LEGISLATIVE COUNCIL

Tuesday, November 17, 1970

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

QUESTIONS

WEEDS

The Hon. H. K. KEMP: Last week we heard of the Minister of Agriculture visiting the Adelaide Hills and inspecting weeds. Can he tell us what is likely to be the outcome of his visit?

The Hon. T. M. CASEY: As the honourable member has said, I did visit the Adelaide Hills recently and I was concerned at the extent of weed growth in some parts, as this is a very productive area of the State. I was particularly concerned when I saw the extent of weed growth on Government property, and I have issued instructions to the departments concerned to eradicate these weeds as quickly as possible. They can get advice from the Agriculture Department if they so desire, and if they are not able to do the work themselves I suggest that they contact local district councils, which could do the work for them for a fee. I think that under these conditions it is the responsibility of everybody in the Hills to ensure that these weeds are kept to a minimum in order to protect the productivity of the area which is so vital to the State.

EFFLUENT DISPOSAL

The Hon. G. J. GILFILLAN: Has the Minister of Health a reply to my question of October 21 with regard to the incidence of notifiable diseases in those areas where effluent disposal schemes have been installed?

The Hon. A. J. SHARD: The diseases which might be expected to provide an answer to the effectiveness of sanitation are those caused by bowel infections. Bacterial infections of the bowel are now so uncommon and so seldom notified that the figures give no true reflection of the state of sanitation. For example, in 1969 there were three notifications of typhoid fever and none of paratyphoid, and no notifications of these diseases have been received in the current year. Infectious hepatitis is almost certainly spread by contamination from the bowel of infected persons, but the development of the disease in those infected depends on their level of immunity. People who have grown up in conditions of spotless cleanliness may well be more susceptible to this virus on casual contact than those who have had contact with dirty conditions from infancy. In fact, in the past six months 172 cases of hepatitis have been notified from sewered areas, three from areas served by common effluent drains, 23 from areas where septic tanks are generally installed but where there are no common effluent drains, and five from areas where the method of drainage varies within the locality. The aim of common effluent drains is primarily to produce more pleasant conditions of living and to eliminate the smell and unpleasantness of septic tank effluent escaping on to the ground surface in gardens and streets. These real benefits are not reflected in figures of disease notification, because infectious and notifiable disease rates have reached low levels in the community generally.

The Hon. H. K. KEMP: My question is directed to the Minister representing the Minister of Education. I have received a complaint from people downstream of the Birdwood High School about the effluent that is being allowed to run into the Torrens River. Can this matter be looked into and effective disposal planned?

The Hon. T. M. CASEY: I will refer the honourable member's question to my colleague and bring back a reply.

FISHERIES BILL

The Hon. C. R. STORY: I seek leave to make a statement before asking a question of the Minister of Agriculture.

Leave granted.

The Hon. C. R. STORY: In last week's *Sunday Mail* the President of the South Australian Branch of the Australian Fishing Industry Council (Mr. I. A. Backler) was reported as having said that over a period of three Governments no action had been taken to introduce a proposed Fisheries Bill. During my period as a Minister I had some experience with this matter and found it a difficult and complex subject. I understand that the Minister of Agriculture has replied to Mr. Backler's contentions and is reported as having said that he has received a copy of the Bill, is now studying it, and will submit it to Cabinet. Can the Minister say whether he has received the Bill and has studied it, and whether he has submitted it to Cabinet? If he has not, can he say when it will be submitted to Cabinet and when it is expected that this legislation will be introduced?

The Hon. T. M. CASEY: At present I have a draft copy of the Bill in my office, and I am studying it diligently. As the honourable member knows, this is not an easy subject:

it was not easy in his day and it is no easier now. However, I hope to be able to present the Bill to Cabinet next week and to introduce it here before the end of this session.

VALE PARK

The Hon. C. M. HILL: I seek leave to make an explanation before asking a question of the Minister of Lands, representing the Minister of Local Government.

Leave granted.

The Hon. C. M. HILL: Some time ago residents from the suburb of Vale Park petitioned to have their area transferred from the city of Enfield to the Walkerville corporation. An inquiry was held under the chairmanship of His Honour Judge Johnston, and after that inquiry the previous Government agreed that the transfer should take place, but the question of some financial arrangement between the two councils that had first to be settled was left open. As I recall, His Honour said that if these financial arrangements could not be negotiated successfully between the councils he would be willing to act again in order to settle any differences that had arisen. Will the Minister of Lands ask his colleague whether this matter has been finally resolved and, if it has not, what is the reason for the delay?

The Hon. A. F. KNEEBONE: I will obtain a reply from my colleague as soon as it is available.

SUCCESSION DUTIES

The Hon. R. A. GEDDES: Has the Chief Secretary a reply to the question I asked last week dealing with succession duties and the Grants Commission?

The Hon. A. J. SHARD: The Treasurer did not make such a statement as that referred to by the honourable member. The reference to the Commonwealth Grants Commission in any statements released regarding succession duties has indicated that it is the procedure of the commission to recommend for a claimant State a grant sufficient to place its Budget in a position comparable with those in New South Wales and Victoria, provided the claimant State taxes, charges, and maintains its services upon standards comparable with those of other States. The commission will not make good, however, any deficiency in revenue resulting from taxation or charges of a lower standard, or consequent upon expenditure of a greater standard, than in those States.

The Treasurer pointed out that we have already been under examination before the Grants Commission because of our lower collections of death duties, which are less than comparable with those of the standard States by a margin of some $6,000,000 on a per capita basis. Even allowing for an argument that we have a less wealthy tax base, it is difficult to suggest it is less wealthy by that margin, and it is essential to bring our taxes more into line with those of the standard States.

ADULT EDUCATION LECTURERS

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

Leave granted.

The Hon. M. B. DAWKINS: My question relates to the travelling expenses that were paid for many years (to my knowledge, if my memory serves me correctly, at least as far back as 1950) to adult education lecturers. These expenses were paid to lecturers in various country centres where a suitably qualified local person was not available for the tuition of those classes. I have been reliably informed that such payments have now ceased. If that is so, it will mean the cancellation of classes in some areas and also a restriction on educational activities in some country adult education centres. Will the Minister ascertain whether his colleague will endeavour to see that this apparently backward step is corrected?

The Hon. T. M. CASEY: I will refer the honourable member's question to the Minister of Education and await a reply.

INTERSECTIONS

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

Leave granted.

The Hon. C. M. HILL: At the intersection of Greenhill Road and King William Road considerable reconstruction is being carried out by the Highways Department, resulting in extreme traffic congestion, especially during peak periods. Also, this morning the traffic lights at the intersection of Fullarton Road and Cross Road were not operating; a sign was displayed to that effect, but a dangerous situation existed for the peak-hour traffic. Will the Chief Secretary see whether it is possible for a traffic constable manually to control the traffic at those two intersections while these emergency situations exist?

The Hon. A. J. SHARD: I shall be pleased to bring the matter to the notice of the Commissioner of Police to see what can be done.

PORT AUGUSTA WEST SCHOOL

The PRESIDENT laid on the table the report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on Port Augusta West Primary School (Replacement).

PUBLIC SERVICE ACT AMENDMENT BILL

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

WATERWORKS ACT AMENDMENT BILL

Second reading.

The Hon. T. M. CASEY (Minister of Agriculture): I move:

That this Bill be now read a second time.

Honourable members will be aware that a Committee of Inquiry on Water Rating Systems is at present sitting and considering a number of matters relating to the imposition of water and sewerage rates. However, it has been brought to the Government's attention that there are some apparent deficiencies in the power to levy water rates under the Act and it is felt that, whatever the final recommendations of the committee are, these apparent deficiencies should be dealt with as soon as possible. Since some of the questions involved are the subject of actions before the Supreme Court it would be clearly improper for me to comment further on this matter except to make it quite clear that nothing in this Bill will have any effect on matters involved in those actions.

The principal Act (the Waterworks Act of 1932) shows many signs of its parent Waterworks Act which goes back to 1882, and it is clear that in some respects at least they are not entirely appropriate to encompass the circumstances of water supply existing in this era. For instance, they generally envisage main pipes being laid in streets and land or premises abutting on those streets being supplied by direct services from the main pipes. The framers of the early legislation took little account of the fact that, with the spread of a reticulated water supply, such pipes may be laid across property or adjacent to streets or in any manner that will ensure an efficient and economical water supply. By the same token, account was generally not taken of engineering and other difficulties that could arise in the provision of a direct supply from a main pipe.

This Bill therefore attempts to do the minimum necessary to bring the rating provisions of the principal Act into line with the current water supply situation. It does not attempt a wholesale revision of the legislation; such a revision must await the recommendations of the committee. Clause 1 is formal. Clause 2 provides for certain additional definitions some of which are of substantial importance and deserve to be considered in some detail. First, a definition of "adjacent land or premises" is proposed. Land or premises falling within this definition are land or premises having a defined geographical relationship to a gazetted main pipe and in respect of which the Minister is prepared to provide a direct service. A direct service is defined as being a service to a point within or adjacent to the boundaries of the land or premises to be supplied. The next definition of importance is that of "ratable supplied land or premises" which is defined as being land or premises, not being adjacent land or premises or land or premises supplied by agreement, that either receive a supply of water or in respect of which a supply point has been provided.

Clause 3 is a validating provision and provides in effect that so far as they are applicable to the levying of water rates the amendments effected by this Bill will have effect as if they had come into force on July 1 of this year, that is, at the beginning of this rating year. However, as has been mentioned, pending proceedings before the Supreme Court will not be affected by this retrospectivity. In addition, this clause gives retrospective validity to certain by-law-making powers which are considered in detail in clause 4.

Clause 4 is intended to resolve a doubt whether the Minister can lawfully make a charge for the works he must undertake specifically to provide a supply of water to land or premises. Although a by-law raising this charge has been in existence for a number of years, on one view at least this doubt exists. Clause 4 provides an appropriate power to make such a by-law, and subsection (3) of proposed new section 5a enacted by clause 3 provides in effect that the existing by-law shall be deemed always to have been an effective one. Clause 5 restates section 35 of the principal Act which deals with the power and duty of the Minister to supply land or premises and restates the power and duty in terms of the definitions of "adjacent land or premises" and "ratable supplied land or premises".

Clause 6 somewhat extends the classes of property that are exempt from rates by including land acquired for use for any of the exempt purposes even before that land has been put to that use. Clause 7 sets out the liability

for rates, again in the terms of the new definitions. Clause 8 deals with the gazetting of main pipes and specifically deals with the question of notices in the *Gazette* which may have errors or inaccuracies therein but which, however, are nevertheless clear on the face of them.

Clause 9 is a necessary evidentiary provision, the need for which arises from the definition of "adjacent land or premises". Land or premises become "adjacent land or premises" only if they have a certain defined geographical relationship to a gazetted main pipe and if the Minister is prepared to supply water to them by means of a direct service. If the Minister is not prepared to so supply the water, the land or premises are not "adjacent land or premises" as defined and accordingly are not ratable as such. Where a doubt arises as to whether or not the Minister is prepared to supply water in the terms stated above, this provision will speedily put the matter beyond doubt. Clause 10 re-enacts the present provision relating to land or premises in the named water districts and sets out the factors which will make that land or those premises "adjacent land or premises".

The Hon. V. G. SPRINGETT secured the adjournment of the debate.

SEWERAGE ACT AMENDMENT BILL

Second reading.

The Hon. T. M. CASEY (Minister of Agriculture): I move:

That this Bill be now read a second time.

The need for this Bill is to remedy some apparent deficiencies in the power to levy sewerage rates under this Act. In fact, those deficiencies were indicated by an examination of the rating powers under the Waterworks Act. Honourable members will recall that recently a Bill to deal with those matters was before this House. Since there are at present actions pending in which a rating power not dissimilar to the rating powers under this Act is in question, it would be clearly undesirable for me to advance an opinion on the apparent extent or effect of the deficiencies, except to mention that the question of sewerage rates is being considered by a committee of inquiry, and any extensive amendment to the principal Act must await the result of that committee's deliberations.

Clause 1 is formal, and clause 2 provides an appropriate definition of "payment day". Clause 3 validates certain actions and gives substantial restrospective effect to two aspects of this measure. First, it provides that sewerage rates will be payable as if the amendment to this Act had come into force on July 1 of this year, that is, at the beginning of this rating year. Secondly, it gives retrospective effect to a regulation-making power to the day on which the principal Act came into force.

The reason for this is set out in the explanation to clause 4. For many years, charges have been raised and have been paid in respect of drainage works carried out by the Minister at the request or for the benefit of owners or occupiers of property. A doubt has arisen as to the strict legality of such charges, and the amendment proposed should put the matter beyond doubt. Since such charges have, in one form or another, been raised and paid since the enactment of the principal Act, this amendment has been given appropriate retrospective effect.

Clause 5 sets out a little more clearly the liability to pay rates and is generally self-explanatory. The clause specifically provides that no gazettal of a main will be defective on account of any minor inaccuracy so long as the meaning is clear. Clause 6 provides an appropriate means of determining the liability of property for rates when a doubt may arise as to whether or not the property can be drained into a sewer. If the Minister cannot give a certificate referred to in that proposed new section 100a, the property will not, in terms of the Act, be ratable.

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

PROHIBITION OF DISCRIMINATION ACT AMENDMENT BILL

Consideration in Committee of the House of Assembly's message.

(Continued from November 12. Page 2626.)

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

That the Legislative Council do not insist on its amendment.

