secretary as the Leader of the Government in this Council. During the last few weeks there has been much discussion in the Council on the question of road safety. I know there are many aspects of road safety, but one aspect has been of some concern to me, and a copy of an advertisement that I have just supplied to the Chief Secretary will possibly explain my personal feelings. On television and in some newspaper advertisements certain driving habits are being extolled more or less as a virtue when in fact they are habits that should be discouraged. Will the Chief Secretary take up with the Government the question of whether something can be done about this type of advertising?

The Hon. A. J. SHARD: I shall be pleased to take it up with my appropriate colleague—I do not know whether it would be the Attorney-General or the Minister of Roads and Transport. I join with the Leader in what he has said. It is a pity that both in the newspapers and on television prominence has been given to all the dangerous things that happen on the roads but not to things of common sense.

STUDENTS' MEETING

The Hon. H. K. KEMP: I believe the Chief Secretary has an answer to my recent question about a meeting of secondary school students at the University of Adelaide.

The Hon. A. J. SHARD: My colleague, the Minister of Education, took this matter up with the Vice-Chancellor of the University of Adelaide, who reported that the Lady Symon Hall was booked for Sunday, November 1,

by the Pacifist Society, a university club registered with the Students' Representative Council. Bookings of union facilities (which include the Lady Symon Hall) are available to both internal and external bodies. In neither case are they subject to the approval of the Union Council and they are not notified to the University Council.

VICTORIA SQUARE

The Hon. C. M. HILL: I seek leave to make a short statement prior to asking a question of the Chief Secretary, representing the Premier.

Leave granted.

The Hon. C. M. HILL: In 1968 the Lord Mayor's Committee on Victoria Square was set up by the previous Government to plan the future of the square and its periphery. The Government then approved and provided finance for the retention of a consultant, Prof. Winston, of the Department of Town and Country Planning at the University of Sydney. On Tuesday of this week in the press the Premier said:

The State Government had received the report from a committee appointed to study the planning and development of Victoria Square and it would be one of the most exciting developments anywhere in the world. All South Australians would be excited at the development, which would attract a great deal of investment in the form of major buildings.

Also, many people who work in the vicinity of the square, in the Central Market area, ask me from time to time whether any information can be obtained about the future of the site on the corner of Grote Street and Victoria Square. First, can the report of the Lord Mayor's committee be tabled? Secondly, what are the Government's plans, if any, for the development of the vacant land on the corner of Grote Street and Victoria Square?

The Hon. A. J. SHARD: I will refer the honourable member's questions to the Premier and bring back a reply as soon as possible.

PUBLIC WORKS COMMITTEE REPORT

The PRESIDENT laid on the table the report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on Agriculture Department and Fisheries and Fauna Conservation Department (Office and Laboratory Accommodation at Northfield).

MOTOR VEHICLES ACT AMENDMENT BILL (FEES)

In Committee.

(Continued from November 11. Page 2560.)

Clause 3—"Practical driving tests."

The Hon. C. M. HILL: I understand that yesterday the Minister of Lands indicated that it was intended to charge an applicant for a practical driving test $1, in accordance with the new provision in this clause, prior to the test being taken but, if the applicant failed the test, a further charge of $1 would be made for a second practical examination or any subsequent practical examinations. Will the Minister confirm whether this is so, because I do not think it can be inferred from the wording of the amendment? Secondly, it is rather unfair to students and other young people who, after turning 16 years of age and not normally having a great deal of money but having gone to some trouble to save money for the first $1 they must pay to the department to obtain the learner's permit, have to save another $1 for the practical test.

In some instances, the applicant might just fail his practical test because the policeman testing him might feel that it is in his best interest to try again in, say, a further week's time. While I appreciate that the policeman's time would be taken up in giving a second test, the payment of this $1 could create hardship to some people.

The Hon. A. F. KNEEBONE (Minister of Lands): The Bill provides for a charge of $1 for every practical test conducted after January 1, 1971. As much time is spent conducting drivers' tests, and as it is logical to charge $1 for the first test, the same charge should be made for any subsequent test.

Clause passed.

Title passed.

Bill reported without amendment. Committee's report adopted.

The Hon. A. F. KNEEBONE moved:

That this Bill be now read a third time.

The Hon. C. M. HILL (Central No. 2): In the Minister's second reading reply, he claimed that the previous Government had intended to double the fees for drivers' licences partly to finance the Metropolitan Adelaide Transportation Study proposals. I specifically deny that, and I repeat that none of the financial measures to raise funds in the Metropolitan Adelaide Transportation Study Report were accepted or approved by the previous Government.

Bill read a third time and passed.

D. & J. FOWLER (TRANSFER OF INCORPORATION) BILL

Adjourned debate on second reading.

(Continued from November 11. Page 2542.)

The Hon. F. J. POTTER (Central No. 2): I support the second reading of this Bill, which calls for little comment. Yesterday the Minister gave in his second reading explanation some very interesting history concerning this company. I am sure all honourable members will realize that the company, whose activities are confined to this State, should be incorporated pursuant to the law of this State, upon the condition of its being authorized under the law of the United Kingdom. As the Minister said, facilities exist for companies who find themselves in this position to take advantage of New South Wales legislation that permits registration in that State. It would be most unfortunate if this South Australian company had to resort to incorporation in New South Wales rather than in South Australia, because the company's business is pretty well centred in this State. Being 116 years old, it is one of the oldest companies in business in South Australia. This Bill has been submitted to a Select Committee of another place, and copies of that committee's report have been circulated to honourable members here. Because nothing in that report would justify any further examination of this straight-forward Bill, I support it.

Bill read a second time and taken through its remaining stages.

SUCCESSION DUTIES ACT AMENDMENT BILL

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

The Hon. A. J. SHARD (Chief Secretary): I move:

That this Bill be now read a second time.

It is introduced in accordance with an election undertaking. It is substantially the Bill as it passed the House of Assembly in October, 1966, but which did not pass because it failed to be accepted in this place. The main variations from the 1966 Bill are:

(1) Clauses 25 to 28 of the 1966 Bill relating to successions arising from death on war service, clause 31 relating to *de facto* adoptions, clause 37 (*d*), which was a clarification, clause 37 (*e*), dealing with university exemptions, and clause 38, relating to decimal currency, were all enacted in a subsequent measure in 1967 and are thus omitted.

(2) Items 2, 3 and 6 of the schedule of amendments listed in Message No. 63 of November 16, 1966, from the Legislative Council, have been included in this Bill as desirable clarifications.

(3) The point at which the special rebate attaching to a succession by a widow or widower to an interest in the matrimonial home begins to abate has been somewhat adjusted, as the design is to assist primarily the modest succession.

(4) The provision for a special rebate upon successions of primary-producing land is made in this Bill upon the pattern in the present Act, rather than upon the pattern of the 1966 Bill, but the extent of rebates, particularly upon the smaller and moderate size successions, has been increased by one-third. This reversion to the original pattern has been decided upon because both the Government and the Opposition in our election undertakings proposed higher rebates upon the existing pattern than presently apply so as to give relief to primary-producing properties. The proposal now is to reduce the value of primary-producing land passing to the immediate family of the deceased by 40 per cent instead of 30 per cent for properties having a net value up to $40,000. For properties of greater value the increased benefit will tend to be less, and at $200,000 and over the concession will be as in the present Act. The 40 per cent concession for properties up to $40,000 is consistent with the concession proposed in the Bill before Parliament relating to land tax.

The design of the Bill is to raise the primary exemption from duty for widows and children under 21 years from $9,000 to $12,000 and for widowers, ancestors and decendants from $4,000 to $6,000, and it provides further exemptions where the matrimonial home passes to a widow or widower so that for moderate successions the total exemptions may be up to $18,000 and $8,000 respectively. It provides a new exemption of up to $2,500 for insurance kept up by the deceased for a widow, widower,

ancestor or descendant and it provides increased rebates upon primary producing land, as I have already stated. The Bill provides for increased rates of duty upon higher successions as a taxation measure to bring revenues more nearly into line with revenues raised by comparable duties in other States, and at the same time provides for the elimination of a number of devices by which dispositions of property may presently be arranged to avoid or reduce duties upon successions.

I point out that the South Australian yield of succession duties is, upon a per capita basis, the lowest in the Commonwealth. In 1969-70 South Australia raised $7.20 per capita whilst the other States' revenues per capita were: $12.24 in New South Wales, $12.99 in Victoria, $9.83 in Western Australia, $8.63 in Queensland, and $8.35 in Tasmania. South Australia raised revenues at less than 60 per cent of the yield in New South Wales and Victoria, and these are the States with which the Commonwealth Grants Commission will make comparison when assessing the special grant for which this State has applied. In terms of money, the shortage of yield in South Australia compared with the two large States was last year the equivalent of about $6,000,000.

The Grants Commission does, of course, recognize that those two States may expect, with equivalent severity of duties, to raise more a head than South Australia because of their relatively greater affluence, but no-one can conceive that they are richer to the extent of a ratio of 100 to 60. I understand that, in the recent preliminary hearing before the commission, the Commonwealth Treasury submitted that a reasonable allowance for the lower capacity of this State to secure succession duties may be about 10 per cent, and, on such a basis, this would mean our rate of duty was falling short of standard by about 35 per cent, or the equivalent of perhaps $4,500,000. The South Australian Treasury submitted that this was a considerable exaggeration of our shortage, and the commission has yet to pronounce upon the matter.

Figures derived from the Commonwealth Taxation Commissioner's report clearly indicate a lower level of duty in South Australia than in New South Wales and Victoria. The following table derived therefrom compares the various proportions of estates of varying sizes assessed for Commonwealth estate duty in 1968-69 and the proportions of State duty reported as deductions therefrom. I seek leave to have the table incorporated in *Hansard* without my reading it.

Leave granted.

STATE DUTY

Size of Estate	S.A. Duty per cent	N.S.W. and Victoria per cent
$20,000-$30,000 . . .	8.0	6.7
$30,000-$40,000 . . .	8.7	8.4
$40,000-$50,000 . . .	8.9	9.5
$50,000-$60,000 . . .	9.9	10.2
$60,000-$80,000 . . .	10.5	12.0
$80,000-$100,000 . . .	11.3	14.3
$100,000-$120,000 . . .	10.9	16.7
$120,000-$140,000 . . .	12.1	19.1
$140,000-$200,000 . . .	12.5	22.4
$200,000 and over . . .	17.6	25.1

The Hon. A. J. SHARD: This table shows that for estates up to $40,000 South Australian rates were broadly comparable with the rates in the other two States, but for estates of greater value than $40,000 they bear progressively less heavily than those of other States. The rates and provisions now proposed will narrow those differences, though without fully overtaking them. Because of the time of presentation of this Bill, the time taken in rendering returns and making assessments and the time allowed for payment, the increased revenue this financial year as a consequence of this Bill is likely to be nominal. It is hoped the net increase in revenue in a full year may be between 15 per cent and 20 per cent, or about $1,500,000.

The provisions of this Bill are designed to bring together for the purposes of determining duty payable all property derived by any one beneficiary from a deceased person. The administrator of an estate will be required to include in one return all property which by virtue of this Bill is deemed to be derived from the deceased person. This will avoid the present loss of revenue owing to separate treatment of a variety of successions, for example, testamentary dispositions, joint property passing by survivorship, settlements, trusts, and gifts. On the other hand, I would make it plain that nothing is provided in this Bill that makes the duty other than a succession duty. There is no aggregation whatsoever of property passing to any one beneficiary with property passing to another beneficiary out of the same estate.

The Commonwealth and the other States levy estate duties, that is, the rate of duty is determined primarily by the extent of the total estate, irrespective of whether there be one or many beneficiaries. For South Australian duty the only aggregation is of all property to the

one beneficiary, so the whole character of the duty as a succession duty is fully preserved. What it does propose to eliminate is the present fragmentation of the property passing to an individual beneficiary. I remark that the extensive fragmentation and consequent avoidance of duty which presently occurs is largely concentrated in the large estates, and particularly those which include fairly liquid assets.

