

LEGISLATIVE COUNCIL

Thursday, November 28, 1974

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

ASSENT TO BILLS

His Excellency the Governor, by message, intimated his assent to the following Bills:

Football Park (Rates and Taxes Exemption),
Motor Vehicles Act Amendment (Points Demerit),
State Government Insurance Commission Act Amendment.

QUESTIONS

SOAP POWDERS

The Hon. C. R. STORY: Some time ago I asked the Chief Secretary a question regarding the advertising of soap powders. Has he a reply?

The Hon. A. F. KNEEBONE: The question raised with regard to a recent press article on tests carried out to determine the relative effectiveness of various brands of washing powder was referred to the Commissioner for Prices and Consumer Affairs, who has reported as follows:

1. The actual washing operations were carried out by the reporter himself using his own machine and (so far as water, washing powder and temperatures were concerned) utilising only approximate measuring devices.
2. The degree of soiling of the pieces of cloth subjected to the washing operation varied considerably.
3. The control of the preparation and treatment of the pieces of cloth used was not scientifically carried out.
4. Numerous other factors, any of which could affect substantially the results achieved, were not taken into account. These include differences in fibre structure, degree of wear and nature of surface of the pieces of material used in the experiment.
5. The photometer readings and subsequent calculations as to the degree of restoration of brightness were made by an officer of the Australian Mineral Development Laboratories. While there is no reason to doubt the readings and calculations, the conclusions of the reporter cannot be regarded as scientifically reliable.

FISHERIES

The Hon. C. R. STORY: Has the Minister of Agriculture received from the Minister of Fisheries a reply to the question I asked recently regarding appointments in the Agriculture Department?

The Hon. T. M. CASEY: My colleague reports that the position of Principal Research Officer in the Fisheries Department was vacant at September 10, 1974, and, although the position has been advertised three times, it remains unfilled. This is the only vacant position in the department apart from that of Director of Fisheries.

WATER SUPPLY

The Hon. JESSIE COOPER: Has the Minister of Agriculture received from the Minister of Works a reply to my recent question regarding water supplies in the eastern suburbs?

The Hon. T. M. CASEY: The Acting Minister of Works reports that every complaint received from the residents of the eastern suburbs on the quality of water has been investigated. A large section of this area is supplied from Kangaroo Creek reservoir, which, because of heavy rain this winter, filled very quickly. As Adelaide draws its water from occupied catchment areas which are soil-covered,

the run-off water from catchments is always discoloured by minute soil particles. Some discoloured water is carried through the reservoirs into the distribution system and to consumers before the fine discolouring material can settle.

Usually, the appearance of dirty water is associated with the first burst of hot weather. The increase in demand causes the velocities in various pipelines to increase and, in so doing, stirs up sediment that has settled in these pipes during the winter months. Every effort is made to keep the water clean by the flushing of mains at strategic points. Following complaints from residents during October that small red worms, which proved to be the larval stage of the Chironomus Midge, were in the water, Wattle Park reservoir (the source of the trouble) was immediately taken out of service. The water was subsequently treated and the reservoir placed back into service five days later. No further complaints have been received.

In an effort to improve the water supply, the Government has approved a programme to construct seven water filtration plants over the next 10 years to serve Adelaide. Construction of the first plant has already commenced at Hope Valley, and others will be built successively at Chandler Hill, Anstey Hill, Barossa reservoir, Happy Valley reservoir, Kangaroo Creek dam and Myponga reservoir.

The Hon. JESSIE COOPER: Will the Minister now reply to the second part of the question I asked on November 12?

The Hon. T. M. CASEY: I will draw my colleague's attention to the matter raised by the honourable member and see whether I can comply with her wishes.

DEMAC SCHOOLS

The Hon. M. B. DAWKINS: Has the Minister of Agriculture a reply from the Minister of Education to my question of October 29 about Demac schools?

The Hon. T. M. CASEY: My colleague states that Demac is an industrialised building (that is, major components are produced in a workshop and later erected on site) and is designed to enable accommodation to be provided quickly. The basic building module is transportable, which enables greater flexibility in layout. Because it is necessary for planning reasons to be able to join modules in any arrangement, it is also necessary to be able to remove any part or all of the external wall. In most buildings the walls provide the necessary bracing against the force of the wind but, since all sides of the Demac building are removable, the structure must be braced by other methods and must also be free of such restrictions as diagonal ties or struts in the plane of the wall. For the same reasons the roof must be supported at the minimum number of points and therefore single steel columns are placed at each corner. These columns act in unison with the fascia beams at roof and floor level to absorb all wind loads. The walls are composed of stressed-skin panels which consist of an aluminium surrounding frame, an asbestos cement sheet on both faces, and a core of fire-resistant foam. This provides a wall panel with very high fire resistance, high strength, and excellent thermal insulation properties. Wall panels may be plain, or may contain windows, doors, or an air-conditioning unit.

Asbestos cement, being a completely inert material, is not subject to the harmful effects of sun, water or vermin attack, and owing to the sandwich construction of the panels, and the use of flexible asbestos sheets, each panel is highly resistant to impact damage. Each wall panel is fixed to the structure independently of its neighbours and panels can therefore be relocated around the building with

comparatively little effort. For example, a window panel can be exchanged with a plain panel, an air-conditioning panel with a door panel, and so on. The internal and external faces of the wall panels may receive a variety of treatments, including paints, stains, stone chips, and thin sawn timber. The flooring material is a timber particle-board plus asbestos cement to provide resistance to fire and dampness, and is laid in panels 1.2 metres to 2.4 m which will accept either linoleum, sheet vinyl, or carpet as a covering material. The ceiling also consists of panels of either glass wool faced with embossed vinyl or glass wool faced with a woven scrim. Both types are acoustically absorbent in varying degrees, and also fire resistant. Plasterboard ceiling panels are used in set areas and craft rooms. As Parliament is rising this week, arrangements will be made for honourable members to inspect a Demac building in the early part of the sittings in February next year.

WHEAT QUOTAS

The Hon. C. R. STORY: Has the Minister of Agriculture a reply to my question of November 26 about wheat quotas?

The Hon. T. M. CASEY: The honourable member's recollection of the position is accurate except in one minor respect: section 4 of the Wheat Delivery Quotas Act provides that the Governor may by proclamation declare any season to be a quota season for the purposes of the Act, and may by proclamation revoke any such declaration. It follows, then, that if such a proclamation is not made in respect of any season, delivery quotas would not apply during that season.

BUSINESS FRANCHISE (TOBACCO) BILL

Adjourned debate on second reading.

(Continued from November 27. Page 2361.)

The Hon. V. G. SPRINGETT (Southern): Yesterday, the Leader of the Opposition in this Chamber spoke to this Bill. I rise to do the same, and in so doing I should like to remind honourable members of some of the points made by the Leader. These were concerned particularly with the question of our future taxation structure, and the suggestion that future taxation will be less direct and more indirect. That spreads the load more evenly, perhaps, over the whole population. This Bill, if passed, will become the Business Franchise (Tobacco) Act, 1974, and of course when the Government is looking for something to tax it looks for something that will bring in sufficient revenue, at the same time resulting in as little unpopularity as possible.

Tobacco is one of the things the world need not have; food we must have. Because one need not have tobacco, it is rather a nice and easy way for the Government to increase its revenue, and in every country in the world in which tobacco is purchased there is a tendency to use it as a means of getting extra revenue. South Australia, unfortunately, is in such a position regarding finance that this method of taxing tobacco has been considered, and an attempt is being made under this Bill to introduce that tax.

Ours is not the first State to have tried this. Tasmania was not extremely successful, but it paved the way for us. As I said, tobacco is an easy item to tax. Many people say that is a good thing and that it should be taxed heavily and put out of the reach of everyone but, personally, I do not agree with that. I fully recognise that there is a complete and direct relationship between smoking, on the one side, and cancer and certain other chest diseases, on

the other. We know that there was a tremendous increase in lung cancer in men a few years ago, while in women the incidence was much lower. Then we found that women began smoking more and more, and as they came up to the male smoking average so their risk of lung cancer became parallel with and equal to that of the men.

I heard recently about a meeting of the International Union Against Cancer, held in Florence in September and October. At that meeting I understand reference was made by two authorities to the fact that there appears to be a little levelling out, a plateauing out, of lung cancer, according to the figures for the different parts of the world; in other words, perhaps there is some hope that the incidence of lung cancer will begin to decrease in the not too distant future.

The Hon. R. C. DeGaris: Do you think it is possible to use taxing methods to prevent or make more difficult the use of these things?

The Hon. V. G. SPRINGETT: I am never quite sure. It is an easy method for the Government to use to get its revenue. Whether it is right that we should keep something out of the reach of people simply because they cannot afford it is something I do not know.

The Hon. D. H. L. Banfield: Do you think it might discourage young people from smoking?

The Hon. V. G. SPRINGETT: They are influenced not so much by the cost but by whether they are considered to be doing the right thing at the time. Unquestionably there is a strong tendency for children (and the age of this group is getting lower all the time) to go through a period when they want to smoke. My experience over the past 15 years is that the reasons why young people give up smoking change. At one time it was a matter of copying their elders, and then either smoking or giving it up. Now the majority of young people have a more conscientious outlook. They give up smoking because they realise they cannot afford it. They compare the cost with the need of the underdeveloped parts of the world, say, in Bangladesh, where additional funds are so urgently needed. I say "good luck" to the young people who are doing this.

The Hon. R. A. Geddes: Would it not be better to have the funds raised through the tax allocated for the purpose of cancer research?