The reason adopted by the House of Assembly for disagreeing to our amendment is that the amendment weakens the effectiveness of the principal Act. I discussed this matter with the Attorney-General over the weekend, and he has supplied me with reasons why he is not particularly keen to accept the amendment. These reasons are similar to those given previously. However, to revive honourable members' memories I shall give them again. The amendment inserted by this Chamber goes beyond what was proposed when the measure left another place. Really, it grafts on to the principal Act a new restriction. The principal

Act provides that a prosecution under this Act must be authorized by the Attorney-General, whereas the amendment has the effect of fettering the discretion of the Attorney-General by requiring that he, in effect, exhaust all avenues available and must authorize a prosecution only if satisfied that that is the only way of achieving the objects of the Act.

It may seem at first sight that this really accomplishes very little, because I suppose the Attorney-General will always consider whether the object sought to be achieved can be achieved by means other than prosecution. However, one of the important social objectives of the prohibition of discrimination laws is to give an assurance to what may be loosely described as minority groups that they will be protected by the energetic application of the laws against discrimination based on the colour of their skin or any of the other features specified in the principal Act. I think there is great danger that, if this amendment is accepted, it will result in a loss of confidence amongst these minority groups in the resolution of this Parliament to enforce the prohibition against discrimination laws. There is a danger that the impression may go out to some of these groups that we are not really serious about this, that we have gone through the form of enacting discrimination laws but that as a Parliament we are determined to write into the legislation provisions that will inhibit the responsible Minister from initiating prosecutions to enforce those laws. For that reason, it would be extremely unwise for the Government to accept this amendment.

The Hon. A. M. WHYTE: I thank the Chief Secretary for the explanation he has given of the Attorney-General's refusal to accept the amendment. However, I am disappointed. I believe that what I was trying to do was right, and I think that perhaps the Attorney will find that my attempt at conciliation is the proper course. However, it is not for me to push this matter any further. I believe I have brought to the Attorney's notice that it would be better to arbitrate and to conciliate than to prosecute at every opportunity. I do not agree that in refusing this amendment he has done anything to assist the minority groups.

In fact, my very point was that the minority groups are the ones who do not fully understand the law. As this law stands at present, it will be very easy for some educated Aboriginal to bring about the prosecution of a proprietor, whether it be of a hotel or a dress shop. He will look for some loophole if necessary, and people who, after all, have the right to choose their own clientele without discriminating could quite easily be prosecuted on a trumped-up charge. On the other hand, the coloured person whom this legislation is supposed to protect quite often does not have a full knowledge of the working of the law and has no-one to go to except the police, and he is most unlikely to take that course.

The Attorney has said that my amendment would in some way fetter his activities. I have checked on this with a number of legal men and I would suggest, without any reflection at all on the Attorney's ability, that these people have placed a very different interpretation on it. Every one of them so far has said that it would not in any way inhibit the Attorney's discretion in the matter. However, I do not intend to insist on the amendment. If this is the way the Attorney believes the legislation will function best, the ball is right in his court, not only because the coloured people whom this law is supposed to protect but also because many of the proprietors who could be prosecuted come within the Attorney's jurisdiction. I believe that he may stew in his own juice.

The Hon. R. C. DeGARIS (Leader of the Opposition): I congratulate the Hon. Mr. Whyte on his attitude and approach to this Bill. This amendment was moved in the hope that it would make this legislation work more effectively, but the House of Assembly has rejected it, saying that it would weaken the effectiveness of the principal Act. This is not the first time in this Parliament that we have not received reasonable treatment from the House of Assembly. This amendment has been checked by lawyers of some standing who agree that in no way does it weaken the effectiveness of the principal Act and that without it the Act will not be as effective. I believe that we will reach the situation in which prosecutions will be the only way in which the Attorney can ensure that the Act is effective.

In many countries a race relations board handles these matters, and, of the complaints that are considered by the board in Great Britain, only 10 per cent reach prosecution. The Hon. Mr. Whyte in seeking a solution does not have the opportunity to establish such a board here, so he has suggested that the Attorney carry out this function. I thank the honourable member for his work and attention to this amendment, and I am sorry that the House of Assembly will not accept it. If the Attorney wants it this way, as the Hon. Mr. Whyte said, he can stew in his own juice.

The Hon. G. J. GILFILLAN: I agree with what has been said by the two previous speakers, and I am well aware of the Hon. Mr. Whyte's knowledge of the Aboriginal population and their problems. I am disappointed that the House of Assembly has disagreed to this amendment. The attitude of that House will drive a deeper wedge into the differences between our Aboriginal population and others in the community. The amendment is a genuine and conscientious attempt to reach a solution without creating the ill-will that can follow a prosecution. It will not inhibit the position of the Attorney-General in launching a prosecution, but it merely highlights the value of conciliation when points of view differ.

I wonder whether the House of Assembly is interested in good legislation or in improving legislation, or whether its primary concern is to have a confrontation with this Council on every issue. I believe that in this instance, where a genuine amendment has been moved (an amendment that intends to improve an Act and is not Party-political), it should have been received in the spirit in which it was moved. There is no point in pursuing this issue further, however. The only way the people of this State will learn of the type of Administration they have is to let this sort of legislation take effect and, no doubt, an amending Bill will be introduced in the future.

The Hon. H. K. KEMP: I am deeply sorry to hear of the attitude taken by the three previous speakers, because, in effect, they acquiesce in something that is terribly serious in this State, that is, allowing the Aboriginal people to be turned into a political football. After reading an article in today's *News* one must realize how important this will be to the individual who attempts to preserve himself in business when a difficult circumstance of discrimination arises. I ask every member to consider why this particular prosecution arose. These two people were taken into a hotel by an officer of the Aboriginal Affairs Division, and, unless that officer had been there and aware of the law, I do not think this prosecution would have been launched. The prosecution will cost the publican involved a large sum and, in this district, it will increase tremendously the uncertainty with which these people must approach any business house. There will also be uncertainty by all people having contact with Aborigines in this State.

I am sure that most people look on Aborigines with goodwill, and hope that they can find their place and stand on their own feet and be happy in our community. Many people are determined that something must be done in this regard. This present legislation uses a most difficult method to reconcile differences that must arise. To refuse arbitration and conciliation, as the Government has done in sending back to us this amendment as being unacceptable, will put us back a long way. Truly, this turns the Aboriginal into a political football and, if we meekly accept the Government's action in refusing to accept the amendment, we are merely confirming it. I sincerely hope the Council will insist on its amendment, which is in the interests of the Aboriginal people of this State.

The Hon. A. J. SHARD (Chief Secretary): The Hon. Mr. Gilfillan said that he thought the Minister of Aboriginal Affairs was more concerned with a confrontation with this Council than he was with good legislation. I have known the Minister for only a short time but I have formed a high regard for his ability in this portfolio. It is surprising what a good job he has done in the short time he has held that appointment, proving himself as efficient and industrious as any Minister could be expected to be. The only two people concerned in this debate are the Minister of Aboriginal Affairs and I: the rest of the Cabinet has not come into it. I may be pardoned for saying that, of all the Ministers, the one who knows least about playing politics is the Minister of Aboriginal Affairs, because he has not been involved in it. I am sure that even my bitterest enemy would agree that, if I sometimes play politics, I play it only mildly. On some other matters I think this Council is inviting confrontation.

The Hon. T. M. Casey: It has done it before and will do it again.

The Hon. A. J. SHARD: I do not want to get too heated over that. I respect the Hon. Mr. Whyte's point of view but, of all the matters, irrespective of Party, on which a Government would want to go to the people, this would not be one. To say that the Minister is more concerned with confrontation with the Legislative Council than he is with doing justice is an injustice to him, because he is fair and hard-working and is doing all he can for the Aborigines.

Motion carried.

SUCCESSION DUTIES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 12. Page 2619.)

The Hon. R. C. DeGARIS (Leader of the Opposition): First, I thank the Chief Secretary for allowing me to talk this morning with the Under Treasurer on certain matters in this Bill in which I was in some difficulty, and particularly some of the mathematical computations involved in arriving at a comparison between this Bill and the present situation. The Chief Secretary's second reading explanation opens with the following:

This Bill 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.

I have looked at the Government's policy speech on this legislation and see that it proposed increasing succession duties by 50 per cent.

Secondly, the Premier quite clearly told the farmers who recently assembled in the *Advertiser* sound shell in Elder Park (and he received much applause for his statement) that in relation to farm properties or primary-producing properties up to a total of $200,000 there would be some decrease in duty. I have here a newspaper report of his statement on that, which reads:

State Governments were limited in what they could do in agriculture but the South Australian Government would attempt to tackle these problems over which we have some control—namely, special remissions would be given in succession duties on primary-producing land inherited by the family. Land tax asessments had been revised and land tax values on primary-producing properties would be altered.

That is a newspaper report, but I attended that function, and the Premier undoubtedly planted in my mind the thought that there would be a reduction in succession duties on primary-producing properties up to $200,000.

The Hon. T. M. Casey: I was at that meeting but I did not hear that statement.

The Hon. R. C. DeGARIS: Then perhaps the Minister could inform me what statement was made. Thirdly, I will put to this Council some figures on this matter taken from the *Pocket Year Book* of 1967, the last book on this subject available in the Parliamentary Library. In South Australia during that year 4,887 estates were processed for duty, their average size being $14,500; 94 per cent of those estates were valued at less than $50,000 and 6 per cent of them at more than $50,000. Also, 83 per cent of them were valued at less than $20,000 and 17 per cent at more than $20,000. I intend to return to these three points later in my speech.

My fourth point is that one cannot look at succession duties in isolation: one must also bear in mind other imposts of a capital nature—Commonwealth estate duty, which also applies, gift duty, land tax, local government rates, perpetual and miscellaneous leases, and war service leases. All of these are a direct capital taxation on the value of the property. These forms of taxation in our community are in no way related to ability to pay: indeed, cases can be cited from my own district of Southern where there has been virtually no income for three years, but still this form of capital taxation goes on and must be paid. It still bears on the taxpayer, irrespective of his ability to pay. I hope to demonstrate clearly to this Council that this type of taxation is bearing too heavily on certain sections of the community.

Before dealing with any other matters in the Bill itself, which in my opinion, increases the impact of a form of capital taxation by about 25 per cent, I shall present to this Council certain comparisons related to the impact of capital taxation which I believe are perfectly valid and which should be understood by every person in the community. The most economically depressed sector of the community at present is the rural sector. Anyone with any feeling for people cannot but be concerned with the present state of the rural economy. Honourable members for many years (and I have been one of them) have been pressing Governments about the need to watch capital taxation policies related to this group of people. However, during that time we have not made very much headway.

The financial position of the rural community is undoubtedly critical at present, as any honourable member who moves through the rural community will know. There is a depth of despondency at present that I have not previously experienced during the whole of my lifetime. I must go back to my own schooldays in the 1930-34 period to find any comparison with the feeling of frustration that presently exists in the rural community. I have spoken to many people in the metropolitan area and to members of Parliament about this problem. Some of them are sympathetic but others have simply shrugged their shoulders and said, "After all, primary producers are only 10 per cent of the community, and they are not very important politically."

The Hon. T. M. Casey: Who made that statement?

The Hon. R. C. DeGARIS: Never mind who made it.

The Hon. T. M. Casey: It is easy for people to say things that do not mean anything.

The Hon. R. C. DeGARIS: The Minister is a classic example of such people.

The Hon. T. M. Casey: I asked you a simple question and you refused to answer, because you could not do so.

The Hon. R. C. DeGARIS: The statement I have quoted was made to me. I will not answer the interjection because the person who made the statement will remain anonymous. The statement was not necessarily made by a Labor politician. I intend to present to this Council a series of cases to illustrate exactly what I mean. To do this I have taken farming properties in reliable farming and grazing districts of South Australia and looked at their financial position over the last three to five years, and I have averaged their income so that a reasonable comparison can be made. We must remember that the people whose cases I have before me do not enjoy the normal amenities and privileges that are enjoyed by people in the metropolitan area. Children of the people on the properties I shall refer to do not enjoy the same educational opportunities and their cost of living in all respects is higher. In most cases where economic difficulties hit such a family, it is impossible for the wife to go out and find a job because the family is miles from any point of employment. I have compiled tables giving details of properties that I took at random. I seek leave to have them incorporated in *Hansard* without my reading them.

Leave granted.

	Stock	Plant	Land	Interest, rent rates, taxes	No. in partnership	Average income per annum (averaged over 3 years) Partnership	Person	Liabilities
1.	17,500	10,500	84,000	732	3	3,757	1,252	7,500
2.	16,000	5,700	46,000	677	2	5,414	2,707	500
3.	8,500	7,000	36,000	1,843	3	1,914	638	4,000
4.	8,800	5,500	46,000	766	2	4,585	2,297	Nil
5.	24,800	3,600	70,000	4,586	2	3,485	1,742	39,000
6.	30,500	6,000	45,000	4,250	2	—748	—374	68,360
7.	5,500	3,000	48,000	212	2	1,500	750	Nil
8.	4,000	2,000	24,000	263	1	—50	—50	1,700
9.	48,000	14,500	171,000	2,123	2	8,799	4,400	Nil
10.	13,000	2,250	80,000	1,845	2	5,250	2,625	7,000
11.	50,000	19,000	80,000	2,797	2	11,000	5,500	14,000
12.	21,500	6,000	64,000	1,562	2	—251	—125	11,000
13.	13,000	11,000	70,000	2,288	2	8,052	4,026	7,500
14.	3,700	2,500	58,000	675	1	1,527	1,527	7,500
15.	90,785	13,000	120,000	6,867	4	4,835	1,209	55,500

The Hon. R. C. DeGARIS: I should like honourable members to take particular note of property No. 9. I have taken this rundown of properties at random throughout one of the better grazing and farming districts in South Australia. I want to compare the situation of these people with that of other people I know, some of whom are members of Parliament. However, I do this without any spite to illustrate the point I am trying to make. Let us consider the case of a man and his wife, both of whom are university graduates and both of whom have received an education through primary and secondary schools and at the university that has not cost them or their parents 1c; both have probably gone through university on scholarships. These two people have been turned out into the community with the ability to earn an income of between $10,000 and $25,000 a year.