The man of smaller means and the farmer operating in a modest way is not able to benfit much by the various devices of avoidance, even if he were in a position to learn of them. If we do not revise these aspects of our succession duty laws, not only do we confirm in a privileged position those persons with considerable property and access to specialist advice but also we will be bound to multiply the inequity to other taxpayers, because we must raise the deficiency in revenues by higher imposts upon them. The other alternative to this would be to starve our essential social services.

I shall now deal in some detail with the clauses. Clause 2 makes a formal amendment that is consequential on the new Part inserted by clause 31. Clause 3 (*a*) amends the definition of "Commissioner" to include the Deputy Commissioner of Succession Duties and any other officer while performing the duties or functions of the Commissioner. The Commissioner cannot be expected to perform all those duties and functions himself, and the amendment merely gives statutory cover to the performance by the Deputy Commissioner and other officers of those duties and functions which are, in the ordinary course of business, delegated to them by the Commissioner.

Clause 3 (*b*) tightens the provisions of the principal Act by inserting a definition of "disposition", modelled on a definition in the corresponding New South Wales Act, so that any surrender, release, or other like transaction will be subject to duty in the same manner as a simple transfer, conveyance, etc. There is some doubt whether the present provisions of the principal Act apply so as to render gifts by surrender, release, etc., subject to duty.

Clause 3 (*c*) revises the definition of "net present value" by removing the anomalous distinction that property passing under a deed of gift is valued at the time of the donor's death, whereas, in the case of a simple gift, the date of the disposition determines the value. The new definition makes the date of the disposition the determining date in both cases, and the effect will be that once the beneficial interest in property has passed to the donee he will be taxed on the value thereof. He will not be able to reduce the amount of duty applicable merely by dissipating the gift. In other respects, this definition is revised in keeping with the new provisions of section 8, which I shall explain shortly. The effect of those new provisions is that many of the references in the principal Act to property accruing on a person's death would be rendered redundant and misleading. Clause 4 inserts new section 4a in the principal Act providing that, except in relation to persons dying on active service, the amendments made by the Bill apply only in relation to persons dying after the Bill becomes law. Clause 5 inserts a subheading to sections 7 to 19 of the principal Act.

Clause 6 replaces the portion of section 7 which provides for duty to be assessed on the total value of certain types of property, while new subsection (2), which is inserted by the clause, requires duty to be paid on the aggregate amount of all property derived by any person from a deceased person. This clause also adds new subsection (3) to section 7 as a machinery provision. Clause 7 (*c*) effects a revision of Part II of the principal Act by adding new paragraphs (*d*) to (*p*) to section 8 (1), specifying all property which is to be deemed to be included in the estate of a deceased person and which is to be subject to duty.

Clause 7 (*a*) and (*b*) make necessary machinery amendments, and clause 7 (*c*) re-enacts, in slightly different fashion in each case, the substance of sections 14, 20, 32, 35 and 39a. These sections are reproduced in the new paragraphs with minor drafting alterations. There is a change of substance in paragraph (*j*), which corresponds to existing section 32 (1) (d), to the extent that it applies where the policy was wholly kept up for the benefit of a nominee or assignee as well as of a donee. There is also a change of substance in the case of gifts with a reservation (new paragraph (*o*)) which are at present subject to duty even if the reservation ceases or is surrendered many years before death. The new paragraph removes this anomaly by excluding such gifts from the dutiable estate if the reservation ceases and the donee assumes full possession and enjoyment continuously for one year before the death of the donor and there is no fresh or renewed reservation in that period. This paragraph (except for the one-year period) corresponds to a provision in the

corresponding Victorian and New South Wales Acts. The words "whether enforceable at law or in equity or not" qualifying the reservation have been taken from the New South Wales Act. This will strengthen our Act by making gifts with a reservation subject to duty whatever the legal nature of the reservation.

Under section 8 (1), as amended, all property therein mentioned will be deemed to be derived from a deceased person so that the ancillary provisions of Part II will apply in like manner to all such property. The scheme of this subsection, as amended, will correspond to a provision in the Victorian Act. The new scheme envisaged by section 8 (1), as amended, necessitates a rearrangement of several provisions of Part II and many amendments of a machinery or drafting nature which are provided for by many of the remaining clauses of the Bill. Clause 7 (*d*) inserts in section 8 of the principal Act new subsections (1a) and (1b).

New subsection (1a) of section 8 will give extra-territorial application to property mentioned in that section. At present, the principal Act applies extra-territorially only in the case of property comprised in a settlement or deed of gift and in the ordinary case of property derived under a will or upon intestacy. Provision against double duty being payable in any such case is made by existing subsection (2) of section 8. New subsection (1b) of section 8, modelled on existing section 21, enables a different net present value to be given to property passing under a document which is in part a settlement and in part a deed of gift. The Bill provides for the repeal of existing section 21.

Clause 8 enacts sections 10b and 10c. New section 10b is on much the same lines as section 51 of the Gift Duties Act. These provisions deal with the valuation of shares that are, at the relevant time, not listed on a Stock Exchange. It is desirable that in such cases there should be the same basis of valuation for gift duty as for succession duty. New section 10c provides that, in determining the net present value of an interest in a partnership of a deceased partner, no regard shall be had to any agreement between the partners as to the purchase price or the valuation of the interest or as to the passing of the interest on the death of the deceased partner to another partner for no consideration or for a consideration less than the actual value of the interest.

It is not uncommon for partnership agreements to contain a clause that purports to fix the value or price at which the surviving partner may acquire the share of the deceased partner. Such clauses have caused loss of revenue because invariably the actual value of the share is far greater than the agreed value. There seems to be an increasing tendency for partnership agreements to contain options for a surviving partner to purchase a deceased partner's share of a partnership at a low or nominal purchase price, and it is probable that such options are given with the motive of avoiding duty. Whatever the motive, however, there is loss f revenue, and this new section would serve to counteract any attempt to avoid duty by that means.

Clause 9 (b) adds new subsection (2) to section 11, replacing section 20 (3), and clause 9 (a) makes a consequential amendment. Consequentially, upon the new scheme of section 8 (1), as amended, the effect of section 11, as amended, will be that duty chargeable on any property mentioned in section 8 (1), as amended, will be a first charge on such property, which will include property passing by way of gift; but, as mentioned in new subsection (2) of section 11, there will be exceptions in the case of a settlement, deed of gift, or gift.

Clause 10 (b) adds two new subsections to section 12 so as to enable the Commissioner, if necessary, to require a trustee of such property or any person who is or was beneficially entitled thereto to file a return. Clause 10 (a) makes a consequential amendment. Section 12, as amended, will conform to sections 26 (1) and 37 (1) of the principal Act. Upon approval of the return such person will, by virtue of new section 16a (inserted by clause 14), be required to pay the duty.

Clause 11 inserts a new subsection (2) in section 13 which provides that no deduction is to be allowed under that section for a secured debt which is charged or secured on land situated outside South Australia, except a debt or such portion thereof as has, at the date of the deceased person's death, become unsecured to the extent that the value of the land is less than the amount of the secured debt then outstanding. Under the present law, even if a deceased person were domiciled in South Australia, duty cannot be charged on the real estate outside South Australia, whereas a deduction is allowed, in the succession duty accounts, to the extent of the amount owing by the deceased under a mortgage debt charged or secured on the foreign real estate. The Government contends that, as the foreign real estate is not liable to South Australian succession duty,

the mortgage on such real estate should not be deducted in arriving at the value of the net estate for duty purposes; in other words, if the land cannot be taxed in South Australia, we should not have to allow the mortgage debt as a deduction from the taxable assets.

Clause 12 repeals section 14, which relates to gifts made in contemplation of death. That section is replaced in part by new paragraph (*d*) of section 8 (1) and in part by new section 19a, enacted by clause 17. Clauses 13 and 14 contain consequential amendments to sections 15 and 16. Clause 15 enacts a new section 16a which replaces section 28 (1). The new section provides that a trustee or other person who is required to file the statement pursuant to new section 12 (3) shall pay duty on the property concerned but, in the case of the trustee, liability for duty will be limited to the value of such portion of the trust property as had not been disposed of before the death of the deceased person.

In the case of a beneficiary, however, there is no such limitation: once he has become entitled to the beneficial interest in dutiable property he will be personally liable for his due proportion of duty. This appears to be a necessary amendment in view of the scheme of the Bill, which makes the administrator (and, through him, the estate) liable for duty in such cases. This amendment is designed to prevent, say, a donee of property from throwing the burden of duty attributable to such property on beneficiaries under the will of the deceased person where, for example, he was given the property one year before the death and in the meantime had dissipated or disposed of the property.

Clause 16 makes consequential amendments to section 18. Clause 17 enacts new section 19a, which I have previously referred to, and also enacts two subheadings. Clause 18 repeals sections 20, 21, 21a and 22 of the principal Act, which are now redundant because of the new scheme on which sections 7 and 8 are based. Clause 19 enacts a new subheading. Clause 20 repeals sections 26 to 30 of the principal Act, the effect of which, however, is preserved by other provisions of this Bill, particularly the amendments to sections 12, 15, 16 and 18 and new section 16a. Clause 21 enacts a new subheading.

Clause 22 repeals section 32 of the principal Act, the provisions of which have already been transferred to section 8 (1) (*g*) to (*m*). Clause 23 makes certain amendments to section 33 of the principal Act that are consequential on the insertion in section 8 (1) of paragraphs (*g*) to (*l*). Clause 24 enacts a new subheading. Clause 25 repeals sections 34 to 37 of the principal Act which are now redundant because of the earlier clauses of this Bill. Clause 26 makes a consequential amendment to section 38 of the principal Act. Clause 27 inserts section 38a and a new subheading in the principal Act. New section 38a gives the Commissioner power to extend time for payment of duty. At present the Act provides for an extension of time for payment only in respect of certain classes of property.

Clause 28 repeals sections 39 and 39a of the principal Act, which are now redundant in view of the earlier provisions of this Bill. Clause 29 enacts new section 46a of the principal Act. This section is complementary to section 46, which gives an administrator or trustee power to impose a charge on property for the purpose of adjusting duties as between persons beneficially entitled to property subject to duty. This power will no longer be sufficient in all cases because, in the case of property given away within one year before death, for example, the property may not be in existence or may have been disposed of by the donee at the time when the administrator is required to pay duty on it. Such duty must be paid out of the estate and, by virtue of the new section, the administrator will be able to recover from the donee the due proportion of duty attributable to the property concerned. Subsection (2) of the new section provides that where duty is recoverable from a trustee there will be the same limitation on the trustee's liability as is provided for by new section 16a (2), and the trustee will have power of sale over the trust property in order to indemnify the administrator who has paid duty. Subsection (3) of the new section provides that section 46a is to be construed as additional to and not in derogation of the provisions of section 46.

Clause 30 makes a consequential amendment to section 48 of the principal Act. Clause 31 repeals the whole of Part IVB of the principal Act (which deals with rebates in respect of land used for primary production) and substitutes a new Part which covers all rebates to widows, widowers, ancestors and descendants. The new Part consists of 10 sections—55e to 55n inclusive. New section 55e re-enacts existing section 55e in substance, except that land used for forestry is now included as land used for primary production

and not, as before, excluded. New sections 55f and 55g provide for rebates to be calculated at the average rate of duty applicable to the value of any succession in the absence of such rebates. New sections 55h to 55j provide for the amounts of the rebates. In all cases a rebate for insurance kept up for a widow, widower, ancestor or descendant, to a sum of $2,500, is provided for.

So as to facilitate the operation of rebates in relation to primary-producing land in the same fashion as is presently provided, it is necessary to distinguish these rebates from other rebates by making a separate provision in new section 55g and specifying a separate calculation procedure.