The Hon. V. G. SPRINGETT: It would help. Many tobacco companies now undertake research into obtaining a non-cancerous cigarette. They need to. This should be borne in mind by honourable members. As Chairman of the Adelaide University Anti-Cancer Foundation I point out that I am not anti-smoking: I am anti-cancer. If tomorrow we found a cigarette that was not involved with cancer formation, we would not object to people smoking. They could smoke their heads off and no-one would say anything. However, I refer to the direct relationship between nicotine and the tar content of most cigarettes. This bears directly on the risk a person runs if he smokes heavily. He could get cancer in the lungs—

The Hon. A. F. Kneebone: Do you think the plateauing of the incidence of lung cancer is the result of fewer people smoking?

The Hon. V. G. SPRINGETT: It has been shown to be a real factor. A few years ago at meetings of doctors, only about a quarter of those present did not smoke. Now, at a similar meeting, only about a quarter of the doctors do smoke, at most. These things have been shown to be closely related; that is, lung cancer and the incidence of cigarette smoking. However, I have not risen to preach anti-smoking doctrines.

The Hon. D. H. L. Banfield: But it doesn't do any harm.

The Hon. V. G. SPRINGETT: One cannot refer to this matter without referring to the risk of cancer, heart troubles, bronchitis, and pneumonia, all of which are aggravated by cigarette smoking.

The Hon. D. H. L. Banfield: This means the Government needs money to provide adequate medical facilities.

The Hon. V. G. SPRINGETT: True. The real problem is the tar content in cigarettes. Honourable members will have seen tar tables showing the different tar contents of each make of cigarette. Therefore, we say to smokers, "If you cannot give up smoking, at least go to a brand with a lower tar content." This Bill is one of the Government's new measures for raising more money for its coffers. No one denies that the Government needs the money. However, it needs it not so much because it was in debt but because it cannot cut its coat according to its cloth. It has suddenly found that it has run out of material. Now it needs more money to get more material back into the economic cloth.

I should like to make one or two points here in the interests of tobacco dealers. The first is: what does one do when a company that works on an overdraft has to meet its tax, when it cannot get enough money from the bank to pay it? Under this Bill, between January and March the companies will need a chance to build up their funds so that they can pay their taxes in March but, during that period of time, during February and March, the companies will have difficulty in raising this money. After all, they cannot appropriate it, as the State Government does. In January, they will not have much of an income because, with the coming into force of this legislation, retailers will purchase, before January, supplies from the wholesalers in excess of their average needs. What hope is there for a company in those circumstances, as things are today? The Chief Secretary is to move an amendment to this effect:

Where the Minister is satisfied that payment of a fee assessed by the Commissioner in accordance with section 11 of this Act in respect of a licence would cause substantial hardship to the applicant for, or holder of, the licence, the Minister may reduce the fee.

What would be more in keeping with the needs of the situation for the companies is that, instead of being forced to pay the fee every three months, they could have the opportunity to pay, say, for one month at a time. I should like the Chief Secretary's opinion on that.

One of the problems in society today is getting a balanced opinion and a balanced judgment on what is needed to be provided for the State and what is needed to be provided by the State. That sort of thing is less apparent in the private sector, but the Government needs to review things periodically from the point of view of the best way of increasing its revenue. I have heard of the Government providing things like medicine, but it is from things like tobacco that the Government will get enough money to run its medical services.

The Hon. D. H. L. Banfield: But without things like tobacco being purchased it would not need such large medical services.

The Hon. V. G. SPRINGETT: Perhaps that is so. I should like to make that one point about the time allowed in which to pay the fee, and leave other speakers to deal with other points that come up under his legislation.

The Hon. R. A. GEDDES (Northern): There is little I wish to add to this debate. The Council is well aware that the Government has over-spent and over-budgeted, so

it has had to find new ways of taxing the people in order to survive. I wish to ask the Minister certain questions, most of which deal with the problem in respect of Commonwealth property. What will be the position in respect of the sale of cigarettes at West Beach airport? That is Commonwealth property and, as South Australian taxes do not apply to Commonwealth property, will it be possible to buy cigarettes at a cheaper price at the airport than elsewhere in South Australia? What will be the position at the Port Augusta railway station, which is Commonwealth property? The station is a servicing point for the Indian-Pacific train.

What will be the position in respect of aircraft passengers on Trans-Australia Airways flights (a Commonwealth-owned operation) in respect of the purchase of cigarettes while on a flight over South Australian territory? Will passengers pay this new tax? Will passengers on Ansett Airlines of Australia flights over South Australian territory pay this new cigarette tax? Would passengers travelling from Sydney to Perth on the transcontinental line have to pay tax on cigarettes bought on the train while it was in South Australia, or would they be exempt? What would be the position for passengers leaving Adelaide to catch the transcontinental train at Port Pirie? From Adelaide to Port Pirie it is the South Australian Railways system and from Port Pirie for the rest of the State and on to Perth it is Commonwealth Railways: would people be able to buy cigarettes from Port Pirie onwards without having to pay this type of tax?

An interjection made by the Hon. Mr. Potter referred to vending machines in Commonwealth Government offices and canteens. Will people in those places be exempt? The questions may seem frivolous as I put them, but what a wonderful chance for unscrupulous people to have a black market because, if there is a quick buck to be made, they will be able to buy more cigarettes than they need and pass them on to their friends later!

The Hon. R. C. DeGaris: I have worked it out that one truckload of cigarettes would be worth \$7 500 in tax.

The Hon. R. A. GEDDES: That is a real problem. A semi-trailer could come across the border and the operator could sell his load, pay the fine, and still be well in pocket, if he wished to do that. I see nothing in the Bill about exemptions or how the Government intends to police the legislation. It should look at this and make sure that the avenue of easy access to black market cigarettes does not become prevalent. Otherwise, it will make a mockery of the Act.

Lastly, I add my plea for the country people, for the small grocer who will have to pay a \$10 licence fee and then have to pay 10 per cent on his turnover to the State for the right to sell a few cigarettes, on which the profit margin is small. He carries the cigarettes not to make a living from them but to provide a service for his customers. I venture to say that, if this Bill operates for more than 12 months, the distribution of cigarettes will drop tremendously.

The Hon. A. J. Shard: That will be good.

The Hon. R. A. GEDDES: Not sales, but distribution. If a country hotel has to pay for a licence to dispense cigarettes as a service to its customers, it will not be a paying proposition.

The Hon. D. H. L. Banfield: But you do not believe in good service. You have just knocked one back.

The Hon. R. A. GEDDES: The Minister believes in bad taxes, which is much worse.

The Hon. D. H. L. Banfield: I believe in good service.

The ACTING PRESIDENT (Hon. Sir. Arthur Rymill): Order! The honourable member will address the Chair.

The Hon. R. A. GEDDES: My point is that the distribution of cigarettes to the small delicatessen, the country shop and the shop in the suburbs of Adelaide will, of necessity, drop. These shops will not be able to afford to pay for the ridiculous licence that the State is imposing, so they will not sell cigarettes. "A good thing", says the Hon. Mr. Shard, "because it may prevent the smoking of cigarettes."

The Hon. A. J. Shard: No; I did not say that.

The Hon. R. A. GEDDES: That is not the point. The point is that those people who want to buy cigarettes will not be able to buy them and there will be a greater opportunity for the black market to grow. No-one has yet been able to catch up with the spivs and black marketeers in the history of mankind, so that is what we shall be faced with. Reluctantly, I support the Bill.

The Hon. A. M. WHYTE (Northern): It is hard to defend any infringement of the rights of smokers. I suppose cigarettes may be termed a luxury item, not eligible for any special protection, and I do not set out to give protection. This type of legislation stems from a successful court action in Tasmania that allowed the Government of that State to impose this type of tax; its introduction is being considered in Victoria, and now it has spread to South Australia. Probably it will reach the other States. The manner in which this tax is to be collected is worth considering. So, too, is the possibility of taxes such as this one spreading to other commodities that are so necessary to the consumer.

The Hon. A. J. Shard: One of your colleagues last night advocated that.

The Hon. A. M. WHYTE: It has been advocated, too, but surely not to the extent that this vicious tax will strike at one industry. The nine distributors in South Australia employ about 1 000 men. One distributor estimates that it will cost \$1 000 000 in one year for his licence fee (\$250 000 in the first instalment) and there is no provision for the collection of this tax. Between now and January 1, there is nothing to stop the retailer from stockpiling tobacco and cigarettes which, in normal circumstances, would go through the retailer. Therefore, it would be hard to get a true picture of what the licence should be, because of the boosted sales over this short period, on which he will then be assessed. The fact that from there on his sales will drop away makes it difficult for this amount of money to be raised in such a short time.

The lending institutions are tardy in advancing money for projects of any type; it is thought within this industry that some people will face liquidation and that, as a result, there will be retrenchment. It has been suggested and has been printed in the papers that there will be an increase of 5c on a packet of cigarettes, but this relates only to the very cheapest brand of cigarette. In fact, some cigarettes could be as much as 12c a packet dearer—some encouragement, indeed, to smoke cheap cigarettes! The Hon. Mr. Geddes has said that there will clearly be an opportunity for large-scale black marketing. We know that in Europe, especially after the Second World War, some people got very rich by trafficking in cigarettes in countries such as Holland and Germany. The penalties were much higher than anything we are to have in this country, but those black marketeers were still able to avoid the authorities and cash in on that market. There are so many loopholes in this legislation that one wonders how the thing can possibly work at all. However, this is a luxury commodity and I

suppose, if we are to tax anything, this product rather than many others should be taxed. Without any pleasure, I support the Bill.