The wife, with her ability and qualifications, can work. Possibly, the husband is holding a professional job at, say, $15,000 to $25,000 a year and the wife at, say, $5,000 to $8,000 a year. This couple living in the city probably owns a house and is not subject to any impact of capital taxation. They and their children have the ability to avail themselves of many opportunities. They can produce children with professional qualifications far more easily than can the people I have detailed in the table I have had inserted in *Hansard*.

Let us take one of these cases; for example, where the impact of capital taxation on a property with a total investment of $100,000, without succession duty, is $2,288 a year, with an income to the people on the property

of $4,000 a year. I believe that this is a valid comparison. If this person wanted to allow his child to continue to earn $4,000 a year, he would be up for a capital taxation of probably $20,000 to do so. That demonstrates that the position is completely out of gear. The opportunities available to this group in the city with professional qualifications greatly outweigh the opportunities available to the person on a property worth $100,000 in a country area. The country person would meet, apart from succession duties and estate duties, an annual impact of capital taxation on the assets he owned of more than $2,000 a year. I quote from the Minister's second reading explanation again:

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 . . .

Several statements have been made in the press and on radio and television which, I believe, have been purposely designed to mislead the public on the Bill's provisions. I quote a question asked by the Hon. Mr. Geddes on November 12 and replied to by the Chief Secretary today, because I, too, heard this particular broadcast:

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.

I also heard this news broadcast, and my impression of it was the same as that of the Hon. Mr. Geddes. Today we have been told that the Treasurer did not make such a statement. Whilst I agree that the statement made was not in exactly the terms referred to by Mr. Geddes, I say that this is how almost every person who heard that broadcast would have understood the situation.

Further, a report in the *News* said that the succession duties legislation was going to get more from the wealthy but that there would be benefits for the middle and lower income groups. In reply to my question on this matter, the Chief Secretary said:

The three cases taken each for New South Wales and Victoria and averaged for comparison with proposed South Australian succession duties were:

1. When the succession consisted of the whole estate;
2. When the succession consisted of half of the estate; and
3. When the succession consisted of one-quarter of the estate.

The reference in the newspaper reports to middle and lower incomes was quite an incorrect explanation and did not derive from any official release.

I accept the Chief Secretary's word that the press did not report the Treasurer accurately. However, even though the blame has been placed on the newspapers concerned, has any honourable member noticed any correction? People who would read that newspaper report would accept it as it reads, namely, that the middle and lower income groups were going to receive a benefit and only the wealthy would pay anything extra. As I have said, on this matter I take the word of the Chief Secretary, as I always do. However, whose responsibility is it to correct the report? I venture to say that the reason no correction has been made is that in fact the statement appearing in the press is what certain people hope the people of South Australia will believe.

Also, tables have been published in the newspapers, and those tables appear also in the second reading explanation. Although I am not blaming the present Government any more than any other Government, I take exception to matters being published in the press before they are released to Parliament. I appreciate that other Governments have been just as guilty in this matter as the present Government has. As I have said, this table was published with the idea of trying to show the benefits that are available under the Bill to the people of this State. I say that they are designed to sell to the people of South Australia the very best side of the picture.

The first table published in the press and incorporated in the second reading explanation (at page 2619 of *Hansard*) deals with duties upon successions to a widow or a child under 21 years. It sets out that for a succession of $9,000 the present duty is nil and the proposed duty is nil, whereas in other States it is $229. The table goes right through to a succession of $200,000; it lists the present duty as $35,150, the proposed duty as $49,350, and the duty in other States as $49,433. I do not intend to keep seeking permission to have my tables inserted in *Hansard*, for I think I already have the approval of this Council for that. However, I should like to insert another table which to me is just as valid: the comparison between this State and New South Wales and Victoria in the circumstances where a husband dies and leaves the whole of his estate to a widow. This table is as follows:

DUTIES UPON SUCCESSION

Not Including any Interest in Matrimonial Home or Primary Producing Property

	Table Provided by Government			Actual Position Where Widow Inherits Whole Estate		
Succession	Present Duty	Proposed Duty S.A.	Other States*	Proposed S.A.	Vic.	N.S.W.
$	$	$	$	$	$	$
9,000	—	—	229	—	—	—
12,000	450	—	430	—	—	—
18,000	1,350	900	1,120	900	600	—
30,000	3,150	2,850	2,894	2,850	1,800	1,620
50,000	6,400	6,460	7,904	6,460	3,850	4,625

*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. R. C. DeGARIS: I have already quoted the figures announced by the Government for a succession of $9,000. Where the whole of a $9,000 estate goes to a widow, no duty is payable in Victoria and New South Wales. With a succession of $12,000, according to the table in the newspaper the proposed duty under this Bill is nil and in other States it is $430. But, Mr. President, what is the real position? If this estate goes to a widow in New South Wales and Victoria, no duty at all is payable. On an estate of $18,000, the proposed duty under this Bill is $900, whereas the duty in Victoria is $600 and in New South Wales it is nil. With a succession of $30,000, the duty proposed under this Bill is $2,850, whereas in Victoria it is $1,800 and in New South Wales it is $1,620. With a succession of $50,000, the duty proposed under this Bill is $6,460, whereas in Victoria it is $3,850 and in New South Wales it is $4,625.

That comparison, in cases where an estate passes directly to a widow, is as valid as are the tables published in the press and in the second reading explanation. I put this forward to illustrate the impossibility of making any comparison where the philosophy underlying one piece of legislation differs entirely from the philosophy in another piece of legislation. No comparison can be made.

When a similar Bill came before this Council in 1966, the same tactics were used by the Government. I remember seeing a table in the *Border Watch* attributed to Mr. Allan Burdon, the member for Mount Gambier, who attempted to explain to everyone all the magnificent benefits contained in that legislation. I remember replying and pointing out that because we were dealing with a totally different situation there was no way in which a valid comparison could be made. According to the second reading explanation, this present Bill provides for increased rates of duty upon higher successions as a taxation measure to bring revenues more nearly into line with the revenues raised by comparable duties in other States. A letter appearing in the *Advertiser* recently from a Mr. Lewis Short states:

The proposed new scales of succession duty (designed to produce at least $2,000,000 a year more than that recoverable on the 1952 Playford rates) is based on the argument that South Australia has, a head of population, the lowest death duty rate in Australia. Figures of actual recoveries in each State are quoted as percentages a head of poulation a year. Any argument based on this premise must be completely false. First, this involves an assumption that there is an equality of wealth in each State. When a house here costing $20,000 would probably cost $40,000 or $50,000 in Sydney or Melbourne it will be seen that, just in this aspect alone, comparison between States is not readily made.

However, this is a minor aspect of what appear to be completely dishonest mathematics being used as a Socialist argument for yet more death duties here. Every State applies death duties not only to the estates of its own residents, but also to assets in that State belonging to residents of other States, and indeed of any other country in the world. This means that both Victoria and N.S.W. derive enormous amounts of death duty revenue from the estates of non-residents on such things as shares in industrial giants which have principal offices or share registers in one or both of those States.

It must follow that the figures representing total recoveries of death duties (expressed as a percentage a head of population) are at least in N.S.W. and Victoria grossly inflated by the amount of duty recovered from non-residents all over the world, and not merely against local residents. If South Australia had huge industrial enterprises on a comparable scale, all this perhaps would not matter very much.

But South Australia has not got these advantages to any material degree. It gets very little indeed from non-residents. Far from being the lowest-taxed State in terms of death duty, it could well already be the highest taxed in terms of what its own residents (as opposed to outsiders) actually have to pay. In any event, it

is to be hoped that the Opposition will deeply probe the validity and significance of the figures quoted when the debate occurs.

In the time available to me, I have been unable to check on this point, but after reading the letter one must admit that there is some validity in the argument put forward. The only way any valid comparison can be made with the impact of death duties in Victoria and New South Wales is by removing completely the duty gained from every non-resident. Furthermore, there is the bushranging tactic used by Victoria, where, if a non-resident dies, maybe in London, and leaves $1,000,000 and perhaps 1,000 B.H.P. shares, the impact of duty on the shares in Victoria is not based on the value of the shares but on the valuation of the whole estate. Obviously, unless all these factors are considered there is no valid way of making a comparison on a head of population basis.

I turn now to the statement that if the Legislative Council does not pass this legislation there is a possibility that the Grants Commission will reduce our entitlement because we are not taxing South Australians heavily enough. I had intended to ask for some substantiation of this statement, but in his reply today the Chief Secretary said that no such statement was made. I heard the broadcast (as did the Hon. Mr. Geddes), and I placed my own interpretation on it. As far as I know, the statement that if there is no increase in succession duties in South Australia the Grants Commission will reduce our entitlement is just so much poppycock. I took the statement to be a subtle piece of political propaganda designed to blackmail this Council into lying down in relation to this Bill.

The Grants Commission considers the overall profile of taxation in any State, and it is not interested in any particular tax. In Victoria and New South Wales the impact of land tax is being phased out: I believe that this has been done in Victoria on all rural properties, and that New South Wales is following suit. On the profile of land tax we are more heavily taxed than those in Victoria and New South Wales. If the argument is to be sustained, what about the profile of gambling tax, where we in South Australia return a higher percentage to trotting and racing industries than does any other State? Are we to say to the racing clubs that they cannot have so much money returned to them because the Grants Commission has said that we are giving them too much and that our allocation from the commission will have to be reduced? What about the position concerning revenue from poker machines? Is the Government saying that the Grants Commission will say to it that poker machines must be installed in South Australia or this State's allocation will be reduced? That would be as logical as saying that the commission will say to this State that it has to increase succession duties, or else.

The Playford Government gained considerable support from the Grants Commission for many years whilst continuing to maintain South Australia with the lowest tax level a head of population of any State in Australia, including Tasmania. The other point considered by the Grants Commission is the ability of any State to bear a certain standard of taxation. There was a Commonwealth paper that set out clearly details of the ability of each State to bear a certain level of taxation without reducing the standards in that State. In this survey South Australia had the lowest potential of any mainland State in Australia to raise revenue by taxation. This would be one factor considered by the Grants Commission. All in all, I write off the news report I heard as a piece of political bluff. The second reading explanation states:

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.

One may well say, as Hamlet said in his soliloquy, "To sleep: perchance to dream: ay, there's the rub." One can say of this statement that, if one is looking for the fly in the ointment in this Bill, there's the rub. In this one small phrase in the second reading explanation all the promises made to the farmers at the farmers' march and all those made in statements to the press come to nought. I quote a report in the *Country Times*, headed, "Succession Duty Bill", which states:

The succession duty amendment put forward by the State Government gives increased rebates on primary-producing land to give effective relief.

I emphasize that statement. However, one small phrase in the second reading explanation shows that these published promises mean nothing. Also, we have these published figures showing a reduction in the impact of succession duties on primary-producing property, but it is completely impossible to compare old rates with new rates when we are dealing with a completely different system. The promise has been made using the old system.

I have already quoted from the 1967 *Pocket Year Book*, where 83 per cent of the estates are below $20,000 in South Australia and

17 per cent are above. Let us examine those figures. If one accepts the propaganda of remissions for small and middle groups (and there will be heavier duties for larger estates) by giving remissions to 83 per cent of the estates in South Australia below $20,000 and increasing the rate for the 17 per cent above $20,000, at the same time raising an extra $2,000,000 in revenue, that whole concept is a mathematical impossibility.

Where is the rub? One of the rubs is aggregation within the succession. I believe (and this Bill completely removes these matters) that it is advantageous to preserve some separate succession within the succession. We have heard the argument put forward for years and years that we must block these loopholes. Two of the loopholes referred to are joint tenancy homes and joint insurance policies. These two things have been regarded as loopholes that must be blocked. Let me deal, first, with the removal of the joint tenancy home provision.

As we all know, this Bill introduces a new concept of the matrimonial home and completely removes the present benefit of the joint tenancy home. According to the Government, the joint tenancy home, treated as a separate succession and dutiable separately from the main succession, is a loophole that, at all costs, must be blocked. However, it is no more a loophole than medical and dental expenses are a loophole in the case of income tax. Today, we find that 95 per cent of the new houses being constructed in South Australia and being financed by the Savings Bank are under joint tenancies. That delights me. Every incentive should be given to encourage young people setting out in life to own their own homes under joint tenancies; but there is one disability (and most honourable members will realize this, if it may be described as a disability)—that on the death of one joint tenant the property passes, and can pass only, to the other joint tenant. So, perfectly naturally, we have over many years treated this as a separate succession within the succession; but this is one of the dreadful loopholes that must be blocked!

The aggregation within the succession or the removal of this benefit does not affect the so-called wealthy person, who must be got at, but it affects every young person starting out in life who has been advised, correctly, to build his house in joint tenancy. As I say, it affects 95 per cent of the young people who are building their houses today with finance from the Savings Bank. I would not know the figures for elsewhere but the number of young people today building their houses as joint tenants is a remarkably high percentage of the total number of young people building their houses. A loophole? I say "Loophole, my eye!" We can, if we like, call the new matrimonial home provision in this legislation a loophole, in the same way, but it does not assist, as is the case with the old joint tenancy provision.