In addition, there are rebates in respect of matrimonial homes. The effect will be to enable a widow to succeed to an interest in a dwellinghouse valued at up to $9,000, together with other property of the value of up to $9,000, without payment of any duty. In these circumstances, she will have a clear exemption of up to $18,000, so that she will continue to receive as extensive an exemption as is now received when a jointly-owned house is treated separately from a testamentary disposition. Likewise, a widower will be able to succeed to a dwellinghouse up to $4,000, together with other property to the value of $4,000, without paying duy. The rebate will apply to direct testamentary dispositions and tenancies in common as well as joint tenancies. At present an effective exemption to such an extent is available only in the case of joint tenancies when the property passes by survivorship. The rebates in excess of the basic amounts will be reduced as the total amount left to the widow or widower increases beyond $30,000 in the case of a widow, and $15,000 in the case of a widower.

In the case of land used for primary production, rebates will be allowed to widows, widowers, descendants and ancestors upon the same pattern as presently applied except that for properties of small and moderate values the extent of concession will be increased. For successions to such land having a net value up to $40,000 the concession will be made by deducting 40 per cent instead of 30 per cent of the net value. For net values over $40,000 the extra concession will gradually run out so that for properties of $200,000 and over the concession will involve a statutory deduction of $32,000, as is presently provided.

Section 55k reproduces, with appropriate amendments, existing section 55h of the present Act, which is substantially of an administrative nature. It also provides, consistently with the 1966 Bill as it was passed in the House of Assembly, that rebates shall not be allowed in the one succession relating both to a dwellinghouse and to primary-producing land. Likewise, new section 55n (1) reproduces existing section 55g. New sections 55l and 55m set out the rules for determining the value of land used for primary production and dwellinghouses. They provide that the amount of any charges or encumbrances on the land are to be deducted.

Clause 32 amends section 56 consequentially upon section 8 (1), as amended. Section 56 enables the Commissioner to assess duty on property given to an uncertain person or on an uncertain event on the highest possible vesting under any will, settlement or deed of gift. This section is amended to extend its application to all property that is subject to duty and to any possible aggregation of property with any other property that a person derives from the deceased person. Clause 33 (*a*) repeals section 58 (1), which provides against double duty being payable and which is no longer necessary in view of the earlier provisions of this Bill and the provisions of section 8 (2). Clause 33 (*b*) makes a minor drafting amendment to subsection (2). Clause 34 makes a consequential amendment to section 63 of the principal Act. Clause 35 (*a*) extends the scope and application of section 63a of the principal Act, which at present requires insurance companies to obtain a certificate from the Commissioner before paying out on any policy in the name of a deceased person. The amendment extends this requirement to policies on the life of the deceased person where the proceeds are payable to some other person but provides for payment of 75 per cent of the proceeds in such cases.

Clause 35 (*b*) makes a consequential amendment to subsection (1a) of section 63a, bringing it into conformity with the earlier amendments made by this Bill. Clause 36 re-enacts section 67 of the principal Act, makes certain decimal currency amendments and raises the minimum charge for a copy from 2s. 6d. to 50c. Clause 37 makes a consequential amendment to section 78 of the principal Act. Clause 38 amends the second schedule to the principal Act to provide for a general increase in succession duty rates upon the larger successions although the basic exemptions are increased under the provisions of new Part IVB, with which I have dealt.

In conclusion, it is pointed out that the effect of the new rates of duty proposed, when combined with the relevant exemption provisions, is to free from duty successions by widows and children under 21 generally up to $12,000 instead of $9,000, and to free from duty successions by widowers, ancestors and adult descendants up to $6,000 instead of $4,000. It extends exemptions and concessions where the matrimonial home is concerned in modest estates and also extends concessions where rural property is included in the succession. On the other hand, it aims to offset the cost of these concessions and improvements by increasing rates on successions of greater value and at the same time to increase the total yield of the duty more nearly approaching what would be secured by scales of duty such as are levied elsewhere in Australia. There is, of course, a very wide variety of particular cases of application of the proposed rates and concessions, so that it is impossible adequately to represent them in a few illustrative tables. However, I have some tables which compare present and proposed levies and also compare them with levies in New South Wales and Victoria. I ask that these be printed in *Hansard* for the information of honourable members without the necessity for my reading them.

Leave granted.

DUTIES UPON SUCCESSIONS TO WIDOW OR CHILD UNDER 21

A. Not including any interest in matrimonial home or primary producing property.

Succession	Present duty	Proposed duty	Other States*
$	$	$	$
9,000	—	—	229
12,000	450	—	430
18,000	1,350	900	1,120
30,000	3,150	2,850	2,894
50,000	6,400	6,460	7,904
100,000	15,150	17,600	21,233
200,000	35,150	49,350	49,433

B. Comprises wholly primary producing property.

Succession	Present duty	Proposed duty	Other States*
$	$	$	$
9,000	—	—	184
12,000	315	—	355
18,000	945	540	939
30,000	2,205	1,710	2,453
50,000	4,608	4,264	6,822
100,000	11,817	13,728	18,328
200,000	29,526	41,454	42,683

* Derived from the average of three cases in each N.S.W. and Victoria—where the succession takes all, one-half, and one-quarter of the full estate.

DUTIES UPON SUCCESSIONS TO ADULT DESCENDANTS

NOTE: These rates apply in S.A. also to widower and ancestor.

A. Not including any interest in matrimonial home or primary producing property.

Succession	Present duty	Proposed duty	Other States*
$	$	$	$
9,000	625	450	470
12,000	1,000	900	761
18,000	1,750	1,800	1,543
30,000	3,500	3,800	3,573
50,000	6,750	7,480	8,488
100,000	15,500	18,800	22,483
200,000	35,500	50,925	51,933

B. Comprises wholly primary producing property.

Succession	Present duty	Proposed duty	Other States*
$	$	$	$
9,000	438	270	405
12,000	700	540	650
18,000	1,225	1,080	1,303
30,000	2,450	2,280	3,030
50,000	4,860	4,937	7,230
100,000	12,090	14,664	19,203
200,000	29,820	42,777	44,433

*Derived from the average of three cases in each N.S.W. and Victoria—where the succession takes all, one-half, and one-quarter of the full estate.

The Hon. A. J. SHARD: In comment on the comparative figures set out for New South Wales and Victoria, I would acknowledge that comparisons are most difficult because the rates of duty in those States are determined by the extent of total estate rather than individual succession. By taking the other States' figures as relating to the average duty on successions derived in three illustrative cases—that where the succession takes all, one-half, and one-quarter of the estate—the comparison may be broadly realistic but cannot claim to be completely indicative. The comparisons do indicate that, notwithstanding the increase proposed in rates on the larger successions, the new South Australian duties will still impinge less heavily on the large estates than do duties levied in the other States.

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

LAND TAX ACT AMENDMENT BILL

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

The Hon. A. J. SHARD (Chief Secretary): I move:

That this Bill be now read a second time.

The main purposes of the Bill are to provide for the rates of land tax to apply after June 30, 1971, to provide for reduced rates

to apply to land used for primary production, and to enact a surcharge on land within the metropolitan area averaging about $2 an allotment in accord with an election undertaking to provide funds to assist in the provision of parks and open areas and the development of facilities for such areas. At the same time, a number of machinery and other minor amendments are proposed, including a revised definition of unimproved value, the provision for fines for late payment of tax rather than interest, and an amendment to the period which must elapse before proceedings may be taken against the land itself for recovery of tax.

A new valuation of all land subject to tax will apply after June 30 next and, since it will be five years since the present levels of value were determined, it is to be expected that these will be generally higher than at present, possibly by about 30 per cent on average. In the earlier stages of the revaluation it had appeared that the increase in value of rural lands would have been appreciably greater than this, but the Government on assuming office called for a revision in the light of the recent fall in prices of primary products and the consequent fall of rural land prices. As a consequence of this revision the rural land revaluations have been reduced below the preliminary figures by something like one-third on average.

The Government is aware that the present tax rates on metropolitan and town land are rather higher than those levied in most other States. On the other hand, the valuations of such lands generally remain lower than in all States except Tasmania. Moreover, as a number of oher Government taxes and charges in South Australia remain below those of other States, it is considered reasonable that the present rates of land tax on such lands should continue, subject to the proposed surcharge on metropolitan land for parks and open areas.

For primary producing land the Government proposes to maintain the special statutory exemption of $5,000 and to reduce the existing rates by two-fifths for such land with an unimproved value of not more than $40,000, with a rebate at the rate of 2c in each $10 of unimproved value for lands valued beyond $40,000. These reductions are proposed in the light of existing problems affecting primary producers generally, particularly the difficulties in marketing primary produce and consequent diminution in returns. Unfortunately, there does seem a prospect that these difficulties are rather more than temporary. It must be pointed out, however, that the impact on the State Budget of measures designed to assist rural development and promote rural land values is much greater than in other States. These measures include provision of rural water supplies, irrigation and drainage works, and low-rated rail transportation, all of which operate at very heavy losses. Some recovery by way of land tax to prevent an excessive imbalance in the economy is accordingly reasonable and desirable.

The provisions of the Bill are as follows: Clause 1 of the Bill is formal. Clause 2 provides that the new Act shall come into operation on a day to be fixed by proclamation. Clause 3 makes a formal amendment to the principal Act. Clause 4 amends the definition section of the principal Act. The definition of the "Commissioner" is amended to make it clear that the references to the Commissioner are wide enough to embrace any person to whom the functions of the Commissioner of Land Tax have been lawfully delegated. It includes within the definition of "tax" any fine imposed in pursuance of the Act. This amendment to the definition is necessary in view of the fact that later provisions of the Bill impose a fine for late payment of tax. A definition of "the metropolitan area" is inserted in the principal Act. It is defined as meaning the metropolitan planning area and, in addition, the municipality of Gawler. This definition is required in view of the differential rate to be levied on metropolitan property. The definition of "taxpayer in a representative capacity" is re-enacted merely for reasons relating to the formal arrangement of the section.

A new definition of "unimproved value" is inserted in the principal Act. This definition is necessary in view of the recent decision by a magistrate interpreting the present definition in the principal Act. The magistrate held that even where reclamation work had been carried out on land many years ago an allowance for that kind of work should be made in the assessment of unimproved value. This in many instances must necessarily cast an impossible burden upon a valuer who is, after the passage of many years, in no position to ascertain what, if any, work has been carried out in connection with the reclamation, excavation, grading or levelling of land or other like improvements. In consequence, the definition of "unimproved value" is amended to exclude

(except in the case of land used for primary production) site improvement of this nature to land. Under new subsection (2) the new definition is deemed to have been in force since the commencement of the principal Act so as to preserve the effect of existing valuations.

Clause 5 amends section 11 of the principal Act. This section provides that where the land in respect of which a taxpayer is liable to pay tax consists of, or includes, land used for primary production, there shall be a statutory exemption of a given amount in reduction of the amount on which tax is calculated. Land tax is calculated on the aggregate value of all land owned by the taxpayer. Hitherto, it has not been necessary that this statutory exemption should be specifically related to the land used for primary production as a reduction in the taxable value of that particular land. However, in view of the computations that will be required under new subsections (4) and (5) of section 12, it will be necessary for the taxable value of any separate parcel of land to be ascertainable. The new subsection to be inserted by this clause provides that any statutory exemption arising under section 11 shall be specifically referable to land used for primary production, and where the taxpayer owns more than one parcel of such land, the statutory exemption shall be apportioned between the various parcels of land in the same proportion that the unimproved value of each bears to the aggregate unimproved value of all such land liable to tax.