The Hon. F. J. POTTER (Central No. 2): This is, of course, one of the Government's new taxation measures that it has considered necessary to introduce to raise additional revenue at a time when things are in a parlous state as far as the Treasury is concerned. This is a Bill that none of us supports with any great enthusiasm, as it imposes a tax on a consumer item, albeit one that is not regularly and consistently purchased by everyone in the community. Nevertheless, a good percentage of the community, for its own indulgence, purchases cigarettes and tobacco.

This is a good example of how the Government has been forced to tax a consumer item. The Government will have much trouble with this legislation before it is finished. It seems simple merely to impose a tax, licence or franchise fee on tobacco; however, from a practical point of view, it will not be long before the Government realises that, in this Bill, it has bought a can of worms.

In this respect, I refer to one or two of the problems that exist. First, this action has been taken unilaterally by one State in a Commonwealth Constitution system. If every State in the Commonwealth had enacted uniform legislation along the lines of this Bill, we would not experience great difficulties. However, the truth is that this has not been done. South Australia has taken this action unilaterally; other States on some of its borders do not have this legislation, and there is no legislation of this kind in the Commonwealth Territories.

There are constitutional difficulties in the Bill itself, to start off with, because there is an underlying and unresolved problem whether this might be an excise tax. According to a careful reading of High Court judgments, it is believed that this is not an excise tax but a franchise fee and turn-over tax combined and that it is not caught by the provisions of the Commonwealth Constitution.

I hope for the Government's sake that this turns out to be true, because it will not be long before someone will challenge this legislation to see whether it stands up constitutionally. That is the first problem that the Government will have. Even if it does stand up to constitutional challenge on that ground, we have the problem that trade between the States is free, under section 92 of the Commonwealth Constitution. Therefore, cigarettes could be purchased outside South Australia and in Territories where this tax does not apply, and brought over the border. Those cigarettes would not necessarily attract the tax. That is one of the worms in the can.

The next is that we are dealing with a product that is not subject to price control. In the case of the Business Franchise (Petroleum) Bill, at least petrol is subject to price control. Here, we have a commodity that is not subject to price control and, because of this, we are unable in any way ultimately to control the final selling price.

I understand that cigarettes are sold in an intensely competitive industry, and that competition exists not only at the retail level, the final point of sale, but also at the wholesale level. In South Australia, there are eight or nine wholesale firms employing about 1 000 people, who are engaged in the distribution of cigarettes. We all know of the intense competition that exists at the retail level. Indeed, we have undercutting of cigarette prices by some of the large chain stores and supermarkets compared to the price at which they are sold at the little tobacconist's shop around the corner.

In an industry in which we have this intense competition and the product is not subject to price control, there is a great temptation for speculators and black marketeers to do what they can to avoid paying this tax. It has already been stated that people will possibly buy up large stocks of cigarettes before this Bill becomes law. Until then, those people will not be compelled to pay the extra tax on cigarettes they purchase. In some instances, the tax will undoubtedly be added and those concerned will pocket the money. This is a common situation that occurs when sales tax has been increased. The price of existing goods has been increased although the tax has not been paid on those goods.

A similar situation could exist here. In retail selling, where there is intense competition, there are smart operators who will quickly wake up to the implications and possibilities of this kind of legislation. There is also the black marketing prospect: one can buy goods freely from other States and bring them into South Australia. This is, unfortunately, the kind of situation that the Government will face.

Although the Government will undoubtedly collect additional revenue from the Bill, some of the social consequences, in the form of intense speculation and black marketing, that will inevitably result from a regressive taxation measure of this kind are, in some respects, too high a price to pay. Although there may be some ways in which this can be stopped, it is indeed a difficult matter. Frankly, I do not know how anyone can successfully tackle and stop black-marketing. It has been one of the most difficult practices for any Government to stop. In this instance, where it is possible to bring large quantities of a small article from other States, an unsavoury situation could develop. The chances are that the cost of a packet of cigarettes will increase by 12c, rather than 5c or 6c. From the viewpoint of the Hon. Mr. Shard, perhaps that is a good thing, because it may discourage people from buying cigarettes.

The Hon. R. C. DeGaris: It is not looking after the workers.

The Hon. A. J. Shard: We are looking after them if we are protecting their health.

The Hon. F. J. POTTER: I confidently forecast that the price of a packet of cigarettes will increase by about 12c. I realise that something must be done to raise additional money. I agree that it is almost inevitable that the State will be forced to move into the consumer tax field, as the Hon. Mr. DeGaris has said. He demanded that, as a consequence, there should be some reduction in capital taxation to compensate for the additional revenue to be raised in this new field. Personally, I will believe it when I see it.

The Hon. R. C. DeGaris: I said that the movement into this new field should be accompanied by relief in the other field.

The Hon. F. J. POTTER: I understand that the Leader thinks that the new field involves a more equitable method of tax collection. It has been a conventional and regular method in other countries, and it is a dominant feature of the American scene, where taxes are imposed on consumer items and services. The consumer pays at the point of buying goods or receiving services. We have been free of that in Australia for many years because no-one believed that the State could do it. It has now been settled that it can be done, albeit in a somewhat roundabout way; at least, it is believed that that is the position. Perhaps this Bill and the Business Franchise (Petroleum) Bill will

be test cases to see whether the State Government's belief on this point is justified. I am not opposed to the Bill, because I am not opposed to taxation being raised in this way, but I sound the warning that I think it will cause some very unsavoury, illegal activities to spring up in our South Australian community, and that will be very regrettable.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Interpretation."

The Hon. R. C. DeGARIS (Leader of the Opposition): What steps will the Government take to ensure that the appropriate licence fees are collected from retailers who buy from other than licensed wholesalers?

The Hon. A. F. KNEEBONE (Chief Secretary): The Government will be alert to the possibility of loss of revenue resulting from purchases of tobacco from other than licensed wholesalers. Swift action will be taken against persons who are so misguided as to evade their proper responsibilities under the Bill. Substantial penalties are provided in this respect.

The Hon. R. C. DeGARIS: One problem that could result from this Bill is that the financial pressure on the local wholesalers could be so great as to allow large multi-nationals to move in and completely take over the whole of the wholesale business in South Australia. This could happen if the Government does not view sympathetically the early days of the imposition of the new franchise tax.

The Hon. A. F. KNEEBONE: I assure the Leader that the situation will be watched and that appropriate action will be taken where necessary.

Clause passed.

Clauses 5 to 10 passed.

Clause 11—"Fees."

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

To strike out paragraph (b) of subclause (1) and insert the following new paragraph:

"(b) for a retail tobacconist's licence a fee of ten dollars together with an amount equal to ten per centum of the value of tobacco sold by the applicant in the course of tobacco retailing during the relevant period (other than tobacco purchased in the course of intrastate trade from the holder of a wholesale tobacco merchant's licence)".

On some of the questions I have directed to the Chief Secretary there has been an undertaking, for which I am grateful. The matters I have raised can be strengthened further by amendments to this clause. Probably we are touching on difficult ground in this matter. However, the amendment overcomes to some degree one of the problems about which we have been concerned. I understand the Government may accept this amendment.

The Hon. A. F. KNEEBONE: Yes, the Government will accept this amendment.

Amendment carried.

The Hon. R. C. DeGARIS moved:

To strike out subclause (2) (b); and to strike out in subclause (2) (c) the words "for a period after the thirtieth day of September, 1976,".

Amendment carried.

The Hon. R. C. DeGARIS moved:

To strike out subclause (3) (b); and in subclause (3) (c) to strike out "for a period after the thirtieth day of September, 1976,".

Amendment carried; clause as amended passed.

New clause 11a—"Reduction of fees."

The Hon. A. F. KNEEBONE: I move to insert the following new clause:

11a. (1) Where the Minister is satisfied that payment of a fee assessed by the Commissioner in accordance with section 11 of this Act in respect of a licence would cause substantial hardship to the applicant for, or holder of, the licence, the Minister may reduce the fee.

(2) A reduction shall not be granted under subsection (1) of this section after the thirtieth day of September, 1976.

It has come to the attention of the Government that one possible effect of the system of licensing proposed by the Bill will be to inflict quite substantial hardship on certain proposed holders of wholesale tobacco selling licences. This hardship will arise from a possible reorganisation of tobacco wholesaling in this State consequent on the introduction of the measure. The acceptance by the Committee of this amendment will arm the Government with sufficient powers to obviate this anticipated hardship.

The Hon. R. C. DeGARIS: I support the amendment. New clause inserted.

Remaining clauses (12 to 31) and title passed.

Bill read a third time and passed.

Later:

The House of Assembly intimated that it had agreed to the Legislative Council's suggested amendments.

SWINE COMPENSATION ACT AMENDMENT BILL

The House of Assembly intimated that it had disagreed to the Legislative Council's suggested amendment and had made alternative amendments in lieu thereof.

Consideration in Committee.

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

That the Legislative Council do not insist on its amendments and agree to the House of Assembly's alternative amendments.

I will give a brief resumé of what transpired with the amendments that were moved in this Chamber. The industry looked at the Bill and, as it was responsible for the money in the fund and there was to be a levy on a certain amount of money, as is normal practice with these types of fund, it suggested when the Bill was in this Chamber that it would be desirable to have a 5c levy on an amount of money up to \$10. Since then, the industry has changed its mind. There was some discussion in this Chamber that perhaps the amount should have been \$9 instead of \$10. Then the rate was altered from 5c to 3c for that amount of money; so it became 3c on a \$9 levy payable. That meant that for every \$9 in the sale of the carcass a rate of 3c was struck.

Since the Bill left this Chamber and went to another place, the industry has looked at it again and is of the opinion that more money than is needed would be collected by this rate; so it has suggested that a new rate of 1c in \$3 be struck.

The Hon. C. R. Story: It is becoming curiouser and curiouser.