Let me give a practical example to show what I mean, to explain if possible that treating a joint tenancy home as a separate succession is a compassionate way of dealing with this matter, whilst changing to the matrimonial home provision, as this Bill does, is quite the reverse. Already today the Chief Secretary has told us that he is a compassionate man, and I think every honourable member of this Council appreciates that. I hope the argument I shall use will be sufficient for him to see my point of view that, from the purely compassionate point of view, the joint tenancy home provision is well worth preserving in our succession duties legislation. Before I do this, may I first look at the history of this new matrimonial home provision?

In 1966 a succession duties Bill came before another place and all these loopholes involving joint tenancy homes were removed. If we go back and read the debates in another place, we see that Mr. Shannon, the former member for Onkaparinga, delivered a powerful speech and drew blood on the joint tenancy home provision being removed. The Government found itself caught in its desire to block every possible loophole (as it likes to call it), for it had pulled out the joint tenancy home provision and had not replaced it with anything else. So the Government came back with the matrimonial home idea to overcome these difficulties that Mr. Shannon had foreseen with the removal of the joint tenancy home provision.

Let me take a practical example—and in this I hope to appeal to the known compassion of the Chief Secretary. I intend to present to this Council two identical cases—one under the old provision of the joint tenancy home and the other under the new provision in this Bill of the matrimonial home. I take the case of two people, husband and wife, the husband having retired after they had raised their family, he and his wife living on their own in their old family home. For the last three or four years they have been thinking about selling it and moving into a home

unit (I daresay that is not an unusual case in our community.) They are still reasonably active and have spent a lifetime in the family home, so there is an emotional and sentimental attachment to it. Therefore, they decide not to make the move just yet.

Then the husband dies, leaving the estate to the widow—the joint tenancy home, a car, furniture and some investments. Let us see how we proceed from there as far as the widow is concerned. Under the present Act, the joint tenancy home is treated as a separate succession—and this is the magnificent loophole we are blocking! Almost immediately after the husband dies the widow can go along, fill in a Form U, pay the succession duties on half of the joint tenancy house, and the house is hers—she can do with it whatever she pleases. This procedure can take place almost immediately: the widow does not have to wait for the estate to be processed right through. This is a separate succession that is treated separately.

Let us say the house is valued at $18,000 in total. In that case the half share that the husband passes to the widow is $9,000. Under present legislation this is exempt and the house can pass straight to the widow. Now, let us say the house is worth $20,000, and the widow's half share is $10,000. She can go along with a Form U to the succession duties office and say, "Here is a joint tenancy house. How much do I have to pay?" The answer is that a half share is $10,000 and the exemption is $9,000; therefore she has to pay $150 on $1,000. She pays that sum and the title of the house is hers: she does not have to wait six months whilst the estate is being processed. After the husband dies she may decide to sell the house and move to a unit. That is a perfectly logical thing to do. Under the joint tenancy home provision she can do just that: she has freedom to choose her course in a most difficult period of her life.

Let us now look at exactly the same situation in relation to the trumped-up plug that has been put into this Bill concerning the matrimonial home provision. The husband and wife may be living together in the old house; the husband dies and the joint tenancy house, car, furniture and investments go to the widow. Because the estate is held up, the widow is still living in the old house three months after the husband's death, but she wants to move to a unit. Can she do so? No! She cannot do so because of the total aggregation of the estate. She cannot carry out the course she chooses until the whole estate is processed and probate is granted. Let us suppose that after six months the estate is wound up and she says, "I shall sell this house and move to a unit." She may do so, but along will come the Succession Duties Commissioner and say, "I am sorry, madam; you have sold your house and you are now up for $900 in duties." Under the matrimonial home provision, she cannot sell it—even after it is passed to her—without incurring duties of $900, because she must give a certificate that it will be her principal place of residence after the death of her husband.

I know the Chief Secretary is a compassionate man. I believe that the joint tenancy home provision is not a loophole; it is a compassionate way of dealing with this situation. It has been claimed that this "shocking loophole" of joint tenancy houses must be plugged up and that we must replace it with this new system, which allows no sympathetic consideration whatever. It extends no sympathy to the thousands of young people who are today building and buying their houses as joint tenants, nor does it extend any sympathy to the widow who, on her husband's death, wishes to sell the old house and move to a unit. So far, the only information the public of South Australia has on this matter is that we are plugging up these "terrible loopholes" that exist in the succession duties legislation. I ask, "Do the thousands of young people involved in this sort of tenure care about its removal?" I believe they do care, and honourable members would be even more aware of that care if those young people were given the factual position, which they have not been given up to the present.

I turn now to the second "loophole" that the succession duties strategists believe must be plugged—the matter of insurance. Once again, this is not a loophole—it is a step that a normally prudent person takes to prevent a disastrous situation occurring to his wife and family. Yet once again this is classified as a loophole. I ask honourable members to look at this question and develop arguments along the lines I used in regard to joint tenancy houses.

I want to give a comparison that I believe is completely valid—a comparison related to members of Parliament. Of course, I realize

that it applies to many others in the community, too, including those who are paying for superannuation benefits. Members of Parliament pay a certain contribution towards their superannuation; 70 per cent of the contribution is paid by the taxpayers of South Australia and the members of Parliament contribute about 30 per cent. When a member of Parliament dies his widow receives a pension for life, the amount of the pension depending of the length of service of the member. This benefit could be capitalized and it would mean that the member left his widow $30,000, more or less. This is completely and absolutely exempt from duty, as far as the widow is concerned. However, I am not quite clear about new section 8 (1) (*l*), which provides:

Any annuity or other interest purchased or provided by the deceased person, either by himself alone, or in concert or by arrangement with any other person, to the extent of the beneficial interest occurring or arising by survivorship or otherwise on the death of the deceased person.

One can read that paragraph to mean that the superannuation that honourable members are creating could be dutiable, but I doubt that, because something very similar is in the present legislation.

The Hon. H. K. Kemp: That would apply to public servants, too.

The Hon. R. C. DeGARIS: Yes; it applies to all public servants, but I have taken the example of members of Parliament to illustrate this as clearly as possible. Some self-employed people and employers take out superannuation and pay premiums each year. At death, under this Bill, this insurance would be aggregated into the estate left to the widow, and the duty could be considerable. Remember one point: the taxpayer is not contributing to the self-employed person's superannuation or to his insurance cover.

The Hon. D. H. L. Banfield: They are by way of costs.

The Hon. R. C. DeGARIS: No they are not! This is paradoxical, but supposing that the Hon. Mr. Banfield died, his widow would receive her pension (provided that he had served eight years in Parliament) of $45 a week for life. One could capitalize that and thereby show that she would receive a benefit from his death of a capital value of $40,000. If he happened to die and if his widow received a bill for $10,000 in succession duty to pay for her pension, I daresay that, even though the Hon. Mr. Banfield had passed on, we would hear his voice in this place.

The Hon. T. M. Casey: I think you are being a bit silly now.

The Hon. D. H. L. Banfield: This place would go to rack and ruin.

The Hon. R. C. DeGARIS: The Hon. Mr. Casey thinks it is a joke. To him, it might be a joke, but a man who is contributing to an insurance policy to allow his wife to live in reasonable comfort on his death would find it no joke that the insurance policy would be taxed to the hilt when he died.

The Hon. D. H. L. Banfield: It's taxed to the extent of $17 a week now for the age pension.

The Hon. R. C. DeGARIS: The situation is quite clear: here we have one situation in which the honourable members in this Chamber pay 30 per cent and the taxpayer pays 70 per cent of their right to superannuation and pension benefits for their wife. However, a person on a block of land, or a self-employed person who took out an insurance policy so that if he died his wife would live in reasonable comfort, would find himself taxed to the hilt because of his temerity to care for his wife; that is what the Bill does. If that submission does not convince honourable members of the need to maintain the joint tenancy home provision and the need for some insurance provision to allow a person who is not relying on the taxpaper for support some right to provide for his wife and family, I do not think there is any reasonable chance of justice in any future matters.

I shall be quite frank on this matter: I believe that in any very complicated estates there could be ways that allow perhaps an unnecessary amount of avoidance of taxation. If any Government can present a reasonable case to this Chamber in relation to these loopholes that need blocking I am certain that every honourable member would support it. But, by removing the provisions relating to the joint tenancy home and insurance policies, the Government is completely unsympathetic and unjust if the provisions are not replaced by some reasonable provisions.

I turn to a comparison of the Bill's impact on actual succession so that some reasonable understanding may be gained by honourable members of the impact of the proposals on various estates. I have taken several estates at random that have been processed in the last few years and I have made the following comparison:

Estate No.	Beneficiary	Value	Duty under Act	Duty under Bill	Per cent increase	Per cent decrease
		$	$	$		
1	Son and daughter .. each	17,446	1,680	1,716	2.1	—
2	Niece	5,510	626	764	22	—
3	Daughter	14,640	1,330	1,296	—	2.5
4	Daughter	22,780	1,894	2,427	28	—
5	Nephew	7,705	1,918	2,168	13	—
6	Widower	23,856	4,692	5,748	22.8	—

The Hon. R. C. DeGARIS: I have details of another estate, which was a large estate, and it indicates a most interesting point. There were 14 beneficiaries in the estate: nieces, sisters and strangers in blood. The first beneficiary, a niece, inherited $9,152; the duty under the Act was $1,172; the proposed duty under this Bill would be $1,400, an increase of 19.5 per cent. The second beneficiary, a niece, inherited $35,708; the duty under the Act was $6,192; the proposed duty under this Bill would be $6,440, an increase of 4 per cent. Another beneficiary, a niece, inherited $9,242; the duty under the Act was $1,186; the proposed duty under this Bill would be $1,417, an increase of 19.5 per cent. Another beneficiary, another niece, inherted $13,162; the duty under the Act was $1,854; the proposed duty under this Bill would be $2,170, an increase of 17 per cent. Another benficiary, again a niece, inherited $17,326; the duty under the Act was $2,582; the proposed duty under this Bill would be $2,823, an increase of 8.5 per cent. Another beneficiary, a nephew, inherited $35,108; the duty under the Act was $6,072; the proposed duty under this Bill would be $6,320, an increase of 4 per cent.

The interesting point that emerges from studying that estate is that, with the small successions (the nieces who received about $9,000), the increase in duty proposed by the Bill would be 19 per cent, whereas in the higher successions (the nieces and nephews who received $35,000 to $40,000), the increase in duty proposed by the Bill would be between 3.5 per cent and 4 per cent. In this case, it is interesting that the higher the succession, the smaller the increase in duty provided by this Bill.

I have not had time to examine other actual cases but, to continue with this particular line, I have looked at a series of hypothetical cases to get some idea of the Bill's impact. In working out these figures, I could not quite make them agree with some of the figures given in the second reading explanation, and I thank the Chief Secretary for allowing me access to the Under Treasurer to ascertain whether he or I had gone astray. One must admit that the Bill is a complex one. The figures I shall give may not be absolutely accurate but, according to the Under Treasurer, any mistake I might have made would underestimate the impact slightly as a result of the Bill. So I stand to be corrected on some of these figures. However, I believe that when the truth comes out the comparison will be slightly in my favour.

Where the beneficiary is a widower and the estate consists of a joint tenancy home with a half value of $10,000, other assets of $4,000, an assigned insurance policy of $4,000 and cash in the bank of $2,500, the total estate passing to the widower being $20,500, the present duty is $1,562 and the duty proposed under this Bill is $1,807, an increase of 15.2 per cent. Where the beneficiary is a widow and there is a matrimonial home of a total value of $20,000, an assigned insurance policy of $10,000, and shares and cash of $10,000, making a total succession of $40,000, the present duty is $3,300 and the proposed duty is $3,982, an increase of $682 or 20 per cent.

The example I now wish to cite is one which I submit would not be an unusual one in our community. Where the beneficiary is a widow and the joint tenancy home is valued at $26,000 (half the value being $13,000), and there is a car worth $2,000, furniture worth $1,500, a boat or second car worth $2,000, an assigned insurance policy worth $10,000 and other assets of $10,000 (I suggest that here we are in the category of the smaller city trader), the impact of duty at present is $3,075 and the proposed duty under this Bill is $3,603, an increase of 17.2 per cent.

I have three other examples along these lines. Example A concerns a joint tenancy home of $20,000, a life insurance policy of $9,000 where the wife is the nominee and the husband pays the premiums, and other assets of $20,000. The impact of succession duties at present is $3,150, and the proposed duty is $3,525, an increase of 11.9 per cent. Example B is an example of where the husband dies and leaves to his wife

a joint tenancy home of $24,000, a life insurance policy of $10,000 and other assets worth $30,000. The present impact of duty is $5,100, and the duty proposed under this Bill is $6,062, an increase of 18.8 per cent. Example C is an example of where the wife dies, there is a joint tenancy home of $20,000, a life insurance policy, where the wife pays the premiums, of $9,000, and other assets of $20,000. At present the impact of duty is $3,875, and the duty proposed under this Bill is $4,837, an increase of 24.8 per cent. The second reading explanation states:

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.

I ask the Council to note particularly the words "so as to give relief to primary-producing properties". It goes on:

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—

I ask the Council to mark those words—

and at $200,000 and over the concession will be as in the present Act.