Clause 6 provides, first, for the rebate upon present rates upon primary-producing land which I have already described and, secondly, for the surcharge applicable to metropolitan land. The purpose of the surcharge is, as indicated in the policy statement issued prior to the recent election, to raise an amount equal to an average of about $2 an allotment. There are about 300,000 allotments in the metropolitan area, which has been defined to include the metropolitan planning area within the meaning of the Planning and Development Act plus the municipality of Gawler. To raise $600,000 a year on the basis of the estimated aggregate valuations within the area requires an additional rate of one cent for each $20 of unimproved value. This means that a housing allotment valued at $4,000 which would pay an ordinary tax of $8 a year would pay a surcharge of $2 a year, a more modest one valued at $1,000 which would pay an ordinary tax of $2 a year would be called upon for a further 50c, whilst a $10,000 allotment which would pay an ordinary tax of $20 a year would pay a surcharge of $5 a year. I have tables showing the effect of both the proposed reductions for rural land and surcharges for metropolitan land, and I ask leave to have them incorporated in *Hansard* without my reading them.

Leave granted.

PROPOSED LAND TAX REDUCTIONS ON RURAL LAND

(40 per cent rebate on present rates with a maximum of 2c per $10)

Value of rural land $	Tax if no other land held			Tax if equal value of other land		
	Present $	Proposed $	Reduction per cent	Present $	Proposed $	Reduction per cent
10,000	17	10	40	30	18	40
20,000	60	36	40	100	60	40
30,000	120	72	40	210	150	29
40,000	200	120	40	360	280	22
50,000	300	200	33	550	450	18
100,000	1,100	900	18	2,090	1,890	10
200,000	4,180	3,780	10	5,890	5,490	7

PROPOSED LAND TAX SURCHARGES ON METROPOLITAN LAND

Value of Land $	Present Tax $	Proposed Surcharge $	Proposed Total $
Under 1,000	—	—	—
1,000	2	0.50	2.50
2,000	4	1.00	5
4,000	8	2.00	10
10,000	20	5.00	25
50,000	300	25.00	325
100,000	1,100	50.00	1,150

The Hon. A. J. SHARD: Clause 7 amends section 12c of the principal Act. This section makes special provision for declared rural land. Under subsection (4), if the Commissioner is satisfied that any declared rural land has ceased to be used for primary production, or if it is transferred by the taxpayer to certain other persons, or if a taxpayer applies for a revocation of a declaration under the section, the Commissioner may revoke a declaration in respect of land used for primary production. There is, however, no provision for revoking such a declaration where land is compulsorily acquired under the provisions of the Land Acquisition Act, 1969. The amendment repairs that deficiency.

Clause 8 provides that tax which is calculated at less than $2.50 shall not be payable, instead of a $2 limit as at present. This means that a metropolitan allotment valued at less than $1,000 will remain free from tax notwithstanding the surcharge imposed. It also means that a township allotment valued at less than $1,250 will be free from tax, in lieu of $1,000 at present. It has not been thought appropriate to have differing amounts of tax exemption in city and country notwithstanding the difference in rates. Clause 9 repeals section 58 of the principal Act and inserts a new provision in its place. At the moment the principal Act provides for the payment of interest on unpaid land tax at the rate of 10 per cent per annum. This provision is administratively burdensome. It requires in many cases the calculation of almost infinitesimal amounts of interest. The new section accordingly provides that on and after July 1, 1971, there shall be a fine upon overdue tax of 5 per cent of the due amount. This brings the penalty procedure into line with that existing under the Local Government Act.

Clause 10 follows from the election promise that persons who would suffer hardship through the imposition of the metropolitan surcharge may apply to have the surcharge remitted. The present Act makes provision for postponing land tax in cases of hardship but not for remission. The existing section 58a is accordingly restated to continue the postponement provision and to add a remission provision applicable to the surcharge. It is proposed that the remission be limited to $2, which is equal to the surcharge on an allotment valued at $4,000. If a pensioner or other person suffering hardship has a property of greater unimproved value than this, he could still be granted postponement, but the remission would be limited to $2.

Clauses 11 and 12 reduce the period for which application may be made to the Supreme Court to sell land upon which land tax is outstanding. The Commissioner has experienced difficulty with some companies that carry on business as land subdividers. These companies subdivide the land and allow land tax debts to accrue pending disposal of the land. The debts become charges upon the land and have to be paid eventually by the purchasers. This kind of malpractice is possible because of the unduly lengthy period before which effective action can be taken to recover tax under the principal Act. Under section 62 the Commissioner must publish for three consecutive weeks a notice specifying the land and the land tax due in respect thereof. At the moment this notice is not to be published until the tax has been in arrears for two years. This is an unrealistically long period and is reduced by the amendment to six months. Under section 63 the Commissioner may after one year from the first publication of the notice let the land or apply by petition to the Supreme Court for an order for sale. This period of one year is also unrealistically long and is reduced to three months commencing from the last publication of the notice.

Clause 13 amends section 66 of the principal Act by striking out subsection (2). This subsection provides for the apportionment of tax between different properties where the taxpayer is liable to pay tax in respect of more than one property. This provision is incorporated by the present Bill in an amended form as subsection (3) of section 12 of the principal Act. It is necessary for the purpose of the computations under subsections (4) and (5) of section 12 and is included in that section for this reason.

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

CONSTITUTION ACT AMENDMENT BILL (MINISTRY)

The House of Assembly intimated that it had agreed to a conference to be held in the Legislative Council conference room at 8 p.m. on Tuesday, November 17.

STAMP DUTIES ACT AMENDMENT BILL

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

The Hon. A. J. SHARD (Chief Secretary): I move:

That this Bill be now read a second time.

It has two main objects. The first is to give effect to certain revenue proposals announced

in the Budget to increase the amount of revenue to be derived from the stamp duties payable by insurance companies in the form of annual licences. The second, following the financial arrangements recently made between the Prime Minister and the Premiers, is to discontinue the liability of taxpayers to pay receipts tax in respect of moneys received after September 30, 1970. At the same time the opportunity is taken to extend the area of some exemptions, to facilitate payment of certain duties, to correct minor anomalies, and to endeavour to prevent possible losses of duty. Clause 2 is a simple machinery clause to enable the Deputy Commissioner of Stamps or other officers of the department to have the authorities of the Commissioner whilst performing any of his duties or functions.

Clause 3 extends the area of exemption from liability to pay duty in relation to credit and rental business. Following upon general increases in the level of bank and commercial interest rates it is proposed to increase the rate of interest that may be charged in relation to credit and rental business before the transaction becomes liable for duty. The present rate is 9 per cent. Provision is now made for this rate to be fixed from time to time by regulation. Adoption of this procedure will enable variations to be made as quickly as is required by circumstances so as not to inhibit or restrict the availability of loans or credit which are not intended to be taxed by this legislation. It is proposed to prescribe a rate of 10 per cent as soon as the Bill becomes law. This same rate has been adopted in other States as the maximum rate which may be charged without attracting this form of duty.

Clause 3 also provides a special exemption for registered credit unions and defines a registered credit union for the purpose of the exemption. The credit union movement is growing in South Australia and, since it fosters thrift and regular savings for the purpose of making loans to its own members at reasonable rates of interest, the Government believes that it should be encouraged. At the request of the Association of Credit Unions the Government intends to exempt credit unions from payment of stamp duty on loans which may be made in accordance with their rules, provided the rate of interest charged does not exceed 1 per cent a month on outstanding balances of loans. The Government is currently considering with representatives of credit unions the matter of legislation to deal with the registration of such unions and the conduct of their activities.

Clause 4 is consequential on clause 3 and deals with the fixing of a maximum rate of discount which may be charged by banks in relation to bills of exchange or promissory notes below which duty is not attracted to the transaction. Clause 5 amends section 31f (1) (*a*) (xii) of the principal Act, which requires a registered person to lodge with the Commissioner not later than the twenty-first day of each month a statement setting out the amount paid as duty on a mortgage or other instrument referred to therein executed within the preceding three months. The main purpose of this provision is that, where a loan is secured by a mortgage executed within the preceding three months, the duty payable in respect of the loan is to be reduced by the amount of duty already paid on the mortgage.

It has been submitted to the Government that the period of three months is too short and that in many instances portions of loans are still being made after three months from the date of execution of the mortgage. The Government is willing to meet this situation and the clause extends that period to six months. Clause 6 corrects a minor anomaly in that whereas the statement made by an "approved vendor" (that is, a person who elects to pay duty on instalment purchase agreement on a return) is required to be made "in the prescribed form verified by statutory declaration", a "registered person" (that is, a person lodging a return of credit and rental business) is required to lodge a statement "in the prescribed form and verified in the prescribed manner". In fact no statutory declaration is required in the latter case and a request has been received that the requirement for a statutory declaration be dispensed with in the former case. The Goverment agrees to this request and the clause gives effect thereto.

Clause 7 intends to deal with the situation, which is becoming more and more common, for insurances to be arranged overseas. It is reported also that, particularly where companies operate in more than one State, "package deals" for their insurances are being arranged in one State, usually the State where the head office is situated. When this occurs, premiums are not received by an insurance company operating in the particular State where the branch is operating, or, if the insurance is arranged overseas, they are received by no Australian insurance company at all. In such case, since duty in South Australia is based on premiums received by companies operating in South Australia, the State is losing duty.

All other States have taken action to deal with this situation and the amendments now proposed by clause 7 follow similar amendments made in the other States. They provide that where a person takes out or renews insurance outside South Australia to insure any property or risk in South Australia he must lodge a return and pay duty to the Commissioner on premiums so paid outside South Australia at the rate applicable to the various classes of insurance shown under the heading "Annual Licence" in the second schedule. The section does not apply to life assurance.

If such a person arranges all insurance in South Australia, we would tax the insurance companies only in relation to the property and risks situated in South Australia, and thus there would be no double taxing when the other States required such persons to render a return and pay duty. However, there could be some double taxation if any of the other States, where the premium is received, do not restrict their taxing of the insurance companies to properties and risks within their States. However, this situation presently exists as between all other States which have already legislated in the manner now proposed, and the remedy lies with the other States.

Clauses 8 and 9 deal with payment of duty on bills of lading and on share certificates and letters of allotment. These documents are presently subject to duty at 5c on each bill or certificate and the duty must be denoted by impressed stamp. These clauses now permit the duty in these cases to be denoted by adhesive stamp. These amendments are proposed as a result of representations made by taxpayers that payment of duty by adhesive stamps will be more convenient in some cases.

Clauses 10, 11, 12 and 13 provide simply that liability for payment of receipts duty does not apply to the receipt of money after September 30, 1970. Parliament has already been informed of the proposals which the Commonwealth has made regarding the making of special grants to replace the duty which will cease to be collected in relation to receipts after September 30, 1970, and the officers of the States and the Commonwealth will meet soon to calculate the amounts to be paid to the States for 1970-71 and the further amounts to be incorporated into the States Grants formula. I emphasize again however that, as a result of the Commonwealth legislation, duty, whether it be an excise or not, is payable on all receipts of money from November 18, 1969, to September 30, 1970. Duty on receipts other than in relation to the sale of new goods produced in Australia has never been under challenge, and the taxpayer is liable to pay these amounts (if he has not already done so) from the inception of the duty until September 30, 1970.

Clause 14 widens the definition of "racing club" contained in section 85 of the principal Act to include a dog-racing club. Clause 15 provides for exemption from totalizator duty for up to four dog race meetings each year, providing the Treasurer is satisfied that the whole of the net proceeds of the meetings (including the clubs' share of totalizator commission) is to be applied to charitable purposes. This brings the "charity meetings" arrangements for dog races into line with those which have been available for many years to racing and trotting clubs.

Clause 16 amends the second schedule of the Act to deal with the increased rates of duty proposed in the calculation of the annual licence fee payable by insurance companies and fixes rates of duty to be paid by persons who arrange insurances with companies outside the State. In accordance with the principal Act every person, company or firm which carries on any form of insurance business in this State is required to obtain an annual licence. The amount payable for such a licence is calculated by applying the rates shown in the second schedule to the Act to the net premiums received during the preceding 12 months.