The Hon. T. M. CASEY: That is what the industry is now suggesting—1c in \$3 instead of 3c in \$9.

The Hon. M. B. DAWKINS: I have always said that I am pleased to be able to agree with the Government when I can, and on this occasion I can support the motion. However, I cannot agree with the Minister's version of what happened in this Council previously because, when the Bill came into this Chamber, the maximum levy, which was to be subject to adjustment by regulation, was 5c in \$10. The Minister stated that people in the industry agreed with that maximum levy and later changed their minds,

but I know that they did not. However, they may have got confused between the time the legislation was first discussed and when it was introduced, but I cannot agree that that is the sort of levy they wanted. During the debate in this Chamber, as the Minister has said, various alternative rates were suggested. At one stage, it was suggested that the maximum, subject to regulation, should be 3c in \$9. Finally, I moved that the maximum rate be 3c in \$10, rather than 5c in \$10, as that was much more in favour of the swine compensation people. However, it subsequently transpired that the industry was not completely satisfied with that, even though it was considerably better, as all honourable members agreed, than a rate of 5c in \$10. The House of Assembly's subsequent amendment meets, as far as I can see, the requirements of the industry. Although I support the amendment, I point out that, had it not been for the work done initially on this Bill by the Council, and particularly by the Hon. Mr. Whyte, the Hon. Mr. Story and me, the Bill could well have passed providing for a maximum rate of 5c in each \$10. As the industry would have been very unhappy about that, I am pleased that we have at last got something which is the result of further consideration and which meets with its wishes. I support the motion.

Motion carried.

WHEAT INDUSTRY STABILISATION BILL

Returned from the House of Assembly without amendment.

NATIONAL PARKS AND WILDLIFE ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 27. Page 2312.)

The Hon. C. R. STORY (Midland): I support the Bill and, in doing so, endorse most of the things that the Minister said in the second reading explanation. We in this State have very good legislation relating to fauna and flora, and I am indeed pleased that at long last we are not just giving lip service to this important subject. For a long time, it was an emotional matter, which was not supported as much with finance as it was with sentiment. Fortunately, it is now receiving financial support.

The Hon. D. H. L. Banfield: Which counts the most?

The Hon. C. R. STORY: Sentiment is indeed nice at certain times. It is nice on a moonlit night for instance but, when one gets down to the nitty gritty, one realises that money is the important thing. More provision has been made to fund the department's activities, and I believe we are really getting somewhere. The 1972 Act under which we are working is indeed good, all other facets of fauna and flora parks in this State having been consolidated in it. However, I refer to the Fauna Conservation Act, which was severely amended by the Council. That was the basis of and foundation for the formation of this excellent Act, on which much work was done by those interested in conservation.

We had a further advantage in relation to that Bill in that we had the service of probably one of the best draftsmen that this State has ever had. I refer to Sir Edgar Bean, who not only drafted the Bill but also sat in on the total debate in both Houses of Parliament and drafted amendments to that legislation. It stands as somewhat of a monument to Sir Edgar Bean that that legislation was embodied in the new Act, and that its drafting has not been found wanting in any way. I am pleased that we are now expanding various portions of the Act. We are not making any radical changes or unnecessary alterations: we are providing for the present and the

future. The drafting and the concept are very good. In the main, this is a Committee Bill; we will be able to deal with it more quickly in the Committee stage. I foreshadow an amendment to insert the following new clause:

7a. The following section is enacted and inserted in the principal Act after section 19:

19a. (1) The council shall, as soon as practicable after the 30th day of June in each year, present a report to the Minister on the work of the council during the financial year ending on that day.

(2) The Minister shall, as soon as practicable after receipt of a report under this section, cause a copy of the report to be laid before each House of Parliament.

This amendment is consistent with what we have done in other legislation of this kind. It always seems to me that it is not the specific province of an advisory council simply to advise the Minister: its function is to gather together information from various experts. When it provides a report to the Minister, there is nothing wrong with the Minister's passing on that information to the public, so that the experts' knowledge is widely available. There is no real reason why the Minister should not publicise that information. The advisory council would not give unfair information; of course, it may criticise the Government for not providing sufficient money for it to carry out some functions, but such things should be highlighted. If sufficient public opinion can be canvassed to convince the Government that more money should be spent in an area, that is good.

One of the contentious provisions in the Bill, relating to reptiles, was dealt with by the Hon. Mr. Whyte. No doubt that matter will be further discussed during this debate. I should be grateful if the Government would accept minor amendments in connection with some matters, rather than take away from the department something that could be essential in connection with the control of the export and sale of reptiles. Perhaps the words used in the Bill are not the right words, but I am in sympathy with the spirit of the amendments to this section: I know that it is not the intention of the people who administer the legislation to harass innocent people. There is a new provision dealing with hunting; this is very good. People are entitled to know what others are doing on private property. Under the Bill, landholders and leaseholders will have the opportunity of knowing when people want to go on to properties to hunt; this is only common decency. In days gone by, there was a gentleman's agreement; that kind of agreement works well when both parties obey the rules, but I doubt whether all people honour gentlemen's agreements nowadays. I therefore support the provision relating to this matter.

Fees are to be set by regulation. So, at this stage we do not know what the fees will be. I hope that the fees are not so high that people will be unduly affected. We had a schedule of fees when the legislation was previously before us. If something along the lines of those fees was continued, that would be acceptable to the people. The purpose was to have permit holders, rather than extract large sums. People could be disciplined through the possibility of having their permit withdrawn.

I am pleased to see the provision dealing with the disbursement of moneys. It is good to have a Wildlife Conservation Fund, which we have awaited for many years. When people are willing to pay for an activity, the fees should be devoted to the further development of that activity, after administration costs have been deducted. This is one way in which the Minister will have a ready source of money coming in from the new section 5a of the

amended Act. I have pleasure in supporting the second reading.

Bill read a second time.

In Committee.

Clauses 1 to 4 passed.

Clause 5—"Power of acquisition."

The Hon. C. M. HILL: I refer to the definition of "threatened species" in clause 5, and also to the schedule listing threatened species of animals and birds.

The CHAIRMAN: That is in clause 4. I have already put that clause.

The Hon. C. M. HILL: I am sorry. I wished to speak to clause 4.

Clause passed.

Clauses 6 and 7 passed.

New clause 7a—"Report."

The Hon. C. R. STORY: I move to insert the following new clause:

7a. The following section is enacted and inserted in the principal Act after section 19:

19a. (1) The council shall, as soon as practicable after the thirtieth day of June in each year, present a report to the Minister on the work of the council during the financial year ending on that day.

(2) The Minister shall, as soon as practicable after receipt of a report under this section, cause a copy of the report to be laid before each House of Parliament.

I stated in the second reading debate that I would seek to have this new clause inserted in the Bill. I believe that when a report is made by the advisory council to the Minister it should be made available to the public.

The Hon. A. F. KNEEBONE (Chief Secretary): Section 13 of the principal Act provides for the Minister to cause a report on the administration of the Act to be presented to each House of Parliament. The functions of the advisory council are laid down in section 19 of the principal Act. They are, first, that the Council shall, at the request of the Minister, investigate and advise the Minister upon any matter referred to the council for advice, and secondly, the council may of its own motion refer any matter affecting the administration of the Act to the Minister for his consideration.

The Minister in another place gave an assurance that material provided by the Chairman of the council would be incorporated in the report required under section 13 in the future. The council is an advisory body established to provide to the Minister an alternative source of advice from that of the Minister's departmental officers. Its services have been utilised extensively by the Minister over the past 2½ years and the council has also referred a number of matters to the Minister of its own volition. It would not be appropriate for an advisory body to report direct to Parliament—there are many such bodies in existence and this would create an unwarranted precedent.

The Hon. C. R. STORY: I thank the Minister for the information he has given. However, I do not see the relevance of a precedent being set in this case, nor do I understand the reference to "unwarranted precedent". Ministers never believe that the providing of information is warranted. Unfortunately, time stands still and nothing is ever done. I test the feeling of the Committee by asking it to accept this amendment, which does not create any intrusion on the Minister. The advisory council is a voluntary body. It does a good job and I believe the Government should be open-ended in its business. I am sure the Government will not really object to the report of the advisory council and its recommendations being made available to the public as well as to the Minister.

The Hon. A. F. KNEEBONE: I do not know what the honourable member is driving at with his amendment, because section 13 of the principal Act provides that the Minister shall cause a report on the administration of the Act to be presented to each House of Parliament. As I said before, the Minister in another place gave an assurance that material provided by the Chairman of the council would be incorporated in the report. I cannot see the need for this amendment to be accepted, because, after all is said and done, the report is provided, and there will merely be an additional report in respect of administration. There would be two reports on administration.

New clause negatived.

Clauses 8 to 13 passed.

Clause 14—"Certain animals may be destroyed."

The Hon. C. R. STORY: This clause has caused consternation in some circles because it has been amended to bring reptiles under the terms of the Act. This clause amends section 54 of the principal Act. Section 54 has the marginal note "Australian magpies". This section has been amended fairly severely by striking out the words "to take" and inserting "to kill".

Section 54 of the principal Act provides:

(1) It shall be lawful for any person without any permit or other authority under this Act to take any Australian magpie that has attacked or is attacking any person.

(2) A person shall not sell an Australian magpie taken pursuant to this section.

Penalty: One hundred dollars.

That is the law as it now stands. This amendment deletes the words "to take" so that it will be illegal to take a magpie, but it will not be illegal to kill a magpie. That makes unnecessary subsection (2) of the existing section 54, which provides:

A person shall not sell an Australian magpie taken pursuant to this section.