I come now to what I believe is the cruellest blow of all, and I say that because the primary-producing community right throughout South Australia up to this point, even after this Bill has passed the House of Assembly, is expecting some relief to be afforded by the Bill. I have already quoted announcements made by the Government in the country press and in a newspaper which circulates extensively throughout the rural districts of this State. Every member of the Government realizes that there is no benefit in this Bill for the primary-producing community in South Australia. In fact, the only benefit in the Bill is for the Treasurer. I trust that I can illustrate this to honourable members. I have already given information to this Council on the economic difficulties facing the whole of our rural community at the present time. I now wish to examine the impact of succession duties as outlined in this Bill compared with the present impact. As I have said, to my way of thinking the cruellest blow of all is the way in which the rural community has been led up the garden path and "conned" by this Government that it is going to get some benefit from the Bill.

What constitutes a living area in the rural community today? What amount of capital does one have to invest to have a standard of living slightly above the basic wage? This is an exercise on which most honourable members can work. I submit, on the figures I have already presented, that the amount of capital needed to be invested to gain a man a living just above the basic wage is about $100,000. The first area I want to examine is a farm valued at $30,000. In my district, this would be an area of about 200 acres carrying about 800 breeding ewes. This today would be a unit below the subsistence level. For the sake of comparison, I am looking at the situation of a father dying and leaving this farming area to his son. He also leaves stock and plant which, on a farm of that size, I would value at $10,000. The present duty on this estate is $3,875, and the proposed duty is $3,821, a reduction of $54 or 1.4 per cent. That is the only area in which there is any benefit to the primary producer. If one adds to this estate an assigned insurance policy of, say, $5,000, which a normally prudent person would have in order to protect his family from a difficult situation when he dies, the estate would then consist of land worth $30,000, stock and plant worth $10,000, an assigned insurance policy of $5,000, for a total succession of $45,000. The present duty is $4,000 and the proposed duty is $4,308, an increase of $308, or 7.5 per cent.

A further example of a sub-economic unit on a father-son estate shows land worth $45,000 (in my district, 300 acres at $150 an acre) with a carrying capacity of 1,200 breeding ewes; stock and plant worth $15,000; for a total succession of $60,000. The present duty is $6,715 and the proposed duty is $6,743, an increase of $28, or .4 per cent. Add to this an assigned insurance policy of $8,000 and the total succession would be $68,000. The present duty is $7,215 and the proposed duty is $7,813, an increase of $598, or 8.3 per cent. I take the next step to what would be a bare economic unit. I doubt whether this farm could provide the basic wage for its operators. Again, it is a succession from father to son. The land is valued at $60,000 (400 acres carrying 1,600 breeding ewes); stock and plant is worth $20,000; with a total succession of $80,000. The present duty is $9,600 and the proposed duty is $10,580, an increase of $980, or 12.1 per cent. By adding an assigned insurance policy the increase in duty is 19 per cent, and this is on a sub-economic unit.

In further examples I have not taken into account the question of assigned life insurance policies. The comparison is purely the value of the property under the present Act, compared to the proposed changes. A farm is valued at $80,000; 500 to 550 acres in my district carrying 2,000 breeding ewes. This would be a living unit, and the present duty is $13,550 and the proposed duty is $16,090, an increase of $2,540, or 18.7 per cent. No doubt if other matters were considered the increase in duty could be as high as 25 per cent. Another farm is valued at $100,000; stock and plant is worth $30,000; with a total succession of $130,000. The present duty is $17,862 and the proposed duty is $22,182, an increase of $4,320, or 23.2 per cent.

The last step is to land worth $150,000, and stock and plant $40,000, a total succession of $190,000. The present duty is $29,928 and the proposed duty is $39,894, an increase of $9,960, or 33 per cent. Finally, in this range I give an example of a large farm unit of 1,300 acres in my district valued at $150 an acre carrying probably 5,000 breeding ewes. The land is valued at $200,000, and stock and plant $50,000, an inheritance of $250,000 of a workable farm. The present duty is $40,741 and the proposed duty is $58,592, an increase of $17,851, or 44 per cent. How can such a property stand a capital burden of almost $60,000?

The Hon. Sir Arthur Rymill: What about Commonwealth estate duty?

The Hon. R. C. DeGARIS: I am coming to that point. If this is added, plus other expenses, the impact is almost $100,000 on a property worth $250,000, which today is returning about $9,000 a year. On the farm I am illustrating the liabilities are nil: in other words, no interest payments have to be made. Imagine what would happen if both partners died and it passed to the son. How could he raise $100,000 to finance his operations? It would immediately reduce the farm area to being uneconomic, because it could not stand the capital burden.

The Hon. Sir Arthur Rymill: You could ask, "Where is he going to raise it?"

The Hon. R. C. DeGARIS: Of course. If the husband and wife died and the property passed to the son, who had to find $100,000 in capital taxation and he could not do so, he would have to cut the property in half and sell it. Immediately he does this he loses his rebate on rural land, according to new section 55k (3). One cannot overlook the impact of other sections of capital taxation within our community, particularly that of Commonwealth estate duties. At least when the Commonwealth Government reduced recently the impact of estate duty on rural properties there was an increase in rebate and some benefit to the rural community. But, in respect of this Bill, we have been subjected to the propaganda that there are increased rebate and decreases in duty for the primary producers of South Australia, when in fact 95 per cent of them will pay more, and the units that are only just paying their way will be involved in heavily increased taxation.

No primary-producing property can stand this sort of capital charge in relation to death duties. It has been established that these properties change hands about every 20 years. In the case of property No. 9 that I cited earlier, $250,000 is invested with an average income of $8,799. Really, we are putting on that property an annual charge of $5,000 a year to meet succession duties and probate. That makes it impossible for those people to exist. I remind honourable members of the promise the Government made in the press to give effective relief from succession duties to the primary producers.

The Hon. Sir Arthur Rymill: If a primary producer borrowed $100,000 at the current rate of 8¾ per cent, it would completely absorb the whole of his net income.

The Hon. R. C. DeGARIS: That is the point I make, that, even if the money was borrowed, it would completely destroy the ability of that property to be profitable any longer. Some salt can yet be rubbed into this wound. This is only the beginning of the story. Owing to rising costs of rural production and the constant call on farmers to improve their efficiency because of these rising costs and falling prices, more and more farms today are being held in partnership or by tenants in common. Of the 15 estates that I took from a certain file, 13 are units working as a partnership. One may say that the day of company farming is almost here; but the family unit is still definitely the norm rather than the exception.

The last time this legislation was before this Council, I moved an amendment in relation to the rebate of duty on primary-producing land. New section 55e (*d*) deals with rebate. It provides that it does not apply to—

Any interest in land derived from a deceased person which was held by that person as a shareholder in a company or as a joint tenant or tenant in common or as a member of a partnership.

That means that, as 13 of the 15 estates I have cited are working under partnerships, the rebate on rural land, by virtue of this provision, will

apply to only two of the 15. I do not know how many properties in South Australia are being worked under a partnership arrangement or by tenants in common, but I would hazard a guess that this provision would remove 60 per cent of the people farming in South Australia from getting any benefit at all from rebate. This 60 per cent may or may not be accurate, but I got a shock when I learned that 13 of the 15 estates I have mentioned are operating at present under partners, who are doing so to increase their efficiency to overcome the difficulties arising from rising costs of production. But, when they do that, they are caught by new section 55e (*d*). I am sure I have exposed the bulk propaganda of the promised increase in rebates to primary producers. That must be exposed.

I only hope that the farming community will wake up to the fact that this Bill in no way gives it increased rebate: indeed, it contains a steep increase for practically every primary producer in South Australia. The public so far has not understood this measure and it is not appreciated that there will be some reaction, particularly in the rural community when it discovers it is being "conned" in this way. I remind the Council once again of the statement the Premier made to the farmers' meeting in the sound shell in Elder Park and of the second reading statement "so as to give relief to primary-producing properties". I also refer once again to the statement in the country press that the Bill will give effective relief to primary-producing properties.

I suggest that, if the Government looks at this, it will find that what I am saying is true. It should withdraw the Bill, redraft it, and make sure that it carries out its undertaking to the people of South Australia. I have said that the figures I have given are unchecked. I worked on them quickly; I believe them to be fairly accurate, and any mistake in them is more likely to be in favour of rather than against the Government.

In conclusion, I want to relate to the Council an actual case that has come to my notice. A young married couple 20 years ago took up some virgin country in my district. They worked very hard; they lived a long way (20 miles) from the nearest school and had no amenities, no electric light, etc. Between them, they carved a property out of virgin country. After 20 years of hard work and isolation, the husband died. At his death the property was valued at $100,000—land, stock and plant. Liabilities at that time amounted to $35,000 owed to the bank and stock agents, so the net estate was $65,000.

Estate and succession duties were $17,000. At that stage the son was not 21 and the widow had left to her a life interest in the estate—the basic wage for her life. She had to borrow $17,000 from the bank to carry on and pay succession duties and estate duties, because this family had devoted everything to the development of the property. The liabilities of that property were now $52,000, with a valuation of $100,000. After two years, with the fall in prices of farm produce, this land is now valued at $70,000, and the liabilities have climbed to $60,000. So at present the estate is virtually bankrupt. There is an equity of some $10,000 in it.

The Hon. Sir Norman Jude: If you can get a buyer.

The Hon. R. C. DeGARIS: Yes. So, the widow, after years of work and hardship and after putting up with all the difficulties associated with developing a new block away from all the amenities of life, decided that she must leave the farm and give her son a chance to make a go of it. She went to the nearest town and got a job in a motel that involved making beds and preparing breakfast. On leaving the farm she said to her son, "It is impossible for this place to pay me the living wage for life. I will renounce my inheritance. You can pay me $1,000 a year instead of the living wage for life. You have a life-time of struggle ahead if you want to remain solvent." In other words, the son started where his mother and father started 20 years ago.

The son agreed to pay the mother $1,000 a year, and she left the farm. As soon as that agreement was reached the widow was liable for gift duty of $4,000 for making a gift back to the estate, in which there was practically no equity. If that is not a tragic situation, I do not know what is. The Chief Secretary said he was a compassionate man, and I hope he bears that story in mind. I want to compare that situation with that of a widow of any public servant or member of Parliament. I am not being critical in this matter, but if any member of Parliament who has served eight years or more dies tomorrow his wife will receive a pension for life of $45 or more a week, depending on the member's length of service. In other words, he is passing to his wife a capital gain of about $30,000 that is completely exempt from any succession duties, yet the woman and her husband to whom I referred earlier had no opportunity to take out

any superannuation or life insurance. They devoted their lives to developing the block of land in the scrub and then, when the husband died, no pension was available to the widow. When she decided to give her son something that the estate could not give, she was liable for gift duty,

I have looked at this Bill very closely. First, the joint tenancy house provisions should never be removed, for the reasons I have given. Secondly, a normally prudent person should have the right to provide for his wife an income for the rest of her life in exactly the same way as a member of Parliament or a public servant has, without its being assessed for succession duties. Thirdly, there should be a reduction in the actual duties payable on primary-producing properties, particularly those in economic difficulties. The economic farm that just has its head above water at present has a value of between $80,000 and $150,000. However, there is no benefit in this category. Indeed, the promise of some relief from succession duties for primary producers is quite illusory—it is not there. The primary producer will be paying, on the larger estates, almost 50 per cent more duty. At this stage I have not made up my mind what I shall do with this Bill. or how I shall vote. I shall rely on some reply from the Chief Secretary.

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

LAND TAX ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 12. Page 2622.)

The Hon. C. R. STORY (Midland): On May 4 the then Premier, now the Leader of the Opposition, when referring to the rural sector, made the following statement in his election policy speech:

The Government is aware of the problems of the man on the land. My Government has studied these problems and believes the most substantial moves it can make to assist primary producers are in the fields of land tax and succession duties. At present, collections of rural land tax bring in approximately $1,100,000 annually. We will therefore: firstly, reduce rural land tax by 50 per cent in the next financial year;—

we are now in that financial year—

secondly, after the operation of the new five-yearly assessment in June, 1971, further reduce rural land tax to yield approximately $300,000 to the Treasury. This will be a total reduction of something over 80 per cent on existing payments.

That clearly indicates where the Government of the day stood and where the present Opposition stands today. In contrast, as the Hon. Mr. DeGaris said during his speech on the Succession Duties Act Amendment Bill, on the day of the farmers' march the Premier promised special remissions on succession duties on primary-producing land up to $200,000 in value inherited by families, a revision of land tax on primary-producing properties, and the setting up of a wheat quota committee to look at anomalies. It was claimed that these things would get the farmers right out of their troubles. In this Bill we have an endeavour by the Government to honour one of the promises made at that time and in the present Premier's policy speech. However, like the Succession Duties Act Amendment Bill, this Bill does not do what it purports to do. The Minister's second reading explanation began as follows:

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

that will be after the next quinquennial assessment—

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.

The principal Act was last amended in 1966, when a new schedule was introduced to cover the period from June, 1966, to June, 1971. This Bill now makes a further amendment. Land tax is as old a tax as any in existence. In fact, I think the details of the beginnings of land tax are almost lost in antiquity. No doubt there was a very good reason for taxing land in the early days in Europe. One can see that it was a fair tax when people owned large tracts of land in that continent. However, let us look at the situation of how land tax is levied on land in rural areas and in the closer built-up areas. The unimproved land value system, which we have known for a long time, is changed slightly by the interpretation clause, which I shall mention later. The unimproved value of rural land has increased at a rapid rate, and the assessed value is fictitious. That has come about largely as a result of certain developments that have occurred in the last 10 years to 15 years, namely, the high prices of primary produce and the concessions made by the Commonwealth Government under the income tax legislation which, once again, I believe are completely outdated.