Thus the amount payable for annual licences for 1971, which are issuable on January 1, 1971, will have regard to net premiums received in 1970, where net premiums are taken as gross premiums received, less any commission or discounts actually paid away and also less any amount actually paid away by way of re-insurance effected in South Australia. The amount of the gross premiums used as the basis of the calculation excludes insurance risks out of the State except life and personal accident risks. Thus, as far as general insurance is concerned the duty payable for issue of the annual licence relates to net premiums received in the State in relation to risks and property situated within the State.

At the present time there are two rates which are applied to net premiums:

1. $1 for every $200 of net premiums, which is applied to life and personal accident

insurance premiums and which rate has remained unaltered since 1902.

2. $10 for every $200 of net premiums, which is applied to all other insurance. This rate has applied since the end of 1964.

Prior to 1964 and since 1902 the rate has been the equivalent of $2.50 for every $200 of net premiums.

By an administrative decision made many years ago by a former Commissioner of Stamps, premiums for motor vehicle (third party) insurance and for workmen's compensation insurance have been subject to stamp duty at the lower rate of $1 for each $200 of such net premiums. At this stage, no further adjustment is proposed to the rate applied to general insurance business. However, examination of legislation and practices in other States suggests that South Australia is out of step in relation to its treatment of personal accident and workmen's compensation insurance. In the other States where personal accident insurance is subject to stamp duty, it is taxed at the general rate and not at the life rate, and this Bill will remove this form of insurance from its association with life business so that net premiums will be subject to duty at the general rate. In other States, workmen's compensation insurance is taxed as follows: New South Wales, by a flat rate of duty of 15c on each policy; Victoria, 5 per cent on premiums; Queensland, 3 per cent on premiums; Western Australia, 3 per cent on premiums; and Tasmania, exempt.

The circumstances in which the early administrative decision was made that workmen's compensation insurance should be treated as "personal accident" and taxed at the lower rate are now quite obscure, and it is unlikely that the decision can be sustained. Workmen's compensation insurance is not personal accident insurance in the generally accepted sense. It is an insurance which an employer is bound to arrange, unless he is specifically exempted, to indemnify himself against claims which may be made upon him by his employees exercising their rights under the Workmen's Compensation Act. It is a contract of indemnity and not really different from the many other forms of indemnity insurance available. This Bill makes it clear that the general rates will apply to workmen's compensation insurance premiums.

Motor vehicle (third party) insurance is also another form of indemnity cover and is not a form of personal accident insurance. However, as a special stamp duty of $2 was imposed in 1968 on each insurance certificate presented with an application to register, or to renew the registration of, a motor vehicle, it is not proposed to increase the annual licence stamp duty at present charged, and the Bill makes this clear. Finally, as far as revision of stamp duty rates is concerned, it is proposed to double the rate to be applied to life insurance premiums. At the present time, in the other States the rates are as follows:

New South Wales—
- 10c per $200 of amount of policy up to $2,000.
- 20c per $200 of amount of policy over $2,000.

Victoria—
- 10c per $200 of amount of policy up to $2,000.
- 20c per $200 of amount of policy over $2,000.

Queensland—
- 5c per $100 of amount of policy up to $2,000.
- 10c per $100 of amount of policy over $2,000.

Western Australia—Exempt.

Tasmania—
- 10c per $200 of amount of policy up to $2,000.
- 20c per $200 of amount of policy over $2,000.

All other States apply duty to the amount insured as a "once and for all" impost at the time the policy is issued, whereas in South Australia the duty is calculated in relation to net annual premiums at the rate of $1 for every $200 of such net premiums. There is therefore no direct measure of comparison. Nonetheless, the proposal now made to double the rate of duty to be applied to life assurance premiums will probably mean that the proposed rate will be rather more severe in South Australia than in the other States in the immediate future. However, it is known that some of the other States are actively reviewing their rates. Moreover, there are a number of other taxes and charges the impact of which is less severe in this State than in the other States, and if South Australia is to expect to obtain assistance through the Commonwealth Grants Commission to enable it to function at a standard equal to the other States and to provide its citizens with social services equal to those in other States, it must be prepared to tax its citizens as heavily overall, and this means that imposts in some areas must be more severe in order to make up for those areas where taxes and charges are less severe.

Summarizing these proposals: the rate to be applied to motor vehicle (third party) insurance will remain as at present, that is, $1 per $200 of net premiums but will be

restated in decimal currency terms as 50c per $100 of net premiums. It will be made clear that "life insurance" does not include motor vehicle (third party) insurance, workmen's compensation insurance or personal accident insurance, and the rate to be applied to life insurance premiums will be increased from $1 per $200 to $1 per $100 of net premiums. The rate for general, including workmen's compensation insurance and personal accident insurance will be restated in decimal currency terms, that is, $5 per $100 instead of $10 per $200 of net premiums.

Since the charge for an annual licence is payable at the commencement of a year and is based on the premium figures of the preceding year, the whole of the increased revenue involved in these proposals and estimated at some $900,000 will be available to assist the Budget this financial year. Paragraph (*b*) of clause 15 fixes the rate of duty payable by a person who arranges insurances outside of South Australia at the same rates as would have been used in the calculation of the annual licence fee had the insurances been arranged with a company within South Australia. The annual licence fees as amended by this Bill will automatically apply to the new Government Insurance Office when it commences business except that, in accordance with the statutory charter given to that office, it will not be permitted to undertake life assurance business in competition with the existing life offices.

The Hon. F. J. POTTER secured the adjournment of the debate.

UNDERGROUND WATERS PRESERVATION ACT AMENDMENT BILL

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

The Hon. A. J. SHARD (Chief Secretary): I move:

That this Bill be now read a second time.

The purpose of this short Bill is to make an urgent amendment to the Underground Waters Preservation Act. As honourable members are aware, water quotas have had to be imposed under this Act in respect of the underground water reserves of the northern Adelaide plains. As a result of these restrictions, many appeals were lodged. Under section 51 of the principal Act, the institution of an appeal suspends the operation of the direction subject to appeal. The Underground Waters Appeal Board, unfortunately, has not been able to dispose of the appeals with any real degree of expedition. In fact, appeals are being determined at the rate of about two a week. The effect is twofold. First, the frustration of the quotas by the institution of appeals has resulted in increasing danger to the underground water supply. Secondly, inequity has been caused between those to whom the directives have been given. It is clear that some of these have been able to obtain extensive respite from the quotas by the mere fact of appealing. The Bill seeks to remedy this situation by providing that the institution of an appeal does not affect a direction subject to appeal. The Bill is to be retrospective, applying to directions given before and after the amending legislation.

The provisions of the Bill are as follows: Clause 1 is formal. Clause 2 repeals and re-enacts section 51 of the principal Act. This section at present provides that the institution of an appeal suspends a decision or direction subject to appeal. The new section reverses this position. New subsection (1) provides that the institution of an appeal shall not suspend or otherwise affect the operation of a decision or direction subject to appeal. New subsection (2) provides that the new section is to operate in respect of decisions and directions made before or after the commencement of the amending Act.

The Hon. M. B. DAWKINS secured the adjournment of the debate.

PROHIBITION OF DISCRIMINATION ACT AMENDMENT BILL

The House of Assembly intimated that it had disagreed to the Legislative Council's amendment.

PINNAROO RAILWAY ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

HIGHWAYS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 11. Page 2543.)

The Hon. C. M. HILL (Central No. 2): This Bill, which is mainly a machinery measure, is closely related to the amendment contained in the Motor Vehicles Act Amendment Bill which this Council passed earlier today. The machinery measures in this Bill are necessary because of the changing circumstances relating to the Highways Fund, the moneys that are allocated to it and the purposes for which those moneys can be expended. Also, the measures in this Bill are part of the machinery necessary

to further the implementation of the Metropolitan Adelaide Transportation Study proposals.

We have heard much from the Government about the fact that M.A.T.S. is withdrawn, was withdrawn or is going to be withdrawn. We had promises before the last election that it would be withdrawn, and even after the last election, on June 5, Mr. Virgo said that the "infamous M.A.T.S. Report would be withdrawn and revised". On June 3 the Premier said that the Labor Government had promised to withdraw and revise the M.A.T.S. Report. Many of the changes in this Bill are directly related to that report. In truth, it has not been withdrawn at all.

The Government promised something and has broken that promise. All the Government has done in regard to M.A.T.S. is that it has carried out some investigation into what may be the transportation trends for metropolitan Adelaide at about the turn of this century, at about the year 2000. M.A.T.S., of course, is a plan only for the period expiring in 1986 and for that relatively short period of time still to run, 16 years, all the approved roadworks and the approved freeways in the M.A.T.S. plan will be necessary.

I support the Bill generally, but there are one or two points on which I seek further information. I shall deal with them as I review the measure clause by clause. The first substantial clause is clause 2, which deals with the acquisition of land for roadmaking schemes. The Highways Act has always restrained the Commissioner of Highways so that he shall spend his Highways Fund in specified ways subject to Ministerial consent. This, of course, has been, and still is, quite proper. However, because of the transportation proposals, there has been a need to widen his power, and clause 2 takes care of that.

Clause 3 deals with the hardship cases that have arisen because of the announcement of the M.A.T.S. proposals. The clause introduces a rather novel approach to the problem that arose immediately the proposals were first announced in regard to people whose properties were on specified routes, both approved and not approved in that plan, who wished to sell their properties and found themselves in some hardship because, of course, on the open market they could not find purchasers for their properties. The previous Government immediately sensed the need to be sympathetic to and generous with these people who were affected by this form of hardship. In his second reading speech, the Minister said:

Experience has shown that this adverse effect continues notwithstanding the fact that the proposals may have been deferred or modified.

It did not take experience to prove to anyone, I suggest, that this problem of hardship had to be tackled by any Government of the day, no matter what its political colour was, and that these people whose properties were adversely affected in value and who for genuine reasons wished to sell them had to be put in an extra category; and the department had to negotiate with them and pay them a fair and just sum of compensation, as though the plans had never been announced at all.

That was the principle to which the previous Government worked and I believe it is the principle to which the present Government is working but, of course, the Highways Act at that time did not specifically lay down how these hardship cases were to be dealt with. We now have this amending measure setting out, I think for the first time, how the Government proposes to face this problem.

The steps are that the person who feels that his property value has been affected and that he is suffering hardship must first approach the Minister, who is given the responsibility in this Bill of determining whether or not the case is one of hardship. If he decides that hardship does exist, the Bill lays down that a certificate shall be supplied by the Minister to the person concerned and, once that person is armed with that certificate, the Commissioner of Highways must proceed on the request of the person and purchase the property in question. In other words, under this Bill, the responsibility of assessing whether hardship exists and the degree of hardship lies with the Minister and not with the Commissioner of Highways.

Personally, I agree with that principle: the onus is on the Minister, who is answerable to Parliament and to the people. Because this is what may be called a very deep human problem (assessing hardship in the circumstances I have described) I think it should be the responsibility not of a public servant but of the Minister. So clause 3 provides that the Minister shall grant these certificates and that this procedure shall not be challenged by a court. The clause provides:

(2) The Minister shall not grant a certificate in respect of any land unless, upon such evidence as he considers adequate, he is satisfied that (*a*) there is a possibility that the whole or part of the land may be required by the Commissioner for the purposes of this Act: (*b*) by reason of that possibility the value of the land is adversely affected; and (*c*) by reason of the fact that the value of the land is

adversely affected, the owner of the land has suffered or may suffer substantial hardship.

I seriously question the word "substantial" in paragraph (*c*). It is my view that anyone who suffers any hardship to any degree, whether minor or major, whether substantial or call it what you like, must come within this category and be given a certificate. If the Minister is given this power not to issue a certificate because he feels that substantial hardship does not exist, I think that great unfairness may be heaped on the people of this State. Surely, if there is any doubt about the degree of hardship that a person will face as a result of the transportation proposals, the decision should weigh in favour of the individual and not in favour of the State.