If it is killed, it will not be much use trying to sell it. Consequently, that subsection is struck out, but in place of it there is this new provision:

(b) by striking out subsection (2) and inserting in lieu thereof the following subsection:—

(2) It shall be lawful for any person without any permit or other authority under this Act, to kill any poisonous reptile that—

(a) has attacked, is attacking or is likely to attack, any person;

(b) is in dangerous proximity to any person;

or

(c) is, or has been, in such proximity to a person as to cause reasonable anxiety to that person.

I do not think, by any stretch of the imagination, anyone would prosecute a person killing a poisonous reptile, because any circumstance that has not been thought of in paragraphs (a), (b), or (c) of this provision must be a peculiar circumstance, as I think everything has been covered. If we strike this provision out of the legislation altogether, it will mean that there will be no way of keeping a tag on those people who at present are catching and trading in venomous snakes; there will be no control that the department can exercise over the indiscriminate taking or killing of these creatures for the purpose of trade and, as I am informed, the taking of certain types of Australian snake at present and exporting them is a lucrative business. The Australian black tiger snake is considered to be a very rare species; it brings a very good price on the open market. People who deal in this type of thing are mainly collectors, and collectors when they get enthusiastic about anything become completely fanatical, no matter whether they are interested in stamps, bottle tops, or barbed wire.

The Hon. A. F. Kneebone: What about birds?

The Hon. C. R. STORY: Some people in the highest positions, not only in this State but also overseas, are great bird and egg collectors, and they will go to any lengths to get what they want. If someone else has a particular species of something, they cannot resist the temptation to go to any lengths to get the same sort of thing, or something even better, if they can. We had an experience of that here when Mr. P. H. Quirke was Minister of Lands. We had the spectacle at our own zoo where a great racket was being perpetrated by people of high standing in the community. That caused much trouble.

I have known of cases, when I was interested in this matter, not many years ago when people in very high positions were prepared to go to any lengths to get rare species of birds into their aviaries. They trade with people overseas. A person may catch a couple of black tiger snakes in South Australia, get them overseas, and swap them for a couple of cobras in another country. There are people capable of doing that, and the same with animals. There is also the person who makes a lot of money out of selling snakes illegally.

Provision is made for people to get permits for the legitimate exporting of reptiles to zoos and other approved types of menagerie. I believe the importing and exporting of these things should be closely controlled and, unless we have proper legislation on our Statute Book, it cannot be controlled. If we let someone run around with a bag of snakes completely uncontrolled in a motel, the string may come off the top of the bag, and snakes can be wandering about the motel. This has actually happened. The national parks and wildlife people, who must administer this Act, and the Minister need the power provided in clause 14 and section 54. I do not mind what any honourable member tries to do in altering the wording of paragraphs (a), (b), or (c) if it does not suit, but I would appeal to honourable members not to try to strike out the whole provision, because such a provision is necessary.

The Hon. R. C. DeGARIS: I appreciate how the Hon. Mr. Story feels about this clause, but I wonder whether the Chief Secretary would consider a slight change in the wording to make it more positive. I suggest that subclause (2) should read: "No poisonous reptile shall (a) attack any person, (b) be in proximity to any person, or (c) cause unreasonable anxiety to any person. Penalty—Death."

The Hon. A. F. KNEEBONE: I wonder whether the Leader could alter the word "death" to something else as my instincts are against the death penalty.

Clause passed.

Clauses 15 to 20 passed.

Clause 21—"Enactment of Part VA of principal Act."

The Hon. C. R. STORY: This is a new Part. Honourable members will recall that this legislation was first introduced in the House of Assembly in 1973. Although the hunting aspect was dealt with in that Bill, portion of the Bill did not pass. That portion has now been introduced in this Bill in a slightly different form. As well as providing for the creation of hunting permits, the Bill also covers unlawful entry on land, which all honourable members would agree is not a good practice. However, the Bill does not say what fees will be charged for permits, a matter about which all honourable members are curious.

This is not to be confused with the gun licence which has been mooted and legislation regarding which will no doubt be introduced next year. Although I understand that there are likely to be separate fees, the Bill does not say what those fees will be. It was suggested when the Bill was introduced that there would be a basic hunting fee of \$2,

and that it would cost \$3 for a permit for duck hunting, a similar sum for a permit for quail or snipe hunting, and that a permit, which would probably cost \$3, would be required to hunt kangaroos. I wonder whether there are to be different permits for hunting various animals, or whether there is to be a straight-out fee for a permit to hunt. It would ease honourable members' minds if the Minister could provide this information.

The Hon. A. F. KNEEBONE: I regret that I cannot at present enlighten the honourable member in this respect. I ask that progress be reported so that, during the dinner adjournment, I can discuss the matter with the appropriate Minister.

Progress reported; Committee to sit again.

Later:

The Hon. A. F. KNEEBONE: When we were last discussing this matter, the Hon. Mr. Story asked me to obtain certain information for him. It is intended that there should be a basic fee for the hunting permit together with a single separate endorsement fee, which will be necessary for the right to hunt game for which an open season is declared. In this respect, I refer to the hunting of duck and quail. Although it has yet to be fully discussed, it is expected that the basic fee will be about \$4 or \$5, while the open season endorsement will cost an additional \$4 or \$5.

Consideration has been given to pensioner concessions and the provision of reduced fees for juniors. However, as yet no firm details are available regarding this matter. The Minister concerned assured me that interested persons would be consulted before the scale of fees was fixed.

The Hon. C. R. STORY: I am obliged to the Minister for providing that information. It is satisfactory for the Committee at least to have some idea of what the Government has in mind. If that sort of fee is adhered to, it will be most satisfactory.

Clause passed.

Clauses 22 to 26 passed.

Clause 27—"Repeal of eighth and ninth schedules of principal Act and enactment of schedules in their place."

The Hon. C. M. HILL: Although I rose earlier to speak to clause 5, the matter I intended to raise related to clause 4. Instead of the Bill's being recommitted, the subject with which I wish to deal can be dealt with now. I notice that there is a new ninth schedule, which has as its heading the words "Threatened species". Will this mean that aviculturists will have to obtain three separate permits? At present, they must have a permit for protected species and another for rare species. I am concerned that, if aviculturists will have to obtain a third permit for threatened species, the cost of such permits could cause hardship, to which these people should not be subjected:

Principally, the possible cost worries me. Also, I am concerned at the bookwork and red tape that may be involved if people must in future have three permits instead of the original two. Of course, it is not only the application but also the monthly and quarterly returns that must be sent to the department that causes work, to which some people take objection. Can the Minister say whether, as a result of this Bill and the new threatened species schedule therein, it will be necessary for these people now to apply for a third permit, or whether the department intends to make some other arrangements that will be much more satisfactory for these people?

The Hon. A. F. KNEEBONE: I am informed that it is not intended to have a separate fee for keeping threatened species; nor is it intended to have a fee for keeping rare

species. For the purpose of keeping, selling, importing, exporting, and so on, threatened species will be regarded in the same way as the ordinary protected species. It is only in the wild state that they deserve, and indeed will receive, the added protection.

Regarding rare species, section 55 of the principal Act will be strictly adhered to. Only when it is in the interests of scientific research or conservation will any permits be granted. For this reason, it is not appropriate that a fee should be charged. Indeed, most of the species listed are so rare, or some are even possibly presumed extinct, that it is most unlikely that any person will ever come across them. The only exemptions are the golden shouldered parrot and the orange bellied parrot. At present, there would be fewer than a dozen of the former and possibly only two of the latter in captivity in this State.

The Hon. C. M. HILL: I thank the Chief Secretary for that explanation, which seems to be satisfactory.

Clause passed.

Title passed.

Bill read a third time and passed.

BUSINESS FRANCHISE (PETROLEUM) BILL

The Hon. A. F. KNEEBONE (Chief Secretary): I have to report that the managers for the Legislative Council on the Business Franchise (Petroleum) Bill have been at a conference with the managers for the House of Assembly and agreement has been reached but the report is not yet available. I ask leave of the Council to present the report later in this afternoon's proceedings.

Leave granted.

At 3.10 p.m. the following recommendations of the conference were reported to the Council:

That the Legislative Council do not further insist on its suggested amendments and that the House of Assembly make the following amendments to the Bill:

Clause 4, page 3—After line 6 insert definition as follows:

"licence period" means—

(a) the period commencing on the twenty-fourth day of March, 1975, and ending on the twenty-third day of September, 1975;

and

(b) each succeeding period of twelve months:

After line 29 insert definition as follows:

"prescribed percentage" means—

(a) in relation to the first licence period—ten per centum;

and

(b) in relation to a subsequent licence period—such percentage as is prescribed in relation to that period.

Lines 30 to 33—Leave out the definition of "relevant period" and insert definition as follows:

"relevant period" means—

(a) in relation to a licence that is to be in force during the first licence period—the financial year ending on the thirtieth day of June, 1974; and

(b) in relation to a licence that is to be in force during a subsequent licence period—the financial year ending on the thirtieth day of June last preceding the commencement of that licence period:

Clause 14, page 7, line 38—Leave out "ten per centum" and insert "the prescribed percentage".

Page 8, line 4—Leave out "ten per centum" and insert "the prescribed percentage".

Line 11—Leave out "ten per centum" and insert "the prescribed percentage".

Line 18—Leave out "ten per centum" and insert "the prescribed percentage".

Line 25—Leave out "ten per centum" and insert "the prescribed percentage".

Line 32—Leave out "ten per centum" and insert "the prescribed percentage".

Line 39—Leave out "ten per centum" and insert "the prescribed percentage".

Page 9, line 4—Leave out "ten per centum" and insert "the prescribed percentage".

Line 11—Leave out "ten per centum" and insert "the prescribed percentage".