I do not believe that those concessions are necessary; certainly, they have put a fictitious value on rural land. As a consequence, people in rural areas are having the greatest difficulty in scratching a living from what were, only five years to 10 years ago, very prosperous properties. We have been told that the Bill's object is to reduce land tax substantially. However, if this legislation were applied, as was the previous Government's intention, on an across-the-board basis of reduction, I believe that we would get somewhere; but this has not been done.

This legislation will not come into operation until after the next quinquennial assessment, in which assessments will be increased. The only difference between the present position and the position then is that a provision is to be inserted that the existing rate will be decreased by two-fifths on land valued at less than $40,000. If those properties have, over the five years since the last assessment period, increased in value by 300 per cent, as they have increased in some areas, the Bill will not provide any relief to those people. What will happen is that the 1971 figure will be pegged in some particular area for the next five years, whereas in other areas it will not be pegged.

I quote from a State Valuation Department document something that is worthy of some consideration. It mentions the 1970 quinquennial rural unimproved values, as amended at November 1, 1970, and states:

Lands used solely for orchards, viticulture, dairying, poultry farming (including irrigation lands) will retain the unimproved values as they would be at that time, but attention to grading is required where land is adjoining areas which have been altered.

This will mean that areas abutting the Murray River, for instance, or lands running away from the Murray River will have to be graded. This would be very difficult for anyone to do without creating tremendous anomalies.

The Hon. C. M. Hill: It's terribly vague, isn't it?

The Hon. C. R. STORY: Yes, and it would be difficult to grade these various properties. For example, the Adelaide Hills, Padthaway (where viticulture is now being carried out), Coonawarra (where viticulture is now followed), Mount Gambier, Millicent, Port MacDonnell and Tantanoola all have irrigation lands, viticulture, dairying and poultry farming. So all those areas would be pegged more or less at the 1971 quinquennial figure—or the 1970 figure in fact. It worries me tremendously who will do the grading and how it will be done equitably. Lands in the Murray Mallee north of the Karoonda to Peebinga railway line will require a 40 per cent reduction in the proposed unimproved values; care being taken to grade properly the land between the Murray River and the western boundaries of the local government districts of Waikerie, East Murray and Karoonda.

For the third category south of Tailem Bend to Karoonda and the Peebinga railway the indications are that a 20 per cent reduction will be made in the proposed unimproved values. In the fourth category, a 30 per cent reduction is proposed in unimproved values, with appropriate gradings into other areas, and this is necessary in places such as Murat Bay, Streaky Bay (north of Poochera to the Streaky Bay road), Marne, Sedan, Truro, Mannum and Mobilong. Apart from county Hopetoun, where no adjustments are necessary, and some areas around Port Lincoln that require special attention, for Eyre Peninsula the proposed unimproved values will be reduced by only 20 per cent. A 25 per cent reduction in proposed unimproved values will apply to all the rest of the State except Kangaroo Island, which needs only a 10 per cent reduction to bring it back to the proposed level.

The Hon. C. M. Hill: The Government has the effrontery to say that all the island's primary producers are prosperous.

The Hon. C. R. STORY: Most of them are war service land settlers, and I think that most honourable members have had experience of them. Some people seem to think that they have had a tremendous benefit as a result of being given some land in the first place, but I suggest that their annual commitment to the State department, and through the State department to the Commonwealth department, is high now. In addition to the vicissitudes of primary production on the island, they also have other deficiencies. If we look at some grab samples, some up and some down, as a result of the 1970 situation, I think we will see some very interesting figures, that will make it harder for us to understand how the overall situation in the State will constitute an average increase in values of 30 per cent, as has been suggested. It is said that the rebates will average 40 per cent and that the assets will increase by an average of 30 per cent. I suggest this is precisely what interests the Treasury. No matter whether it be in this State, in the Commonwealth or anywhere else, the tax gatherers are interested only in averages so

that the necessary amount of money comes in to service the requirements of the Government as authorized by Parliament. Consequently, Treasury or Valuation departments are not particularly interested in individuals. However, I believe that it is our job, as the representatives of people, to see that some equity is maintained in these situations.

I now wish to examine the 1971 land tax proposals and to quote, first, examples from the Virginia area. As we well know, this area is at present having some real difficulty with water, and those farmers who have not subdivided will have some difficulty, because of the lack of water, in being able to subdivide. In 1965, the unimproved value of one property in that area was $10,000 and the land tax payable was $16.68. In the 1970 amended situation of unimproved values, that valuation has increased to $12,000, and the land tax now payable is $16, or 68c less than previously. Another property in the Virginia area had an unimproved value in 1965 of $27,000 and the land tax payable was $102. The 1970 amended unimproved value is $37,200, and the land tax now payable is $106.56, or 4 per cent more than previously.

We find an interesting situation in the neighbouring area of Port Gawler. One property there was valued in 1965 at $37,270, and the land tax payable on that property was $178.08. The value of that property has now jumped to $57,160, and the land tax payable has increased by 52 per cent to $271.60. A larger property there was assessed in 1965 at $159,680, and the land tax payable then and until the present was $2,709. That property is still pegged at a value of $159,680, and the land tax payable has been reduced from $2,709 to $2,390. The reason for this is that the water supply has been so affected that this land has now become grazing land having virtually no water supply. Of course, that can be well understood.

I now come to comparisons in the Adelaide Hills area. This is of some real interest, seeing that we are at present considering a regulation which seems to indicate that subdivisions will be not easily obtainable in future. However, that has not affected the situation with these assessments very much. One property in the Adelaide Hills had an unimproved land value in 1965 of $7,000, and the land tax payable was $6.68. The assessed value of that property has now increased to $11,870 and the tax now payable, $15.48, is more than double what it was previously. Another property in that area of a value in 1965 of $82,670 incurred land tax of $768. The value of that property has increased to $122,350, and the land tax payable now is $1,376, or 95 per cent more than previously.

I find it difficult to see exactly where there are many "unders" and "overs" in this matter. To say the least, it is over-simplifying the matter to say that there will be an average increase of 30 per cent in assessments over the State and a tax reduction of up to 40 per cent, for that is not quite what I see in this measure. I would think that Eyre Peninsula was in the greatest difficulty of any area. The properties mentioned in the list I have here have all risen in value and in all cases the tax payable has increased by about 300 per cent. This does not seem to me to be consistent with what I quoted previously about what was expected to happen in certain areas. These are correct figures that have been provided by the department, and I quote them merely to give some indication of the situation as I see it. Those particulars are contained in a letter written by Mr. Petherick, the Chief Government Valuer, as follows:

As advised you by 'phone, enclosed find summarized amendments to the previously proposed 1970 unimproved values for rural lands, and also some random selections of single holdings to indicate what will happen under the proposed rural land tax abatements. Properties with unimproved values less than $6,000 could pay no land tax under the new scales—

Honourable members will be aware that under the existing law there is an exemption of $5,000—

after taking into account the primary production exemptions which apply under section 11 of the Act. Under the new rural tax proposals, some taxpayers previously not exempted could become exempted, others could pay less land tax than they did before, and others could expect to pay more but to a much lesser degree than under the old scale of rating. What these proportions would be I cannot say, but there are approximately 30,000 taxable rural properties in all at present.

I think it has become fairly clear to us that this could rather be a bit of a hit or miss arrangement. I think that we were much better off under the old formula, and that the best approach to this subject would be to revise overall the property valuations in certain areas. It is all very well for the Government to say that it is going to peg the valuations as at 1971. However, this will not relieve in any way the situation of people whose district councils adopt land values for their rating system, for this will perpetuate anomalies.

Also, the unimproved land values are used largely as a check against the valuations of individual valuers in the case of succession duties and probate. So, if these matters are wrong at this stage, it will not relieve the situation by merely saying, "We will put a provision in this legislation that will enable the present ratings for primary-producing land to be reduced 'by two-fifths on such land with an unimproved value of not more than $40,000'; or, in a second category, 'with a rebate at the rate of 2c in each $10 of unimproved value for lands beyond $40,000'." On the one hand, it would work out at a straight 40 per cent reduction on one's land tax assessment and, on the other hand, a reduction of .02 per cent on one's unimproved land value, but we cannot have it both ways: we can have only the lesser of the two.

There are many other provisions in the Bill in addition to this, the most important being clause 4, which amends section 4 of the principal Act. There are new definitions of "the Commissioner", "the metropolitan area" and "tax", and there are special provisions for rural land. Other interesting provisions are clauses 9 and 10, which amend sections 58 and 58a of the principal Act. This considerably alters the present practice in respect of fines and remission of tax in cases of hardship. The Chief Secretary, in his second reading explanation, said:

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.

But there are other provisions here that give the Commissioner certain powers that do not exist at present. They need to be looked at closely, because proceedings can take place under this provision within 30 days of notice being given, and the Commissioner can move in and take the decisive action three months after notice is given. He can impose a 10 per cent interest charge for the first month and then he can add a fine; he can also lease out the property for 12-month periods until the debt is satisfied.

Now, when people are in real difficulty with land tax, would probably be the wrong time to shorten the period within which one could pay. I should have thought that at this stage some amelioration by the Government would be more in line with the sympathetic thinking it purports to have in this matter. Clause 13 amends section 66 of the principal Act by striking out subsection (2), which 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 section 12 (3) of the principal Act.

In the provisions inserted by this Bill, there will be a differentiation between people who own rural properties and people who own non-rural properties. As a consequence, there will be two classifications. The Chief Secretary was good enough to provide in his second reading explanation and have incorporated in *Hansard* the figures that would apply to the two groups—those who own primary-producing land absolute and those who own both categories of land. I think they are well worthy of perusal, because it will be seen that, once the unimproved land value reaches $50,000, the percentage reduction drops from 40 to 33, and eventually, where the value reaches $200,000, the rebate drops to 10 per cent—in the second category, of which I spoke earlier.

The other provision, which is probably the most important from the point of view of the non-rural sector, is the proposed land tax surcharges on metropolitan land. This was mentioned in the Premier's policy speech and is repeated in the Minister's second reading speech as being $2 for each allotment of $1,000. However, this is just as misleading as is the working of the 30 per cent and the 40 per cent I spoke of earlier because, if the unimproved value of the metropolitan property is under $1,000, there will be no surcharge; if it is $1,000, the surcharge will be 50c; if it is $4,000, it will be $2. The average house property in the metropolitan area, in most areas, would have an unimproved value of between $6,000 and $10,000.

If such properties fall into that category, the amount of tax they pay at present is $20. The proposed surcharge is $5, so they will in future pay $25. If the property is worth up to $50,000 and the present tax is $300, they will be charged an extra $25, making a total of $325 in land tax. So it is not quite right, either, to say that there will be just this $2 imposition for each allotment of $1,000; it is more accurate to say that people who have a house in the metropolitan area with an unimproved land value of between $6,000 and $10,000 will pay about $5 extra on land tax

to provide open lands and parks. Nobody would complain about these facilities being provided. Somehow these proposals are always over-simplified in an endeavour to get a good press.

This Bill provides for some reduction in land tax for some people, but it is certainly nothing like what was promised by the Hall Government. I do not think it will relieve the rural sector very much at all. In connection with vineyards, poultry farms and dairies, the Bill does not matter at all, because many such properties would have an unimproved value below $5,000 and would therefore be exempt. If necessary, I shall move amendments during the Committee stage to bring this Bill more into line with reality. I support the second reading.

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

STAMP DUTIES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 12. Page 2626.)

The Hon. F. J. POTTER (Central No. 2): I support the second reading of this Bill, but I do not know that I can do so with any great enthusiasm because, again, we have before us a measure the major provisions of which are to increase steeply one or two forms of taxation. By its very nature, the Bill is a Committee Bill. It deals with several matters that are only tenuously connected with each other. Because they will have to be considered separately, I shall deal briefly with individual clauses.

Clause 3 is a clause that gives some little measure of relief to the banking and commercial community, because it increases from 9 per cent to 10 per cent the rate of interest that can be charged on credit and rental business before liability for duty attaches. The Bill does not actually prescribe the rate of 10 per cent, but the Government has said that it intends to prescribe that rate. The clause allows the Government to fix a rate from time to time. No doubt, as the Chief Secretary said, this rate of interest will be considered in the light of the current exemption rates in the other States. I welcome this move, as I also welcome the move to provide a special exemption for registered credit unions. We all know that these credit unions provide a system of savings and loans that is becoming more important to many people in this State. I think the Government is to be commended for giving all the encouragement it can to such unions.

Clause 5 makes a small administrative concession in connection with the requirement for a registered person to lodge with the Commissioner a statement setting out the amount paid as duty on a mortgage or other instrument referred to in section 31f (1) (*a*) (xii) of the principal Act executed within the preceding three months. The administrative concession made is that the period of three months is extended to six months. It has been found that in practice this is both desirable and necessary.

Clause 7 deals with the matter of insurance that is arranged outside South Australia; in such a case premiums are paid outside this State in connection with property in this State. The Minister said that this loophole needed to be closed and that all other States had closed it. Therefore, I suppose we cannot really criticize the Government for taking this step. It is provided that, where a person renews an insurance policy outside South Australia to insure a risk inside South Australia, he must lodge a return and pay the duty that he would otherwise have to pay to the Commissioner here. These matters are not of any great consequence and the little bit of extra revenue that the Government will derive will not greatly affect the citizens of this State.