I believe that that word "substantial" in paragraph (*c*) should be removed. In his reply to this debate, will the Minister consider commenting upon removing the word "substantial" from paragraph (c)? The question of hardship applies not only, as the Minister said in his second reading explanation, along transportation proposal routes that have been deferred or modified but also, of course, along routes which have been approved but on which the freeways or the roadways will not be built for a long time because, naturally, the department is not moving into areas such as those and compulsorily acquiring land now. It would prefer people to hold their properties and live there for, say, 10 years or 15 years but, if there are cases where people must sell their property no matter what the reason might be, and if the value of the property on the open market decreases, those people, too, will suffer hardship.

Both groups, that is, the group of people on routes where the plans have not been approved, and the group of people along routes where the plans have been approved but where the land will not be needed for a long time, are affected. I submit that, irrespective of the degree of hardship to which these people are put, the Minister must issue a certificate so that the Highways Department can proceed to treat with them and give them fair and just compensation.

The Hon. Sir Norman Jude: To take responsibility, the Minister must have considerable knowledge of each case. How many cases would he have in a year? I should not like to sign a certificate on my own responsibility and take full responsibility unless I were certain of the reports of my public servants.

The PRESIDENT: Order!

The Hon. C. M. HILL: I shall deal with one question at a time. First of all, there are not as many cases as one might first think. I appreciate Sir Norman Jude's opinion, because he has had much experience as Minister in charge of this department. However, in practice it has been found that many of the people concerned in these categories do not rush to sell their properties. A comparable parallel to this situation concerned land reserved for open spaces.

It was thought originally that those owners would rush in and want to dispose of their property, but it does not happen that way in practice. However, undoubtedly there are many such people. Those who apply to the Minister and who are genuine cases of hardship must apply and be dealt with by him, I should think in his own department, and he must decide to issue a certificate. This would not be a very difficult decision. If there is any doubt, the individual should certainly get the judgment, not the State.

So I think it is a very practical way to approach the problem. It is a very serious matter. The only thing that worries me is that the Minister should not be able to refuse the certificate, on the ground that substantial hardship is written into the Act. Unless in the Minister's view substantial hardship is evident, he can refuse such a certificate.

Clause 3 deals with the giving of extra power to the Commissioner to spend money on planning and research. This money comes through the Commonwealth Government aid roads allocation. Commonwealth funds have been allocated for the current five-year plan, with the plan commencing on July 1, 1969, for three categories of roads and, specifically, for planning and research.

Therefore, it is appropriate and proper that our Act must be changed to allow the Commissioner to expend this money for that particular purpose. My comments in regard to this clause refer also to a matter in clause 7 of the Bill that enables the Minister to spend money on roads other than main roads. Previously, the Act read that highways money could be spent only on main roads. To expand these two points a little further, I point out that, as from July 1, 1969, $120,000,000 has been allocated for the five years to South Australia as a basic grant; that represents 10 per cent of the total Commonwealth allocation.

The first of the three headings for expenditure on roads was on national route and State highway system roads in rural areas, and a total

amount of $13,670,000 was to be spent over the five years under that head. This amount was to cover the construction of the principal rural road system only. The second category of expenditure was on main roads, secondary roads and district roads systems in rural areas, and $45,100,000 was allocated over the five-year period. This grant was available for construction and maintenance of the designated road system.

The third road grouping was all roads within metropolitan Adelaide, and an amount of $59,300,000 for the five-year period was granted under this head. This grant was available for construction only. It included all roads within the statistical division of metropolitan Adelaide, which extends from Gawler in the north to Sellick Hill in the south, and Mount Bold, Germantown Hill and South Para reservoir in the east. Under that category, money had to be spent on roads other than main roads, and, included in the amendments to clause 7, that power is being given to the Commissioner of Highways.

Of the $120,000,000, $1,800,000 was granted by the Commonwealth to South Australia for planning and research. In this same five-year period, it was specified that $270,000 had to be spent in the year just concluded, that is, 1969-70. As well as that $120,000,000 basic grant, a further special grant of $9,000,000 was given by the Commonwealth to be spent at the discretion of the State authorities. What amount the Commonwealth has laid down for the current year out of the $1,800,000 for expenditure on road research, I do not know, because I have not seen the road plan of the Highways Department for the current year.

It is very regrettable that the Government did not circulate the road plan to members of Parliament, as did the previous Government in its full two years of office, so that they could see where the money from the Highways Fund would be spent in this year. The Government said it had given some of the plans to specified people, but two people, namely, the Leader of the Opposition and the Opposition Whip in the Council, to whom the Government said that the plans had been sent, have told me that they have not received them. I do not know how much will be spent under this clause in this financial year under the heading of road research.

If the Bill is passed, it will at least give the Commissioner power to expend the money that the Commonwealth has laid down must be spent. I think it is proper that the Act should be altered to give the Commissioner that power. Highway operations in this State are of such a magnitude that adequate investigation, research and forward planning must be carried out if the money is to be spent wisely. I therefore do not object to this clause in any way.

For the purpose of review clauses 5 and 6 can be considered with clause 7, which deals with the method of spending money in the Highways Fund. It provides that the Commissioner may spend money, for example, on housing, so that people affected by the transportation proposals can be adequately rehoused. This is an important aspect of properly re-establishing people. The whole approach should include the appointment of a social worker so that these people can be rehoused without any mental, physical or financial problems.

In the past year or two money has been temporarily loaned from the Treasury to the Highways Fund for the purposes of some property acquisitions, and provision is made for its repayment to the Treasury. It is necessary that there be flexibility on this point. Provision is made for a complete break in a long-established principle in connection with funds under the control of the Highways Department. The Motor Vehicles Act Amendment Bill provided for an increase in fees for drivers' licences, some of which increase was to be paid back to the Treasury for road safety purposes.

Clause 7 (*c*) (*l*) provides that the money may be paid from the Highways Department back to the Treasury for that purpose. We must consider this matter in the light of modern times and modern thinking. It has been suggested that perhaps money in the Highways Fund could be used for some purposes other than those directly related to the motorist. I have always believed that the time is coming when transportation, as a general heading, will have within its scope departments and activities such as the Highways Department, the Municipal Tramways Trust, the Railways Department and part of the State Planning Office.

I think the time will come when a more flexible attitude will be taken to the Highways Fund so that transportation in general may benefit. Consequently, I do not disagree with the principle that this Bill invokes, and I do not object to a sum being taken from the Highways Fund for road safety purposes. Such expenditure, of course, comes within the scrutiny

of Parliament, because plans for that expenditure are set out in the Budget. Consequently, Parliament will be able to discuss the form that the expenditure takes at the appropriate time. However, I stress that it does represent a change in the traditional procedure, and it is a change that some honourable members may like to discuss further.

I repeat that in principle I do not oppose the Bill, which in many ways is a machinery Bill that simply brings the principal Act up to date. Of course, the legislation will be forever changing, because times are changing and the circumstances surrounding the Highways Department will change. I seek further comment from the Minister regarding the hardship conditions in connection with which he must issue the certificates I have referred to. If his reply is unsatisfactory I may move an amendment during the Committee stage. I support the second reading.

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

DANGEROUS DRUGS ACT AMENDMENT BILL (GENERAL)

Adjourned debate on second reading.

(Continued from November 11. Page 2552.)

The Hon. R. C. DeGARIS (Leader of the Opposition): I should like to begin by extending my congratulations to the Hon. Mr. Springett on the speech he delivered yesterday on this Bill; that speech must have impressed all honourable members. With his very wide experience in medicine (an experience that extends to many countries), there are very few who are more qualified to give us the benefit of their practical experience in the matters dealt with in this Bill. Secondly, I commend the Government for introducing this Bill. We know that there have been pressures within the Australian Labor Party (probably pressures of greater intensity than those in any other Party) for a relaxation of the law and for the adoption of a softer line on the question of drugs. Yet the Government has seen fit to adopt the line that was adopted by the previous Government, a line that was adopted after 12 months' discussion with other States and the Commonwealth. In his second reading explanation the Chief Secretary, in referring to the Bill, said:

It incorporates the recommendations of the national standing committee on drugs of dependence that have been made with a view to combating on a uniform basis the developing drug problem in Australia. The national standing committee was set up following a meeting of Commonwealth and State Ministers in February, 1969. The purpose of establishing the committee was to create a body capable of advising upon drug problems and of examining avenues of co-operative action between Commonwealth and State authorities.

So, I commend the Government for adopting some of the recommendations made by the national standing committee and for introducing this Bill, which I think I may have had some hand in drafting. Of course, when one leaves office one leaves behind papers for the person following him, and it does not take long to lose the thread of what has happened in relation to conferences on this matter. Consequently, I hope the Chief Secretary will tell me what recommendations the national standing committee made that are not incorporated in this Bill. I know that other recommendations have been made. It became evident about 18 months ago that there was a need for the State Public Health Department, the State Police Department, the Commonwealth Customs Department, the Commonwealth Health Department, and the Commonwealth Police Force to confer in order to design up-to-date legislation and, if possible, to ensure a common policy throughout Australia and also to improve liaison and administrative procedures between all departments concerned and between the States and the Commonwealth. Also, these conferences were convened to examine and report on the need for a controlled education programme on all facets of the problems arising from various drugs of dependence.

After the initial meeting of the conferences, at which some disagreement existed, they produced recommendations that would result in a considerable improvement in the situation. Having examined overseas this question of legislation in relation to drug dependence, I believe that there are only two ways any Government can approach the question of this legislation: first, to adopt a completely permissive approach or, secondly, to adopt a hard-line approach. There cannot be any compromise between these approaches. In some European countries the approach is completely permissive, whereas in the United States of America it is a hard-line approach. In considering figures showing the increase in drug addiction it is interesting to note that, whether the permissive or the hard-line approach has been adopted, the statistical increase in the degree of addiction in the community reveals approximately the same figures.

In Australia we must try to control this problem by taking the hard-line approach in the first place. There will be no way of undoing or retreating from the permissive approach once that line is taken. In one European country, which has taken the permissive approach, the Government supplies drugs free to any person requiring them. No attempt has been made to prevent drug dependence: if a person decides that he wants to become an addict of heroin or morphine he registers with the Government agency and is supplied with the drugs that he requires, free of charge. One reason for countries adopting this permissive approach is that some Governments have found it completely impossible to solve the problem of the drug pusher or trafficker.

Once a Government is unable to control this person (and large profits are going to this parasite, one of the most vicious parasites any community can produce), the only approach left is to take the completely permissive approach with the Government supplying the drugs. Penalties in this Bill for trafficking have been steeply increased: indeed, a completely new offence has been introduced, and I hope that other States will adopt this provision. I am sure that no honourable member would argue the question of penalty for this type of criminal. The Hon. Mr. Springett said that he had some misgivings about introducing the reverse onus of proof for the offence of drug trafficking.

It is reasonable that the honourable member should question this provision: no-one likes the idea of introducing into the Statutes the question of reverse onus of proof. However, I adopted this attitude and I congratulate the Government on adopting it for this offence. It was a recommendation of the national standing committee, and was also a decision of the previous Government. One could say that the reverse onus of proof would offend most democrats, but we are faced with difficulties of detecting a trafficking offence. The reason for introducing this means of proof when dealing with drug trafficking is obvious to me. If we are to embark on a harder line (and I support fully this attitude) with the hope that this approach will work, I consider that the reverse onus of proof provision concerning trafficking is the key to the success or failure of this measure. Without this provision it would be almost impossible to obtain a conviction for drug trafficking: it would be almost impossible to separate the drug trafficker from the drug user.

All honourable members appreciate that the addict is a person who, in many cases, deserves our sympathy and support, and deserves the best possible rehabilitative services. On the other hand, the trafficker deserves the most severe penalty. The only way to strengthen the ability of authorities to detect and convict a drug trafficker is to include a reverse onus of proof provision. If a person is in possession of a certain quantity of specified drugs (and this will be specified by regulation) it will be *prima facie* evidence that that person is a trafficker. Indeed, I am certain that the quantity of drugs a person may have in his possession will be established at such a figure that there can be no doubt the only reason that person had that quantity of drugs in his possession was for the purpose of trafficking in those drugs. The provisions of the Bill have been agreed to by all States at conferences and also by the national standing committee. I will look with interest at the regulations, when they are brought down, specifying the drugs and the quantity of drugs that a person may carry before the reverse onus of proof applies.