Lines 13 to 27—Leave out subclause (11).

Lines 28 to 31—Leave out all words in these lines and insert "Where an application is made for a licence and the applicant did not, during the relevant period,".

Clause 18, page 11, lines 30 and 31—Leave out "the twenty-third day of June, the twenty-third day of September and the twenty-third day of December" and insert "the twenty-third day of December, the twenty-third day of March and the twenty-third day of June".

Lines 37 and 38—Leave out "the twenty-third day of September and the twenty-third day of December" and insert "the twenty-third day of March and the twenty-third day of June".

Line 45—Leave out "December" and insert "June".

Clause 20, page 12, lines 32 and 33—Leave out "on the twenty-third day of March next ensuing after the day on which the licence comes into force" and insert "at the expiration of the licence period in respect of which it was granted".

Page 13, lines 1 and 2—Leave out all words in these lines and insert "be renewed for successive licence periods".

Clause 27, page 18, line 4—Leave out "March" and insert "September".

and that the Legislative Council agree thereto.

Later:

The House of Assembly intimated that it had agreed to the recommendations of the conference.

Consideration in Committee of the recommendations of the conference.

The Hon. A. F. KNEEBONE (Chief Secretary): I move:

That the recommendations of the conference be agreed to. The managers from the Council worked very well in the conference and, as a result of their efforts, a compromise was reached which is satisfactory to the other place, as has been indicated by the message, and which I hope will be satisfactory to this Council. The conference was based mainly on legal argument. Honourable members will be aware that three lawyers were present, but perhaps despite this possible disadvantage a satisfactory compromise was reached. Although he is not a lawyer, the Leader had a good deal to say that was very much to the point from a layman's point of view. I thank the managers for their assistance at the conference and I hope that the motion will be agreed to.

The Hon. R. C. DeGARIS (Leader of the Opposition): I support the view of the Chief Secretary. The point about the conference is that the view expressed in this Chamber has been maintained, although in a slightly different fashion. The amendments mean that the principal Act concludes virtually on September 24, but it can be renewed or extended by regulation, so that, instead of another Bill coming down if the Government wishes to extend the legislation, that can be done by regulation. The permanent part of the Bill remains as a franchise and licensing Bill. The actual date of the licence can be varied by regulation. This is quite satisfactory from the point of view of this Council, and actually better expresses the views of this place.

The Hon. J. C. BURDETT: I support the remarks of the previous speakers. The amendments passed in the Council brought the Act to an end on September 23, 1975. The compromise means that there is an annual licensing system, that there is an interim period from March 24, 1975, to September 23, 1975, during which there will be a flat fee provided in the Bill, and the 10 per cent fee comes to an end on September 23, 1975. Thereafter, the annual

percentage will be fixed by regulation and annually, so that it would be competent (and I am not saying that it is intended) for the Council or the other place in respect of the period after September 23, 1975, to disallow the regulations so that there would be no percentage charge.

If honourable members read the amendments before us, it may be possible to get the impression that a full fee is payable in respect of the first six months, but the provisions relating to short-term licences (a period of three months, six months, and so on) take care of this. If members look carefully at the Bill they will find that, in respect of the first six months from March 24, 1975, to September 23, 1975, the flat fee, the base fee, will be one-half of a full month's fee. I was not in the Chamber when the Chief Secretary spoke, but I think there was a real spirit of compromise in the conference, and there was every willingness on the part of the managers from another place to compromise.

Motion carried.

SOUTH AUSTRALIAN RAILWAYS COMMISSIONER'S ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 27. Page 2314.)

The Hon. R. C. DeGARIS (Leader of the Opposition): I wish to express my opposition to the part of the Bill that allows the South Australian Railways tavern to sell liquor in sealed containers. I am concerned that this idea could be expanded and we could see an expansion not only in the matter of railway taverns but in other areas in which a Government instrumentality may be involved. Also, a licence to sell liquor provides a service to the community, but with that service go responsibilities. I cannot see that it is necessary for the tavern at the railway station to be involved in the bottle trade. Normally when someone wishes to extend his activities or take on new activities an application is made to the court, where evidence can be given for or against the application. In this case, Parliament is being asked to extend the licence. For that reason I indicate my opposition to the extension of the licence in relation to the railway tavern to sell liquor in sealed containers.

The Hon. C. R. STORY (Midland): I do not know whether or not I oppose the Bill; my attitude will depend mainly on the Minister's explanation and interpretation of the measure. It is almost a hopeless proposition to bring in such a measure at this time of the session. Although the Government may not think so, this is a most contentious matter dealing with a licence, and perhaps with more than one licence. This licence is outside the jurisdiction of the Licensing Court, and therefore people in the liquor trade who may be aggrieved have no means of redress except to approach a member of Parliament in an endeavour to ascertain from the Minister what the legislation means and how it affects the liquor industry as a whole.

From the short time I have had to study the matter, I believe that this provision will affect some people, and its approval could affect many more than the one or two licensed people in the near vicinity with full publican's licences. I think it could have considerable ramifications. Section 105 of the principal Act is to be amended. I have no objection to the change in relation to closing time from 10 p.m. to midnight; this merely brings the principal Act into conformity with the Licensing Act. The following new subsection (2) is to be inserted in section 105:

The Commissioner may, at the railway refreshment rooms at the Adelaide railway station and any other part

of the Adelaide railway station set aside for the purpose, without obtaining any licence or permit, sell or supply subject to the appropriate by-laws made pursuant to this Act, liquor in sealed containers and not for consumption within those refreshment rooms or such other part of the Adelaide railway station to any person between the hours of eight o'clock in the morning and ten o'clock in the evening on any day except Sunday or Good Friday.

That puts the Railways Commissioner into a position of great advantage. First, the Commissioner will have the equivalent of a tavern licence, yet he will not have to pay the normal fees that are paid by people with a full publican's licence, or by those with the newly created tavern licence. The Commissioner will not have to pay turnover tax, and he will have exclusive rights in that area.

The Commissioner will be able to sell liquor at a much better price than can any publican in North Terrace who has to pay a high rental, City Council rates, a licence fee, turnover tax and all the overheads that go with providing a proper service to the public. The Commissioner can operate his function at the railway station without incurring any of that expense. He can sell liquor in any quantity he likes to persons or groups of persons, and he can sell at any price he likes, as there is no price fixing on the lower level, the Liquor Industry Advisory Committee setting only maximum prices.

I cannot see any guarantee in this legislation for the liquor trade. After all, the liquor trade has just come in for special treatment. Legislation increasing the fees paid by the trade has recently been passed by this Parliament. True, the trade obtained a few benefits, but one of the benefits will be cut away immediately from the industry by this Bill. This does not come within the provisions regarding the transfers of licences or the issuing of new licences, and we have just had great trouble with people who have applications before the court. The Government finally gave in on the subject, but it resisted any attempts by Parliament, especially by this Council, to allow cases that were already before the court to continue to be heard under the old law. This situation does not apply, so far as I can see, to the railways.

No consideration has been given to the effect this amendment could have on the trade of the hotels near the Adelaide railway station. However, a person is in real difficulty if he wants to transfer a licence or get a new licence. This position is completely inconsistent. The other point, which I believe is even more important, concerns the amendment to section 133 of the principal Act. This is in respect of by-laws under the South Australian Railways Commissioner's Act. Clause 4 provides:

Section 133 of the principal Act is amended by inserting immediately after the word "rooms" in paragraph (ba) the passage "or other place".

Section 133 (ba) will now read:

Providing that any provisions of the Licensing Act, 1967-1969 (including provisions as to penalties) shall apply (without however creating or expanding any rights to sell, supply or consume liquor beyond those established under this Act), *mutatis mutandis* and with such modifications as may be prescribed in the by-laws, to and in relation to the sale, supply or consumption of liquor at any railway refreshment rooms or other place at which the Commissioner sells or supplies liquor and making such further provision in relation thereto as may be prescribed in the by-laws.

The words "at any railway refreshment rooms" and "or other place" could mean anywhere in the State. I want to be certain that this provision does not mean that the Commissioner can bring down a by-law and start to operate a bottle licence in railway refreshment rooms throughout South Australia. I believe, from my reading of this by-law

section, the Commissioner can do just that. If that were the case, it would be highly improper, and I do not believe that is what the Minister has set out to do. We will need some real assurance on this matter. This is especially so because of all the effort we went to recently to try to protect country hotelkeepers, and this work could be nullified if this situation obtained.

I can see great benefits deriving from this arrangement to the Commissioner. I can see great benefits for certain groups of people, especially if they decided to buy in bulk from the Commissioner. He will certainly get their trade, especially if he goes a little below the Australian Hotels Association prices. He will get the trade wherever he sets up shop, even if it is in a refreshment room or in the Adelaide railway station. I do not believe we should do that.

What the Hon. Mr. Hill said yesterday was quite proper, that a service should be provided at the railway station for the travelling public and for those who want to enjoy a reasonably priced meal with liquor. Consideration should be given for these purposes. However, that consideration having been given, the Government has seen fit to allow the expansion of railway dining room services. I am in favour of any measure improving the standard of food, but I do not want this piece of legislation to build up into something that was never meant to happen. Even the Hon. Mr. Hill was keen to see that the railways were made to pay! He was also keen to provide a service on the railways that the public would patronise and so induce more people to use the railways. Had he not gone out of office, he would have had this legislation in Parliament during his term as Minister.

The Hon. D. H. L. Banfield: And you would have supported it then.

The Hon. C. R. STORY: No. The tragedy of it is that the boot is on the other foot now because, when the Hon. Mr. Hill endeavoured to provide a limited service, which did not go as far as this provision, who should come out in opposition and fight him tooth and nail but the present Premier of the State? He took up the cudgels on behalf of the Australian Hotels Association, and the position was reversed then.