Clauses 8 and 9 allow a small administrative concession, inasmuch as share certificates and bills of lading do not have to have an impressed stamp on them; instead, they may have a cancelled adhesive stamp. I hope the adhesive stamps will be well and truly gummed by the Government because, if they come loose from the share certificate or bill of lading, there will be trouble. The old impressed stamp at least provided a permanent record. However, I would not like to criticize a facility in respect of which the Government may have received representations from the business community.

I particularly welcome clauses 10, 11, 12 and 13, because they relieve the people of this State of the need to pay receipts duty. Of course, this flows from the fact that some accommodation has been made with the Commonwealth Government over this vexed question. Indeed, the matter has not been fully resolved. There has to be a conference between the Governments on what the new formula will be. However, sufficient confidence has been engendered by the Commonwealth Government that enough money will be available to the States to compensate for the loss of revenue. It is particularly welcome that relief is extended not only in respect of the imposition of what the High Court said was an excise

duty on goods manufactured in Australia but also in respect of a wider field. There would be great difficulty in distinguishing between receipts relating to what has been deemed an excise duty and other kinds of receipts.

I think it is a long time since South Australia has not had to bother about duty stamps on receipts for money. Receipts will still be necessary in connection with conveyances on property, but these amounts have always been payable anyway. I welcome that move. Indeed, this is one case where the business community in South Australia will get a modicum of relief. The duty imposed was not onerous, despite the fact that there were complaints when it was first introduced, but the keeping of proper records and the filing of returns by a business of any size was a somewhat onerous function to be undertaken.

Clause 14 widens the definition of "racing club" to include dog-racing. Clause 15 provides for exemption from totalizator duty on four dog-race meetings during the year. I do not profess to know anything about dog-racing, so I shall not comment on it, but it will not be long before there will be betting on this kind of meeting. Clause 16 is the clause in which the big change in the impost of duty will be carried out. That clause deals with the question of annual licence fees that are to be paid by insurance companies and also with an increase in fees payable in respect of workmen's compensation insurance. As the Minister said in his second reading explanation, and as the Bill provides, there is to be a 100 per cent increase in the fees that are to be paid for the annual licence by life insurance companies.

It is expected that the Government will get nearly $1,000,000 from this impost alone in the current financial year. That comes about because the calculation of the amount for these licences is to be made at January 1, based on the premiums received by the companies in the previous year. One could be pardoned for wondering whether this will not be a very heavy increase in taxation for these companies, but it must be acknowledged that the rate has not been changed since 1902. Naturally, the value of money in 1970, compared with what it was in 1902, has justified the doubling of this charge.

The Hon. G. J. Gilfillan: Will the increase apply to the Government insurance office?

The Hon. F. J. POTTER: No, because that office will not be engaged in this type of activity. Another rate that has been increased steeply is the rate on workmen's compensation policy premiums. As the Minister has said, by an administrative decision these policies were previously regarded as policies that fell into the life insurance bracket; so they were not taxed at any high rate. The rate is .5 per cent; by removing it from that bracket to the indemnity insurance bracket, which I agree is right, the rate will be increased to 5 per cent, which is 10 times the present rate of duty. If the Government expects that the insurance companies will bear that increase—

The Hon. C. M. Hill: What did you say the increase was?

The Hon. F. J. POTTER: It will be increased from .5 per cent to $5 in each $100, which is 10 times as much. Obviously, this will be an additional charge that will ultimately be passed on to the employers, who are the people who pay workmen's compensation insurance premiums. Inevitably, in time, this extra tax will be passed on in the form of higher premiums. Again, we are rapidly bringing ourselves up to the level of costs in other States and ending any little concessions that employers here may have enjoyed for many years.

Apparently, the Government would like to have had a similar go at motor vehicle third party insurance. Only recently, stamp duty was imposed on policies issued under this legislation; however, at present, no additional duty is proposed. As a result of the changes in removing third party insurance and workmen's compensation insurance from one category to another, and with the doubling of the rate of duty on the premiums, the Minister was frank enough to say that the proposed increases in duty will be more severe in South Australia than in the other States, where a different system applies, namely, a once-and-for-all payment, not based on the actual premium rate, which tends to grow over any particular fixed period. The next one will be January 1, 1971, when the increase to the Treasury will be quite a substantial one as at that date.

Summarizing, the provision is that the licence fees based on life insurance premiums will be doubled, motor vehicle third party insurance will remain the same, namely, 50c in each $100, and the workmen's compensation insurance provision will be removed from that category and increased 10 times to $5 for each $100. No honourable member could reasonably say that these increases were completely unwarranted owing to the great period of time that has elapsed since the rates

were last adjusted and to the obvious fact that for many years two categories of insurance have been charged at much lower rates than would normally have been expected if they had been put into their right categories in the first place.

Accordingly, I am prepared to support the measure. However, we will be able to look at individual matters in Committee. At present, I do not see any likelihood that any amendments will be necessary.

The Hon. C. M. HILL secured the adjournment of the debate.

[*Sitting suspended from* 5.51 *to* 8 *p.m.*]

CONSTITUTION ACT AMENDMENT BILL (MINISTRY)

(Continued from November 11. page 2560.)

At 8 p.m. the managers proceeded to the conference, the sitting of the Council being suspended. They returned at 10.7 p.m.

The Hon. A. J. SHARD (Chief Secretary): I have to report that the managers have been to the conference, but no agreement was reached.

The PRESIDENT: I point out that, pursuant to Standing Order 338, as no recommendation from the conference has been made the Council may either resolve not to insist further on its requirements or lay the Bill aside.

The Hon. A. J. SHARD: I move:

That the Legislative Council do not further insist on its amendment.

The conference was conducted in a most friendly manner, and in my opinion the managers examined every possible avenue to try to find a solution. Unfortunately, there was not much room for compromise, and no solution could be found. I do not intend to repeat everything I have said previously. I think that with one exception the whole of this Council thought that the Government should have the additional Minister that it requested. The amendment moved by Sir Arthur Rymill was designed to ensure that seven-tenths of the number of Ministers should come from the other House and three-tenths should come from this Chamber.

I have previously advanced reasons why we should not accept the amendment, but the majority of the Council disagreed with my view. But even at this late stage I make the plea on behalf of the Government that the Council not insist on its amendment, because in effect we are simply asking for the right to appoint another Minister to a position under conditions that already exist. From both the Government's point of view and mine, I can say that rather than there being a division of opinion between the managers of the House of Assembly I have never seen a conference where one House has been so firm in its point of view. In fact, the other place makes or defeats Governments, and, as the margin in the difference of opinion of the House is so small and as we are not upsetting the present situation in the interpretation of the Constitution, I make the plea that this House do not further insist on its amendment.

The Hon. Sir ARTHUR RYMILL: I second the motion. I agree with the Chief Secretary that it was an extremely amicable conference. I think it was a useful exercise inasmuch as I think probably both Chambers achieved a better understanding of each other's point of view on the matter, and I think there was no lack of sympathy on either side for the point of view of the other House. We simply could not find words to write into the Constitution Act what I think we all felt was the spirit of the Act. I think also that the tenor of the discussions led most of us to the belief that in the way of the Government's amendment probably the things that we sought to ensure in language from this place from the practical point of view are already ensured by the amendment.

I have taken the view right through that if the Government says it needs another Minister it is entitled to have one, unless it is perfectly obvious that it is not desirable that it should have one. The Government claims that it is very hard pressed with its present numbers to achieve all the administrative work that is involved, and I certainly would not contradict that idea. I am sorry that we could not find words to write into the Constitution what I feel we all agree would be a good thing. We were sitting in the conference for two hours, and we tried a number of ways and examined a number of methods of achieving what it seemed might be achieved, but we just could not find any way of doing it. I hope I am a reasonably practical sort of person, and in those circumstances I feel that the practicalities of the matter are probably coped with with the present wording of the Constitution Act. As the mover of the amendment, I am prepared to concede the point that the Council should not insist on its amendment.

Motion carried.

INDUSTRIAL CODE AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 12. Page 2634.)

The Hon. A. M. WHYTE (Northern): I rise to briefly explain why I intend to vote with the Government on this Bill. It is an ugly Bill and it has no right in this place. However, I believe that the Government has every right to follow the opinion expressed by referendum. There should never have been a referendum. The whole thing backfired, and I think the Government is just as sorry as anyone else that it ever instigated such a measure. I think it was brought about with the idea that because of the heavy pounding of big business and big unions something had to be done about shopping hours. It was a move to appease both big business and big unions which, in my opinion, reach decisions very closely on the same lines and very much to the detriment of the small trader. The Government called for a referendum, which proved to be very costly. This referendum gave the Government the direction, and it has no option but to follow it up.

My reason for supporting the Bill is twofold. First, the Government had no option, in my opinion, but to follow the directions given at the referendum. Secondly, we often hear members accused of crossing the floor to make up numbers. I am heartily sick of being accused of doing this. I make it quite clear that my only reason for supporting the Government on this occasion is that I consider it has no option but to follow the direction given it by the people. The whole thing was a fiasco. There was no need for a referendum, for I do not believe that business people generally asked for it. Certainly, the public did not ask for it. The Government was loaded with the result of a referendum and, although I believe it is detrimental to the small trader and it is not what the public wants, it is what they will have foisted on them.

I rose merely to explain that I will vote with the Government, not because I think this is a good Bill or because it is necessary but because through a misunderstanding, the poor way the referendum was worded, and the poor way the request to the people was worded, this result came about. For those two reasons, I support the second reading.

The Hon. G. J. GILFILLAN (Northern): I will speak briefly for many of the reasons outlined by the Hon. Mr. Whyte. I do not think I need repeat the remarks that have already been made in this debate about the fiasco of the referendum which, in effect, does not prove anything other than that people obviously wish to retain the services they already have. As a member of this Council and representing a part of the State far removed from the metropolitan area, which is affected in the main by this Bill, I find it difficult to reject the Bill when those members elected for those districts in the other House have rejected the pleas of their own constituents.

It has been said publicly and reported in the press, and statements have been made at meetings, that members opposite have signed undertakings that they will abide by the decisions of the Party and put this before the interests of their electors. In these circumstances, it is difficult for honourable members of this Council who do not represent the area to take exception to this Bill in general. I believe the Bill is a tragedy for many people, because many of the businesses in these areas that have enjoyed unrestricted shopping hours have been established lawfully and built up under the then prevailing conditions. Now, by legislation, the Government is to deprive some of those people of their present livelihood. I have no doubt that many will suffer serious financial loss, and perhaps even financial ruin.

This is a tragedy that often follows alterations to legislation, particularly when the principles of that legislation are altered substantially. This applies to many measures that come before Parliament, and we must be careful in considering such legislation that every effort is made to lessen the impact as much as possible. I listened with interest to the Hon. Mr. DeGaris when he spoke of his proposal to have a period of adjustment. That is sound common sense. The Hon. Mr. Whyte has mentioned, on the one hand, the trade unions and, on the other hand, the traders' association that fought against extended hours. In the main, in this legislation both organizations have got what they required. Surely it is little enough to allow some time for adjustment to those people who will be most affected, so that they may adjust their operations to minimize the losses they will undoubtedly sustain.

The details of the Bill will be dealt with in Committee, and there are amendments on file that I shall follow with interest. The fourth schedule, which deals with exempted goods, needs tidying up. One commodity that interests me is meat. When the new trading hours are in force (and butchers' hours will

be uniform throughout the State), some outlets must be provided for red meat over the weekend. The fourth schedule contains every type of meat exempted (poultry, rabbits, fish, etc.) except uncooked meat. I was pleased to see in the *Sunday Mail* of November 7 a statement by the Minister of Labour and Industry (Mr. Broomhill) that "Night-sale meat must be frozen". The article stated:

All types of meat will be sold at night through the metropolitan area when new early closing laws come into force—but the meat must be frozen. This was confirmed today by the Minister for Labour and Industry, Mr. Broomhill.

The Hon. R. C. DeGaris: Do you think that special shops might be set up for selling meat in the metropolitan area?

The Hon. G. J. GILFILLAN: No. I believe that in general there will be a limited sale for this type of meat, because it takes some time to thaw it out. The volume of meat handled in this type of shop will be small; it will be more of a service than anything else. The volume handled will be insufficient to enable it to compete in price with meat sold through the normal outlets but, for the sake of the State's meat industry, that choice should be there for those people who are prepared to pay for it.

The Hon. R. C. DeGaris: Do you think the choice is there now?

The Hon. G. J. GILFILLAN: I do not believe the choice is there now for people who often have to buy meat at short notice for visitors arriving unexpectedly and for other types of emergency that may occur in the long period between the closing of shops on Saturday morning and their opening again on Monday morning.

The Hon. R. C. DeGaris: Do you think under the Bill as it stands frozen meat can be sold?

The Hon. G. J. GILFILLAN: No, it is not spelt out sufficiently in the Bill. I will not read the report of the Minister's statement in full, because it is long, but in part it is as follows:

"The object is to enable people to get meat if they could not get it during the day," Mr. Broomhill said. It would be particularly useful for people going on barbecues or if unexpected guests arrived. Mr. Broomhill said that the extended list of exempt goods included chickens and rabbits, as well as frozen vegetables and grocery lines. "People will certainly be able to buy food for a full meal at all hours," he said. Widespread confusion has existed over the extent frozen meats could be sold under the new Bill.

One or two statements have been made in the Council recently about the accuracy of press reports but, as Mr. Broomhill was quoted directly, I take it that is a correct report. I look forward to the fourth schedule being suitably amended to clarify the position.