The movement of drugs in any community must fall into two categories. I think the Hon. Mr. Springett dealt with this question yesterday. There must be a licit movement of drugs because many of these drugs have a most important part in medicine and there must be fairly free movement of them through the correct channels. Those drugs must be available to medical practitioners and others who use them. However, there is in Australia a need for tighter control of the licit movement of drugs and, I believe, tighter control of the production of drugs of dependence. Recommendations have also been made by the national standing committee on this matter. Of course, the control of the licit movement of drugs must rest with the Health Departments of the States and also at the Commonwealth level. Whilst the licit movement of drugs must be under the control of the Health Departments, at the same time there is a need for very close liaison between the various Health Departments and other authorities such as the police and the customs authorities.

We then have the other question of the illicit movement of drugs in our community. This involves almost entirely the law enforcement agencies such as the police and the customs authorities. The Bill will improve the co-operation between all these agencies, and I am sure all honourable members in this Chamber will applaud that. Having been involved with the original conferences that

agreed to the formation of the national standing committee and other investigatory and standing committees, and having been also, I think, responsible for drafting this Bill, I am delighted that the present Government has seen fit to proceed with the recommendations. I have no doubt that further legislation will come before us, in the form of regulations or amendments, on any other recommendations that may be made by the national standing committee. If those recommendations are along similar lines to those contained in this Bill, I am certain that they, too, will receive whole-hearted support in this Council.

With your indulgence, Mr. President, perhaps I can point out to the Council one or two of the difficulties that are faced by law enforcement authorities in the detection of drug trafficking. The Hon. Mr. Springett referred yesterday to L.S.D., and I must emphasize the very great ease with which this drug can be manufactured and the very easy methods that can be adopted for its distribution in the community. I believe that it can be manufactured in most school laboratories by anyone who has some knowledge of chemistry. This drug can be transported very easily. For instance, it can be transported through the post on blotting paper. One method already detected by authorities, I think in New South Wales, is that of impregnating chewing gum with L.S.D. I believe it was found that the chewing gum had been purchased, unwrapped, impregnated with L.S.D. and re-packed in the same package and then marketed with its original brand name. Therefore, one can see that this drug is very difficult to detect and that it can be very easily transported.

In cases such as this, it may well be that we may have to look for even more stringent penalties on not only those people who traffic but also those people who manufacture in bulk for a very lucrative market. One can see from the story I have related how easily and unwittingly a young person can be introduced to the use of a dangerous drug.

I would also like to comment on the need for the adoption of a highly skilled educational programme on the whole question of drug dependence. I am quite sure that this is a matter of urgency. The Commonwealth Government has already agreed to finance these programmes and make them available to the States for dissemination. I stress here that these programmes should be designed as educational programmes in relation to health education; they should not be emotional, and they should not be commercialized programmes. I know that there are many people in the community who are keen to assist in this question of educational programmes. However, I stress that without there being the best advice possible these programmes can create the wrong sort of interest.

I commend the Government once again for introducing this legislation. I hope that in future, as other recommendations come from the national standing committee, we will see further legislation in an attempt to combat this growing problem in our community. I support the second reading.

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

INDUSTRIAL CODE AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 11. Page 2556.)

The Hon. E. K. RUSSACK (Midland): As many honourable members have spoken on this Bill, I shall be brief in my comments. However, there are a few points that I wish to emphasize. The Bill, in the main, is divided into two parts. One concerns the Deputy President of the Industrial Court and matters relating to him. I do not intend to deal with that part of the Bill. However, I should like to comment upon the part that deals with shopping hours. At the outset, let me say that I have publicly stated that I would support the shopping freedom that now exists in those areas of Midland District that I represent.

The Hon. D. H. L. Banfield: What about Salisbury?

The Hon. E. K. RUSSACK: I am still of the same opinion. I will tell the Hon. Mr. Banfield about Salisbury in a minute. Many figures have been given about the referendum but I should like once again to point out that a "Yes" vote in excess of 70 per cent was returned from the areas of Midland District in the outer metropolitan area. The voting was as follows. In Elizabeth the voting was 9,376 in favour and 2,442 against; in Goyder the figures were 322 in favour and 155 against; in Light, 2,561 in favour and 1,151 against; in Playford, 9,836 in favour and 2,910 against; in Salisbury, 7,752 in favour and 3,296 against; in Tea Tree Gully, 10,009 in favour and 4,057 against. In all, the latest figures available (I acquired these this morning from the State Returning Office) are: 177,296 (or 42.88 per cent) in favour and 190,826 (or 46.16 per cent) against. There were 45,326 (or 9.78 per cent)

informal votes and 50,181 (or 10.82 per cent) people who failed to vote, making a total of 95,507 of informal voters and people who did not vote. In all, 463,629 people were eligible to vote of whom 413,448 voted; in other words, 89.18 per cent of the people voted. Therefore, I say that this was not a true indication of the thinking of the people.

The Hon. D. H. L. Banfield: How did this compare with the Midland by-election vote?

The Hon. E. K. RUSSACK: I shall now quote from a letter that I received from a citizen living in Elizabeth, which reads:

Dear Sir,

I am writing to you to register my protest regarding the closing of shops at 5.30 p.m. on Friday nights. Many of my friends, and colleagues at work, also feel extremely irate on this issue. It is felt that there was strong apprehension in the inner suburbs that if Friday night shopping was enforced the Government would not be able to withstand union pressure to close the shops on Saturday mornings, and this worry swayed the referendum (in those particular areas) to a "No" result. Another decisive factor was the absence of a third question in the referendum, namely a "No Change" question. I feel that a significant number of people would have voted "No Change" (had the opportunity been there) rather than deprive the people of the fringe areas of their late shopping, which they so obviously wish to retain. Twenty per cent of the people entitled to vote in the referendum (92,000) failed to register their opinion. Surely this high percentage proves that the public at large was not happy at the way the referendum was presented to them.

It was a compulsory vote and they were not happy about it. They indicated their objection to compulsory voting either by not going to the poll or by registering an informal vote. The letter continues, later:

In fairness to shop assistants, hours of business could be from 9 a.m. to 12.30 p.m. on Saturday and from 2 p.m. to 5.30 p.m. on Monday, thus allowing a complete break from work from 12.30 p.m. on Saturday until 2 p.m. on Monday. The shop assistants would get their break from work and the public would have the convenience of the shops being open when most needed.

If and when the 35-hour week is eventually negotiated, perhaps the shops could close all day on Monday, which is generally considered a very slack period. We have been informed, through various sources, that to open shops on a Friday night would be a step backwards to the "bad old days". In Canberra, Australia's most modern and go-ahead city, I understand that shops are open for trading on Friday nights. One would scarcely believe that such a futuristic city would be taking any retrograde steps.

For the benefit of the Hon. Mr. Banfield, I shall quote the following testimonial—

The Hon. C. R. Story: Unsolicited, too.

The Hon. E. K. RUSSACK: Yes, unsolicited. It is as follows:

I would like to state that I attended the meeting regarding shopping hours held in Salisbury on 2nd inst. and I would like to congratulate you on the sincere stand you took on behalf of this issue.

I suggest that this statement applies to the other honourable gentlemen of the Legislative Council.

The Hon. D. H. L. Banfield: Why didn't they solicit some letters?

The PRESIDENT: Order!

The Hon. E. K. RUSSACK: This is a letter from a citizen and a taxpayer from the Elizabeth area and, although it was written by an individual who states in the letter that this is also the opinion of his colleagues and workmates—

The Hon. D. H. L. Banfield: How did he vote?

The Hon. C. M. Hill: I think the new member has them rattled already.

The Hon. E. K. RUSSACK: Letters from Elizabeth and Salisbury have a similarity in the reasons why their writers would like to see 9 p.m. Friday shopping retained. Salisbury has had this right for over 20 years and the city has developed around this atmosphere. Since its inception, Elizabeth has enjoyed the freedom of Friday night shopping for some 15 years. This is stated in communications from those two cities. I have made personal inquiries and have found that a similar situation exists in Tea Tree Gully, which area, too, has developed around this environment of late shopping hours, to which the people have become accustomed.

We have been told several times during this debate that there are three main categories of person involved in this matter. The first category is the proprietors of the shops. Here, I suggest, and admit, that there could be mixed feelings on their part about remaining open until 9 p.m. on a Friday. Secondly, there are the shop assistants. There are many casual employees who need those extra few dollars from Friday night employment to meet second mortgage or hire purchase commitments. Then there are the permanent employees, some of whom are in agreement and some of whom are not in agreement, although I believe that most of them are in agreement. As a result of investigation, I find this to be so because, again, many of them have financial commitments, and the added money assists them.

The third and possibly the most important of the three categories of people are the general public or the customers. As has been said many times, the customer is always right. The shop is there to provide a service. Admittedly, confusion exists regarding the *status quo*.

I refer now to the opening of any business at any time. The emphasis in this debate has been on Friday night shopping until nine o'clock. I should like to read one or two extracts from letters that I have received to substantiate the traders' position. I have received the following letter from the Corporation of the City of Salisbury:

A facility which has existed for many years for the benefit of the majority of the residents of an area should not be taken away from them. The existing hours are supported by the majority of traders, and many businesses have been established in the area with the knowledge that extended trading hours apply, and the abolition of Friday night shopping would be to the economic disadvantage of such business proprietors. Friday night shopping provides employment for a large number of casual employees, and if this does not continue then hardship will be forced on many families within the community. The existing facilities provided by shop owners and proprietors have enabled competitive trading to continue and no increased cost to residents enjoying this facility has been evident.

As the letter is from a local government body, I accepted it as being factual. Regarding the next category of people, that is, family shopping and family trading, they have also been mentioned in a letter from the Corporation of the City of Elizabeth. The letter states:

By virtue of Elizabeth's situation and local circumstances, a considerable proportion of the population travel out of the area to work each day, many of them into Adelaide. Because of the time and distance of travel, a considerable number of these people do their personal or family shopping in Elizabeth on the late closing night. If they were unable to do this, some trade from this centre would inevitably be lost to other areas near their place of work.

I have not considered this matter lightly, for I have made a personal investigation. I went to Elizabeth and Tea Tree Gully and questioned a number of intelligent people. One man who worked at the Weapons Research Establishment told me that it was difficult to commute between his house and place of employment and for his wife to commute from the house to the stores other than at a time when he was available. They had only one car, and, as public transport did not connect from his house to his place of employment at a convenient time, he had to use the family car. On the other hand, while his wife could get some necessary small items at a delicatessen or a shop just around the corner, she found that public transport did not connect conveniently from the house to the main shopping area; therefore, it was most convenient that they shop together on Friday nights.

I also challenged a young man to whom I gave a ride from the outskirts of Elizabeth into the town. He also believed that the privilege of Friday night shopping should continue. As I do not wish to delay the debate any longer, and as I agree to most of the points that have been made on the subject of Friday night shopping, I conclude by stressing that the main consideration in the debate is the continuation of Friday night shopping until nine o'clock in the metropolitan fringe areas that are represented in the Midland District. Because of the amendments which have been placed on file and which could bring about the desired solution, and because I do not object to the first part of the Bill dealing with the Deputy President of the Industrial Commission, I support the second reading. However, in Committee, I will oppose any provision that does not conform with the existing Friday night trading hours in the shopping areas that I have mentioned.

The Hon. A. M. WHYTE secured the adjournment of the debate.

MINES AND WORKS INSPECTION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 11. Page 2561.)

The Hon. A. M. WHYTE (Northern): When I sought leave to conclude my remarks yesterday, I was debating the economics that would apply if this legislation were introduced. It is most important that we examine very carefully the question of the economics in connection with the supply of roadmaking and building materials when considering amendments to the Act.