The Hon. D. H. L. Banfield: He would not be too proud to admit when he was wrong.

The Hon. C. R. STORY: He must have done a tremendous amount of admitting.

The Hon. D. H. L. Banfield: That does not mean to say that he is not now correcting it.

The Hon. C. R. STORY: Maybe. All I can say is that he has over-corrected it because, if what appeared to be the previous position is the position, we are giving a bad monopoly of a Government institution, and our policy is not for Governments to become purveyors of liquor; it should be done by people who are interested in their own field, and that would be the function of the A.H.A. or the various licensees operating under the Licensing Act. We are happy to give the public a reasonable service while travelling on trains. Also, we are pleased to give people a refreshment service, but we do not believe that we should set up an agency capable of undercutting legitimate business people. If that was the case, I would oppose the Bill lock, stock and barrel.

The Hon. D. H. L. BANFIELD (Minister of Health): I thank honourable members who have spoken to this Bill. I will answer two questions asked by the Hon. Mr. Story. The first related to by-laws. I assure the honourable

member that the by-laws apply only to the Adelaide railway station: they do not cover the refreshment rooms elsewhere. I also assure the honourable member that an undertaking has been given that the Commissioner will not sell any liquor below the maximum price fixed from time to time. The Hon. Mr. Story believes we are going too far. He agrees with giving a service to the passengers, which this Bill certainly does. True, sometimes a passenger on going home wants to take with him a dozen cans of beer or half a dozen bottles of beer and, while he is waiting for his train, he may also want a drink.

The honourable member suggests that giving a service like this to the people patronising the railways is going too far. If a passenger wants a drink at the Tavern, has he to cross the street and pick up half a dozen bottles of beer or does the honourable member think that it is giving a service to the passenger if he has to carry half a dozen bottles of beer from up the street and put them on the bar at the Tavern while he has a glass of beer? I do not think that is giving a service to the passenger.

The honourable member also agrees that the Railways Department needs extra revenue; yet, when we put up a proposition to assist the railways in this regard, he is not very keen about it. We have been hearing the Hon. Mr. Story and the Hon. Mr. DeGaris every day this week condemning the Government for spending money on projects that do not give a service, so that insufficient money is available for other things when the opportunity presents itself. The Hon. Mr. Story is not very happy about this proposition for the railways. I agree with him that this Bill does assist the working man and, let's face it, more than 80 per cent of railway passengers come from the working classes.

The Hon. C. M. Hill: How will the Bill affect them?

The Hon. D. H. L. BANFIELD: It will ensure that the service is there. They can travel by train and, when they get home with their bottled beer, they will not have to go up the street to purchase beer. They can get it from the Railways Department without having to get their car out after they get home and buy beer somewhere else. It will save them the extra trip and expense of having to go out to purchase beer.

The Hon. C. R. Story: They can pick up a nice soft drink as well.

The Hon. D. H. L. BANFIELD: Is there anything wrong with a soft drink?

The Hon. C. R. Story: What about the wages of the bar attendant? He has to be paid for his work.

The Hon. D. H. L. BANFIELD: The honourable member is not telling me that this would be the only place where a person could pick up a bottled breakfast if he so desired? There are plenty of other places in the square mile of Adelaide where bars are open before the Tavern is open.

The Hon. C. R. Story: You need a stronger case than that.

The Hon. D. H. L. BANFIELD: I point out that, on the rare occasions when people do want a bottled breakfast, they can get it much earlier elsewhere than at the Tavern at the Adelaide railway station.

The Hon. C. R. Story: No.

The Hon. D. H. L. BANFIELD: Yes, they can. What about down at the East End?

The Hon. C. R. Story: I do not know.

The Hon. D. H. L. BANFIELD: If a person wants an early cup of liquid breakfast, he has his opportunity. However, the position is that the Commissioner and the Government consider that this is a reasonable proposition.

We know it will give an excellent service to the people patronising the railways. I have given the Hon. Mr. Story two undertakings: one is that the Commissioner will not at any time be selling liquor below the fixed maximum price, and the other is that the by-laws apply only to the Adelaide railway station.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Sale of liquor at Adelaide railway station."

The Hon. R. C. DeGARIS (Leader of the Opposition): I move:

To strike out paragraph (c).

I have given my reasons for this amendment. I do not think there is any case for a bottle licence to be established at the Adelaide railway station.

The Hon. D. H. L. BANFIELD (Minister of Health): Liquor is already being sold at the Adelaide railway station, and I can see no reason why one should not be able to purchase a bottle of beer there on one's way home.

The Hon. T. M. CASEY (Minister of Agriculture): No-one who has been served drinks or bottles in a hotel can tell me that there is any difference between buying a glass of drink or a bottle over the counter. Why has there been this sudden change of heart? We may as well cut out the sale of liquor altogether at the Adelaide railway station if the Leader is consistent.

The Hon. R. A. Geddes: Why didn't your Party support it when it was introduced four years ago?

The Hon. T. M. CASEY: I understand that it did. I was always critical of the fact that on many occasions the travelling public was unable to purchase a drink, and it was one of the best things that ever happened when *bona fide* travellers were enabled to obtain a drink in this way. It is crazy to split hairs on this matter. I can understand why the Australian Hotels Association has taken this attitude: it does not want the business of its clients to be interfered with to any great extent. However, we are living in a day and age in which people like to purchase certain commodities where it is most convenient for them to do so. There are bottle shops everywhere. In this respect, I refer to the Adelaide Airport, where one can buy a drink at the bar and as much wine as one likes downstairs.

If we are to be consistent in this matter, we may as well cut out the sale of liquor altogether at the Adelaide railway station. I do not think this provision will make much difference to the hotels near the Adelaide railway station. There are many wholesale outlets close to hotels that have not made the slightest difference to the bottle trade of certain hotels. To say that the sale of bottled liquor at the Adelaide railway station will have a great effect on nearby hotels is stretching the point too far. I ask the Committee not to accept the amendment.

The Hon. R. C. DeGARIS: The Minister has said that there is no difference between selling liquor by the glass and by bottle.

The Hon. T. M. Casey: That's right.

The Hon. R. C. DeGARIS: Can the Minister say whether there are any other establishments in South Australia which sell liquor in a glass but which do not have a bottle licence?

The Hon. T. M. Casey: No, I cannot think of any.

The Hon. R. C. DeGARIS: I assure the Minister that there are plenty of them.

The Hon. T. M. Casey: It is all right for you: you have done your homework on this. I am only answering your question. You should give me time to think about it.

The Hon. R. C. DeGARIS: I am merely saying that there are many establishments that sell liquor by the glass only. If the Minister's philosophy is correct, every licence of that type should be extended. He is therefore saying that every outlet that sells liquor by the glass should have a bottle licence, yet only one is being chosen: the railway station. If the Minister would be willing to make that change to relate to every other such licence in South Australia, I would be willing to accept it.

This is where the Minister's argument breaks down. Also, this change is being made by legislation. I believe we would be creating a precedent by permitting this outlet also to sell bottled liquor. If it was a matter of going to the court, where the whole case could be heard and decided, I would have no objection. However, I am opposed to subclause (3) and seek its deletion.

The Hon. D. H. L. BANFIELD: There is a difference between the Adelaide railway station and other places that have a licence to sell by the glass only. People who are returning home from work may want to take home a bottle of beer with them, or drink it on the way home. They would be able to buy that beer at the Adelaide railway station and take it with them. However, in other places that have a licence to sell by the glass only, the people are not in a hurry to get home. The same does not apply to the Adelaide railway station, where people may be on their way home and want quickly to pick up a bottle of beer to take with them.

The Hon. F. J. Potter: Do you think they should be encouraged to drink on the trains?

The Hon. D. H. L. BANFIELD: The Bill does not encourage them to do that: it merely enables the public to purchase bottled beer as near as possible to their means of transport.

The Hon. F. J. Potter: You mentioned this, and that is why I asked.

The Hon. D. H. L. BANFIELD: I merely think that, if one wants to pick up a bottle of beer at the railway station to take home to one's wife, one should be able to do so.

The Hon. C. R. STORY: I appreciate that the Minister has had much experience in the hotel business, but in his home town he was in competition with other hotels. The Minister's hotel competed on all fours with the other hotels, because all the hotels in the town paid fees and rates. However, we are not dealing with the same kind of set-up in this Bill. Many liquor-selling organisations that offer a complete service to the public are being penalised, because an organisation that is being given the right to sell bottled liquor does not have to pay any fees. If we are to be consistent, the Railways Department should pay the same fees as do other organisations. The Government has imposed taxes on the Electricity Trust of South Australia, the South Australian Gas Company, the State Bank, and the Savings Bank of South Australia. To bring the Railways Department into fair competition with other liquor-selling organisations, surely the department should be required to pay an equivalent amount to the Crown.

Needless to say, the revenue from selling bottled liquor will not offset the Railways Department's deficit. The department's catering services have operated at a loss over recent years. If it is thought that the sale of bottled liquor will be profitable, the authorities must expect that there will be a large volume of sales, which must affect nearby licensees, who have a right to be angry about this provision. The Government has recently called upon licensees to pay fairly sharp increases in their fees. If

the sale of bottled liquor at the Adelaide railway station is profitable, I do not think it will be long before the trading is extended to other points on the line.

The Hon. D. H. L. Banfield: The legislation would have to come back here before that could be done.

The Hon. C. R. STORY: It is wrong for the Railways Department to enter into competition without paying its way.