Other points in the Bill are important to people outside the metropolitan area. For instance, the registration of shops and the payment of a fee may be made compulsory by this legislation in a large area of the State for shops that are not required to register at present. That is different from the present Act. There is an existing provision that a person may purchase goods from a shop outside the metropolitan area if his place of residence is more than five miles from the shop by the nearest direct route. This is essential because there are people in remote areas who travel to their local township at the weekend for specific purposes, and it is wise to include this provision in the measure. With these remarks, and with certain reservations, I support the Bill.

The Hon. A. F. KNEEBONE (Minister of Lands): First, I thank honourable members for the way in which they have dealt with the Bill. Most members have spoken on it. The Hon. Mr. Gilfillan referred to several matters, and I believe that amendments that will be moved to the fourth schedule will clear up the matters he has raised. He referred to a statement made by the Minister of Labour and Industry about frozen meat. As a result of that announcement, many housewives told us that frozen meat was not suitable as an emergency measure for meals.

The Hon. C. R. Story: Was there a deputation from the Housewives Association?

The Hon. A. F. KNEEBONE: No, but they telephoned the Minister about the matter. In addition, representations were made from both the retail and wholesale sections of the meat industry. The Master Butchers Association said that it did not want this to happen. Consequently, it has been decided to clarify the matter by moving during the Committee stage for the fourth schedule to be amended by inserting after "frozen food" the words "(except uncooked meat)".

The Hon. C. R. Story: Has the Stockowners' Association expressed an opinion on the matter?

The Hon. A. F. KNEEBONE: I do not know whether representatives of the grazing industry approached the honourable member, although I know he said that that industry wanted meat to be exempted. I shall try to

answer other questions that were raised during the second reading debate, which was concerned almost entirely with the provisions in the Bill dealing with shop trading hours.

The Hon. R. C. DeGaris: Was a statement made by the Minister about frozen meat being available?

The Hon. A. F. KNEEBONE: It was made by the Minister, but as a result of representations from various people the matter has been changed.

The Hon. G. J. Gilfillan: Housewives have to buy the product, don't they?

The Hon. A. F. KNEEBONE: They do not have to buy anything. Some honourable members want to maintain the present position in the present fringe areas of the metropolitan area that are being brought within the metropolitan area by the Bill. This overlooks the whole object of the Bill to have uniform shopping hours throughout the enlarged metropolitan area. The Government decided some months ago that shops generally in the enlarged metropolitan area should not be allowed to open on Saturday afternoons or Sundays but, as there were substantial parts of that area where Friday night trading was taking place, it gave the electors the right to decide whether or not they wanted Friday night shopping on a uniform basis throughout the metropolitan area.

The Hon. C. R. Story: They were never asked. It was not in the referendum question.

The Hon. A. F. KNEEBONE: They were asked whether they wanted uniform trading hours throughout the metropolitan area.

The Hon. C. R. Story: They were not given sufficient scope for a true expression of opinion.

The PRESIDENT: Order!

The Hon. A. F. KNEEBONE: That was the specific question asked. If the majority decision of the referendum had been in favour of Friday night shopping, it would have been introduced throughout the whole of the metropolitan area just as the legislation is now introduced to give effect to the wish of the majority of electors that shops should close at 5.30 p.m. on Fridays. To maintain the present situation in the fringe areas would solve nothing and would leave in existence the present unfair position whereby the trading hours of some shopkeepers were restricted while others were not. It has been said that the Bill has been introduced to obtain uniformity. This has been done to ensure that shopkeepers can compete on a fair basis.

The Hon. Mr. Hill disputed the statement that costs would rise if Friday night shopping was permitted in all parts of the metropolitan area. In support, he said that at the moment it was possible to purchase an article in a supermarket in an outer fringe suburb on a Friday night more cheaply than a similar article could be purchased in Rundle Street, and added that, if the matter of cost was so vital, surely some difference in price would have appeared by now. This overlooks the fact that prices have not increased in the fringe areas because of the huge increase in the volume of business now conducted in these areas, much of it being attracted from the inner metropolitan areas. Supermarkets have always operated on the principle of large turnover and small mark-up. If Friday night shopping were introduced throughout the whole metropolitan area, the turnover in the present fringe areas would fall considerably as business was attracted back to the inner areas and people tended to shop in their own neighbourhood. To maintain profits with the reduced turnover, the mark-up on goods would have to be increased and, consequently, prices would necessarily rise both in the outer and in the inner areas.

Members interjecting:

The PRESIDENT: Order! Interjections are strictly out of order. When the whole Chamber interjects at once it is distinctly out of order. The Minister is replying.

The Hon. A. F. KNEEBONE: The retail traders would be the most experienced people in the field, and would therefore know the industry better than would people who were not working in it.

The Hon. R. C. DeGaris: What about—

The Hon. A. F. KNEEBONE: I know, Mr. President, that you want me to ignore interjections but, if interjections are made, I wish they could be made loudly enough for me to hear them. Many members criticized the provisions of new section 227 regarding the procedure for the creation and abolition of shopping districts. It was claimed that the wording of the section was too vague and that the costs of conducting polls would have to be borne by the local council, and they were of the opinion that there would be difficulties associated with the preparation of the rolls. In particular, objection was taken to the provisions of subsection (4), that the council must attempt to ascertain the views of interested shopkeepers.

If honourable members had taken the trouble to compare the provisions of the Bill

with the statement that I made earlier in the session when introducing the Bill for the referendum regarding shop trading hours, they would have noticed that there were differences between the provisions of the Bill in respect of this matter and the proposals I outlined some time ago. The Government did take into consideration the various comments made both here and in another place on this aspect of the Bill and, having regard to these comments, made some amendments to the Government's original proposal before introducing the Bill. The Government desires to ensure that the local government authority in the district concerned is given the right to initiate applications for the creation and abolition of shopping districts and that as far as possible the municipal or district council concerned should be the body that obtains an expression of the views of residents within its area. However, the Government considers that it should not be automatically bound by a decision of the council that could be made on the casting vote of the Mayor or Chairman. If there is a division of opinion to that extent, the Minister should have some discretion and not be bound to accept the majority decision of the council. The Government is prepared to consider any amendment, provided the general principles I have outlined are maintained.

I have considered the matters raised by several honourable members in respect of the unrestricted sale of certain goods and the list of exempted shops. I shall not reply in detail to all of these matters at this stage but in Committee I shall move some amendments, having regard to the comments made and to clarify doubts expressed. I believe that copies of these amendments have been circulated to honourable members.

There is only one other matter to which I shall refer: that is, the complaints from some honourable members that some shopkeepers in the present fringe areas of the metropolitan area will suffer hardship because the new provisions regarding shop trading hours will come into operation as from January 1 next. They claim that this is a very short period for shopkeepers to adjust themselves to the new situation. I point out that these shopkeepers have known for some months that they will have to alter their present trading hours. When the Bill for the referendum on shopping hours was introduced in another place on August 13 last, the Minister of Labour and Industry clearly stated that legislation would be introduced requiring these shops to close on Saturday evenings and Sundays, and after 5.30 p.m. on Mondays to Thursdays. Depending upon the result of the referendum, they might also be required to close on Friday evenings. The Government announced that it would abide by the wish of the people as expressed in the referendum so that when the referendum indicated that the majority of people did not favour Friday night trading it should have been clear to the shopkeepers that they would not be able to open on Friday night.

The Government originally intended that the new hours would operate from the date of assent to the Bill, and the Bill was introduced accordingly in another place. Resulting from representations from organizations of shopkeepers, the Government decided to give a period of grace and defer the date of operation until January 1, 1971. Even if any shopkeeper did not heed the warnings given when the referendum Bill was introduced into Parliament, it should have been abundantly clear when this Bill was first introduced into the House of Assembly on October 14 that they would have to adjust themselves to new trading hours, and I should imagine that any prudent businessman would have commenced, well before now, to make the necessary arrangements to adjust himself to the new hours. Whilst any further deferment would be to the advantage of the businessmen trading in the present fringe areas, it would act to the disadvantage of those who have already suffered for too long the disadvantage of having to observe restricted hours whilst nearby shops in other areas were not restricted in any way. It seems clear that there are no substantial grounds for deferring the implementation of the new trading hours after January 1 next.

The Council divided on the second reading:

Ayes (14)—The Hons. D. H. L. Banfield, T. M. Casey, Jessie Cooper, R. C. DeGaris, R. A. Geddes, G. J. Gilfillan, L. R. Hart, C. M. Hill, A. F. Kneebone (teller), F. J. Potter, Sir Arthur Rymill, A. J. Shard, V. G. Springett, and A. M. Whyte.

Noes (4)—The Hons. M. B. Dawkins, H. K. Kemp, E. K. Russack, and C. R. Story (teller).

Majority of 10 for the Ayes.

Second reading thus carried.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

DANGEROUS DRUGS ACT AMENDMENT BILL (GENERAL)

Adjourned debate on second reading.

(Continued from November 12. Page 2632.)

The Hon. H. K. KEMP (Southern): I support this terribly important Bill. I shall not speak at any great length, but I wish to make several points. In general terms, I do not think there can be much more minute examination given to the Bill than was given by the Hon. Mr. Springett.

Clause 5 refers to the cultivating of a prohibited plant knowing it to be a prohibited plant. I think this provision is a fairly reasonable protection for the many people in South Australia who are growing opium poppies and *cannabis sativa* more or less as weeds in their gardens or fields without knowing that those plants are dangerous.

A classic example of this is the person (I will not name the locality) who had trouble with tomatoes being pilfered from a plot near a thoroughfare that was traversed by many people. He did not know how to overcome this problem except by growing something to hide them. He grew the thing that was growing nearby very well, and he had a thicket of really protective vegetation between the passers-by and his tomato patch. This thicket was *cannabis sativa*.

That shows how easily people can fall into error because both *cannabis sativa* and *papaver somniferum*, although they are not noxious weeds, are not uncommon weeds in this State. We need not draw undue attention to this; in fact, I should be disappointed if the press mentioned that these were common weeds in this State. We should consider these things, however, when we are considering legislation of this nature.

There is another point which is, I think, important and warrants an amendment to clause 5 of the Bill, which authorizes only certain persons in this State to grow these plants—not only the opium poppy or hemp but also any other plants that can be designated drug plants. Opium poppy seed is of great importance to the confectionery and baking trades, and probably several tons of this seed is used each year in Australia.

Our pharmaceutical and grocery trades (because most of our housewives at some time or other buy poppy seed) are supplied through the opium poppy being grown under licence in another State. In our present circumstances, where we are seeking crops that can be grown profitably, it is a great pity that a complete prohibition be imposed on anything that is likely to be profitable in the future. I see a need for common sense here.

The poppy seed is quite safe as it is handled today in the confectionery and baking trades. It is heat-treated so that it cannot germinate if it is sown. I foreshadow an amendment, which I do not think warrants pre-circulation and advice, to add to the end of clause 5 (3), after "The Governors of the Botanic Garden" the words "or any other person authorized by the Minister".

It is necessary that the cultivation of those plants be kept strictly under control but we should not eliminate the possibility of their being cultivated under licence, because, after all, the opium poppy and the cocaine plant are two necessary drugs used extensively in the appropriate professions.

A matter that needs to be considered seriously by the Council is that under this legislation a fine of $2,000 and two years' imprisonment can be imposed. Clause 11, in new subsection (8), provides:

> Subject to subsection (9) of this section, proceedings in respect of an offence against this Act shall be heard and determined in all respects as if the offence were a minor indictable offence as defined in the Justices Act, 1921, as amended.

That is wrong. An offence under this Act, particularly for distributing drugs, cannot possibly be considered as anything but a serious criminal offence. To have it described as a minor offence under the Justices Act is wrong. In fact, if my information is correct, an offence of tendering drugs to young people should have attached to it a more serious penalty than a fine of $2,000 and two years' imprisonment, and a second offence should automatically incur physical punishment, in the hardest sense in what it can be applied. Those are my thoughts on this measure. I hope that what I have said will attract some comment from the Chief Secretary when he replies to the debate.

The Hon. A. J. SHARD (Chief Secretary): I thank honourable members who have spoken on this important Bill for their attention to it. I listened with interest to the Hon. Mr. Springett, whose speech was both enlightening and educational. I listened with interest, too, to the Hon. Mr. Kemp's suggestions and, when we are in Committee, I shall ask leave to report progress before the Committee reaches clause 5 to allow me to contact a responsible person on those matters. I am not qualified to speak on the legal matters involved, but I think they are all right. The

Hon. Mr. DeGaris asked what recommendations, if any, of the National Standing Control Committee on Drugs of Dependence were not included in the Bill. The answer is "None". The National Standing Control Committee has recommended as follows:

(1) That penalties be uniform throughout Australia, and that trafficking in drugs incur greater penalties than simple possession.

(2) That trafficking be an indictable offence, with reverse onus when the accused has in his possession more than a prescribed quantity of drug.

(3) That with smaller quantities of drugs there is a trafficking offence when supply to other persons is proved.

(4) That use of premises for smoking or consumption of drugs be an offence.

(5) That Commonwealth customs officers be authorized to act under State law in drug matters.

Provision is made in the Bill for all those matters. If my memory serves me correctly, the Bill is exactly as it was drawn or was being drawn when the Hon. Mr. DeGaris was Chief Secretary. I think it covers all the points raised. My authority for saying that is the Director-General of Public Health, so I take it that it would be correct.

Bill read a second time.

In Committee.

Clauses 1 to 4 passed.

Progress reported; Committee to sit again.

EDUCATION ACT AMENDMENT BILL

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

ADJOURNMENT

At 11.4 p.m. the Council adjourned until Wednesday, November 18, at 2.15 p.m.