I mentioned yesterday the merits of tunnelling right through the Mount Lofty Ranges instead of extending the scar along the face of the Hills. As I have not seen any report on a geological survey of what materials are contained within the range itself, I should be interested to see such a survey made. I can easily understand that quarry operators would not be prepared to tunnel into the range if they could get the materials they wanted along the face of the range. Perhaps the Minister could tell me later whether such a

survey has been conducted; if it has not been conducted, I suggest that such a survey would have merit.

Reverting to the Coober Pedy and Andamooka opal fields, there has been a tremendous outlay of machinery: it is estimated that on the Coober Pedy field alone between $3,000,000 and $4,000,000 has been spent on earth-moving machinery. I would think that $5,000,000 would be involved at the Andamooka field. We must bear in mind the livelihood of the people who have expended this sum. I do not think we can step straight in and say that tomorrow all holes that have been dug must be refilled.

It has been suggested in connection with the Industrial Code Amendment Bill that there should be a period of between six months and two years before all shops in the metropolitan planning area and Gawler must close at 5.30 p.m. on Fridays. I suggest to the Minister that such a period should be considered in connection with the enforcement of the provisions of this Bill. If we give machinery operators six months in which to seek other employment some bankruptcies may be avoided. Apart from the bulldozers, there are now some drills with a 3ft. diameter that sink holes to about 60ft. Miners should be encouraged to use these drills rather than the unsightly trenches that are being dug by bulldozers. On both fields the opal occurs at two levels. At Coober Pedy the first level is between 15ft. and 30ft., and the second level is at about 60ft.

These drills will reach both levels and give the miners the opportunity of working quickly and effectively a number of claims in a 12-month period. The main bone of contention is the back-filling of trenches that have been dug by bulldozers. New paragraph IVa is a far-reaching provision that puts teeth into the legislation. It provides that an inspector may take action against any operation that "in his opinion has impaired unduly or is likely to impair unduly the amenity of any area or place". New section 10b (2) provides:

The advisory committee shall consist of three members appointed by the Governor of whom—

(*a*) one shall be a person who is in the opinion of the Governor qualified and experienced in mining engineering;

(*b*) one shall be a person who has had, in the opinion of the Governor, extensive experience in the conduct of mining operations; . . .

New section 10b (4) provides:

A person who holds office in the Department of Mines, or who has any direct or indirect financial interest in the conduct of mining operations in this State shall not be a member of the advisory committee.

I draw the Minister's attention to the salary that would be required by a person who is qualified and experienced in mining engineering or who has had extensive experience in the conduct of mining operations. The Government would have to pay such a man more money than it pays the Director of Mines, because such people are very readily absorbed in the great search for minerals and in mining operations already taking place. I know that the Mines Department is sorely pressed in keeping its officers, because of the prizes to be gained by entering private enterprise. I wonder whether the Government will be able to find members for the advisory committee without the Government's being involved in great expense. New section 10c (2) provides:

The Minister shall consider any advice of the advisory committee but shall not be bound thereby.

This is a sound provision, because it is right that any shortcomings of the legislation should be placed before the Minister. As a result, helpful amending Bills may later be introduced into Parliament.

The Hon. A. J. Shard: Are you referring to this Bill?

The Hon. A. M. WHYTE: I presume that new section 10c (2) means that the Minister has the final responsibility. The Bill is well designed to cope with the protection of South Australian amenities. I believe that some amendments may be moved during the Committee stage. One such amendment may provide for a period within which operators of heavy equipment will have a chance to phase out their activities instead of their being stopped at a moment's notice. I support the second reading.

The Hon. C. M. HILL (Central No. 2): I support the second reading and I will listen with some interest to the discussion on the amendments that have been foreshadowed. Of all the problems that have affected the hills face and the Mount Lofty Ranges generally, I have always believed that quarrying has been the most difficult one.

The previous approach to this problem has been made under the Planning and Development Act rather than under the mining legislation. Previously, the Extractive Industries Committee, a committee of the State Planning Authority, endeavoured to come to grips with the problem and to consider the economic

aspects of quarrying operations in relation to the overall question of aesthetics.

I commend the members of the Extractive Industries Committee for the work they did in this regard. Their task was by no means easy. A year or two ago they were confronted by a challenge through the Supreme Court, and for a long time their work and their plans had to be held in abeyance pending a decision from that court. It was only a month or two ago, as I recall (certainly it was during the term of the present Government), that the court issued its findings and came down on the side of the quarry interests. It is as a result of that decision, I submit, that we have this legislation before us today.

The Hon. A. J. Shard: Then the decision must have been anticipated.

The Hon. C. M. HILL: Well, I do not think anyone could have anticipated the decision of the Supreme Court. I think everyone simply had to wait.

The Hon. A. J. Shard: Before the debate is finished I might convince you otherwise.

The Hon. C. M. HILL: Whether or not there was any anticipation of the result I do not think is particularly important. The fact is that the new approach to the problem is now through the mining legislation. There has also been in the past an endeavour to wrestle with the problem to a certain extent by the purchase of some quarries. Indeed, the previous Government acquired a quarry and achieved its objective in regard to that quarry by exercising complete control as owner. However, I acknowledge that to persue that policy over a relatively short time would be something beyond the financial ability of any Government.

The Hon. T. M. Casey: Wasn't the purchasing of that quarry an act of Socialism by your Government?

The Hon. C. M. HILL: No, the land was purchased by the State Planning Authority for open space recreational purposes, and it so happened that there was an active quarry on it. We now have before us a new approach to the problem, and it is one with which in general terms I agree.

I compliment the industry generally on its views that have been expressed to me in regard to this matter. These are that the industry wants to co-operate; it appreciates the contentions that are being put forward today regarding the need to consider seriously the aesthetics of the hills face and the hills generally. The extractive industries, generally speaking, comprise stone and clay industries. Other materials currently being extracted in relatively small quantities are materials for building purposes, such as sand in the Golden Grove and Houghton areas.

The industry's policy, as I understand it, is one of sympathy with the preservation of aesthetics of the hills face, especially the hills face visible from the Adelaide Plains. However, the industry contends that, as its members are supplying material that is vital to progress, it must adopt a realistic attitude. The industry wants to comply with every reasonable requirement, provided increased costs of appreciable magnitude do not result. In the final outcome, quite obviously the consumer and the public generally would be called upon to meet such increased costs.

Adelaide must expand and progress, so costs must be kept to a minimum to enable home-building and public utility services such as roads, water supply, sewerage, electricity, and industrial and commercial buildings to expand without costs rising to an unacceptable level.

I believe that what I have said sets out the industry's point of view. However, on the other hand, there is growing pressure for environmental considerations to be accepted as paramount. There is a growing public opinion stressing the need to preserve the natural character of the hills face. I make my view perfectly clear: the sooner quarrying ceases on the hills face, the better.

The Hon. Sir Norman Jude: Do you think we should replace it with subdivisional activity and have rows of cottages along there?

The Hon. C. M. HILL: No. The honourable member is joking when he makes that comment. I repeat that I support the view that the sooner quarrying ceases on the hills face the better. Of course, the question is: how can that ultimate aim be achieved? One hears varying reports of the alternatives in quantity and quality of metal and in the location of metal. In fact, the alternatives one hears about are quite vague, and I find it impossible to gauge the whole question of alternatives with any certainty.

However, after discussions with those involved in the industry, I believe that, just on the present demand for metal, the increased costs to the State if the hills were closed down now for quarrying would be about $10,000,000 a year. That figure does not take into account the vast question of compensation to the

quarrying interests who hold the property in the hills. Undoubtedly, compensation would enter the question if some vast scheme was undertaken immediately to remove quarrying from its present sites.

When we ask whether the people are prepared to provide that extra money or to forgo existing expenditure on public utilities to provide that kind of money, we must realize that the obvious answer is "No". So in practice it is a question of considering any possible moves to overcome the problem gradually over a period of years.

With that plan in mind, I think that this Bill will provide a definite and positive stage. Of course, there are other measures, and I commend the various town planning organizations and the conservationists for their planning and for their agitation to implement rehabilitation of quarry scars after quarries have been worked out, because positive moves for this rehabilitation must take place and, the sooner a large-scale plan for the whole question of rehabilitation is worked out and accepted by those in authority, the better. Therefore, I support the Bill.

There are one or two queries, however, on the detail of it that I want to mention. First, will the Minister in his reply to this debate say whether it is a requirement under the Bill that, immediately the inspector gives his instruction to the quarry interests and those interests decide to appeal against that instruction to the Minister, the operation of the quarry shall cease forthwith or can the quarry continue working until a final decision on the appeal is issued? That is an important point, upon which we must be clear.

The second point is similar to a matter raised only a few minutes ago by the Hon. Mr. Whyte, dealing with the difficulties that may well confront the Government in appointing the advisory committee. Clause 4 enacts new section 10a, subsection (4) of which states:

A person who holds office in the Department of Mines, or who has any direct or indirect financial interest in the conduct of mining operations in this State, shall not be a member of the advisory committee.

Subsection (2) of the same new section says this about two of the members of the advisory committee:

(*b*) one shall be a person who has had, in the opinion of the Governor, extensive experience in the conduct of mining operations; and

(*c*) one shall be a person who is in the opinion of the Governor qualified to assess the aesthetic effect of mining operations and practices upon the environment in which they are carried out.

I agree with the principle that anyone on the advisory committee must not have a direct or indirect financial interest, but the Government may well find extreme difficulty in appointing people who comply with that condition.

My last point is that I feel that a further appeal should be written into this legislation other than the normal appeal to the Minister. This measure must be related in some respects to the planning and development legislation to endeavour to achieve the same purpose in the hills face zone as that legislation does. I remember that the appeal provisions of the planning and development legislation, which are extended democratically in that legislation, did not cease with what was then the appeal tribunal—the Planning Appeal Board: the appeal went further in that legislation, as a result of an amendment in this Council, to the Supreme Court. It seems to me that there should be a further appeal in this measure if we are to exercise justice as it should be exercised, observing the principles we all hold so dear.

The Hon. R. C. DeGaris: On what grounds could an appeal be made?

The Hon. C. M. HILL: I take it that the quarrying interests, the appellants, would not be satisfied either with the decision of the inspector or with the reasons provided by the Minister, if he gave any reasons in his appeal finding.

The Hon. R. C. DeGaris: We have no legislation to back that appeal.

The Hon. C. M. HILL: Of course, what legislation have we here for the Minister and for the advisory committee to consider other than what is written into this Bill? As has been stressed by several speakers, it deals simply with the question of amenities of the area or place. In many respects, of course, it comes down to opinion. Nevertheless, I still return to the point that it is not proper to restrict an individual's right to a further appeal in circumstances such as these.

The Hon. T. M. Casey: How many times do you want a person to be able to appeal?

The Hon. C. M. HILL: In general principle, I do not like any restriction. I like a person to have an opportunity to appeal right up to the Supreme Court. It may well be that a further appeal could be made to the Planning Appeal Board. I realize the restriction that applies, in that the Planning Appeal Board is involved only with matters within the metropolitan planning area and, therefore, for quarrying in the country some amendment would have

to be made to widen the scope of the Planning Appeal Board. That matter should be looked into closely before this legislation is finally passed. I commend the Hon. Mr. DeGaris for his reference to the Victorian Act. The view that extractive industries should be considered as a separate entity would have been a better approach than the current one.

The Hon. D. H. L. Banfield: Is there any right of appeal under the Victorian Act?

The Hon. C. M. HILL: Yes; I understand there is.

The PRESIDENT: Order!

The Hon. C. M. HILL: I have listened to the debate and support the second reading. Further debate in the Committee stage must take place so that the best possible legislation can be achieved.

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

WATERWORKS ACT AMENDMENT BILL

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

SEWERAGE ACT AMENDMENT BILL

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

ADJOURNMENT

At 5.38 p.m. the Council adjourned until Tuesday, November 17, at 2.15 p.m.