The Committee divided on the amendment:

Ayes (10)—The Hons. J. C. Burdett, Jessie Cooper, M. B. Dawkins, R. C. DeGaris (teller), R. A. Geddes, G. J. Gilfillan, F. J. Potter, Sir Arthur Rymill, V. G. Springett, and C. R. Story.

Noes (8)—The Hons. D. H. L. Banfield (teller), B. A. Chatterton, T. M. Casey, C. W. Creedon, C. M. Hill, A. F. Kneebone, A. J. Shard, and A. M. Whyte.

Majority of 2 for the Ayes.

Amendment thus carried; clause as amended passed.

Clause 4 and title passed.

Bill read a third time and passed.

Later:

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

LAND AND BUSINESS AGENTS ACT AMENDMENT BILL

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

HOSPITAL AND MEDICAL CENTRE

The House of Assembly intimated that it had agreed to the Legislative Council's resolution.

MINING ACT AMENDMENT BILL

(Second reading debate adjourned on November 27. Page 2302.)

Bill read a second time.

The Hon. A. M. WHYTE (Northern) moved:

That it be an instruction to the Committee of the Whole on the Bill that it have power to consider amendments to the principal Act to provide for notice to be given to the owners or occupiers of land by persons before or upon entering the land for the purpose of prospecting.

Motion carried.

The Hon. C. M. HILL (Central No. 2) moved:

That it be an instruction to the Committee of the Whole on the Bill that it have power to consider new clauses relating to notices published in the *Government Gazette* concerning mining leases.

Motion carried.

In Committee.

Clauses 1 and 2 passed.

Progress reported; Committee to sit again.

NARCOTIC AND PSYCHOTROPIC DRUGS ACT AMENDMENT BILL

Consideration in Committee of the House of Assembly's amendments:

No. 1. Page 2, line 4 (clause 3)—Leave out "and". After line 7 insert paragraph as follows:

and
(c) by inserting after subsection (3) the following subsection:

(3a) It shall be a defence to a charge under paragraph (e) of subsection (2) of this section to prove that the defendant did not know—

(a) that a substance produced, prepared, manufactured, sold, distributed, smoked, consumed or administered on premises to which the charge relates was a drug to which this Act applies;

or

(b) that a plant cultivated on premises to which the charge relates was a prohibited plant, as the case may require.

The Hon. D. H. L. BANFIELD (Minister of Health): I move:

That the House of Assembly's amendments be agreed to. The amendments provide a defence for a person who has been charged with an offence. I believe that is desirable, and I ask the Committee to accept the amendment.

The Hon. V. G. SPRINGETT: It is reasonable that a person who commits an offence by accident should have some defence, but I seek an assurance that this wording does not make it easier for people to slide out from under the law when they have committed an offence. Is the provision sufficiently tight to ensure that the bad boys are caught and that the good boys can get away?

The Hon. D. H. L. BANFIELD: I understand that the onus of proof is on the defendant to prove his innocence.

The Hon. F. J. POTTER: I consider the proposed amendment is satisfactory. It provides for a defence on the specific grounds set out. If the defendant wishes to raise that ground, it is up to him to satisfy the court. Regarding new section 3a (a), the court may find it difficult to be satisfied. However, it will not be impossible for the defendant to satisfy the court that he did not know he was smoking, using or selling a particular drug. It may be easier to establish the grounds in paragraph (b). I do not know what the *cannabis* plant looks like. It might even be growing in my own backyard. I have read of a recent case reported in the press where several acres of *cannabis* was detected somewhere in the Riverland area. Apparently the owner of the land claimed he did not know what was being grown. Apparently he convinced the authorities, because he was not charged. From a drafting point of view, the provision is satisfactory.

The Hon. V. G. SPRINGETT: In those circumstances, I am happy with the amendments.

Motion carried.

HEALTH AND MEDICAL SERVICES ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

PUBLIC SERVICE ACT AMENDMENT BILL (GENERAL)

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

The Hon. A. F. KNEEBONE (Chief Secretary): I move:

That this Bill be now read a second time.

It deals with three quite disparate matters, and it is suggested that they can best be explained in the consideration of the clauses of the Bill. Clause 1 is formal. Clause 2 is a drafting amendment. Clauses 3 to 8 are together intended to ensure that applications for appointment to an office can be called for not only when a vacancy occurs in the office but also when, in all circumstances, it is likely that an office will become vacant within a known period. This will ensure that vacant offices are filled more expeditiously, and will make for better administration of the service.

Clause 9 is intended to ensure that an officer who falls sick on one of the so-called "grace days" will be entitled to sick leave for that day. Honourable members will recall that, pursuant to section 86 of the principal Act, the days on which an officer is, because of the closure of his office, not required to work are deducted from his recreation leave entitlement. Some difficulty has in the past been met with officers who, had those days been ordinary working days,

would have been entitled to sick leave in respect of one or more of them; on a strict interpretation of the provision, an officer could not be granted leave in respect of a day on which he was not required to work. It is suggested that the amendment will ensure that in appropriate circumstances sick leave can be granted for one or more of those days; hence, the deduction of the appropriate number of days from the officer's entitlement to recreation leave will not in future apply.

Clauses 10 and 11 in effect ensure that male and female officers in the Public Service are subject to the same conditions of service and, in particular, to the same ultimate retiring age. Previously, section 107 of the principal Act provided that permanent officers could serve to 61 years of age in the case of females and 66 years of age in the case of males. It is now intended, by the repeal of the clause, that the common maximum retiring age for permanent officers will be 65 years. By the same token, the amendment proposed by clause 11 provides a maximum retiring age for all temporary officers of 70 years; previously, this was 65 years in the case of female temporary officers.

The Hon. F. J. POTTER (Central No. 2): This Bill is one of the administrative measures that crop up from time to time in connection with the Public Service. Such Bills do not cause much trouble to honourable members. As the Chief Secretary said, there are really three separate matters in the Bill, the first being the question of calling for applications for an office that is not actually vacant but is about to become vacant; this is a good idea. When the office becomes vacant someone will be ready to take over.

The Hon. A. F. KNEEBONE: Sometimes an officer who is about to retire takes long service leave.

The Hon. F. J. POTTER: Yes, and while he is on long service leave he is still technically occupying the office. Under the Bill, arrangements can be made for an office to be filled as soon as the vacancy occurs. The next matter dealt with relates to the situation where a person falls sick on a grace day. This is the type of case that unions bring up. A person may say, "I had a grace day, but I fell sick on that day, and I should not have it deducted against annual leave." Such a minor matter can become a major matter, but it is not of great importance, although it causes irritation to odd individuals.

Clauses 10 and 11 provide for the same ultimate retirement age for males and females; this has been pretty well introduced in private industry. I do not see why there has been five years difference between the retirement age for males and the retirement age for females. Of course, optional retirement ages are still available for males and females. My impression is that more people in the Public Service are contemplating retiring at the optional age of 60 years than in the past. Perhaps the tempo of life is such that they want to retire at the age of 60 years and pursue activities such as boating and gardening. The recent changes in the Public Service superannuation scheme will encourage people to retire at the age of 60 years. I support the second reading of the Bill.

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

LOTTERY AND GAMING ACT AMENDMENT BILL In Committee.

(Continued from November 27. Page 2288.)

Clause 7—"Payments of commission on bets and returns."

The Hon. J. C. BURDETT: As I am having further amendments drafted, I ask the Minister whether he will report progress.

The Hon. A. F. KNEEBONE (Chief Secretary): In the circumstances, I have no alternative.

Progress reported; Committee to sit again.

Later:

The Hon. J. C. BURDETT: I move:

In new section 40 (1) to strike out paragraphs (a) and (b) and insert the following new paragraphs:

(a) an amount equivalent to 2 per centum of all moneys paid or payable to him in respect of bets made on events held within this State;

and

(b) an amount equivalent to 2.6 per centum of all moneys paid or payable to him in respect of bets made on events held outside this State.

The amendment is intended to protect country clubs. The Bill at present provides for a differential rate, being 0.2 per cent less for local and interstate bets in respect of country clubs. Today I attended a meeting with representatives of the Provincial Racing Association and the South Australian Jockey Club, and both organisations were agreeable to this. The Chief Secretary has said the disability is that bookmakers have to travel and therefore incur expense to attend country meetings. The Hon. Mr. Whyte pointed out, however, that bookmakers are zoned, so it would not be necessary for them to travel great distances. Some country meetings are small, but country racing should be preserved. It is a healthy thing, sometimes an industry in the town, and it provides a good social gathering. Frequently, the racecourse facilities are among the best in the town, and a meeting is something of which the town can be proud.

If country racing clubs are not protected they may go out of existence. Most horses are reared in the country, and if country racing went out of existence metropolitan racing would also suffer. Anyone wishing to take part in this sport does not have to be in the A grade. The joys and benefits should be equally available in the B and C grades, and without necessarily having a potential Melbourne Cup winner. It should be possible to enter a horse in a race where it can compete with other horses of a similar standard. The amendment would take away the differential between metropolitan and country meetings, and provides that in both cases the 0.2 per cent shall be paid.

The Hon. A. M. WHYTE: I support the amendment. Country racing is an essential part of the racing industry. To take the matter to extremes and eliminate all country racing would probably mean that metropolitan clubs would find that expansion of this substantial industry would fold up. Most country clubs have been viable, mainly by their own efforts, but there is no reason why they should not receive some stimulus from the industry to which they contribute so much. The amendment provides that the contribution from the overall income of racing would be distributed more equitably. There is no reason why the amendment should not be acceptable to the Government.

I believe the zoning of bookmakers has been a detrimental step, but it was asked for by the bookmakers themselves. Much of it was caused because one or two country bookmakers dominated all country meetings, and rather than match their ability to give service to the racing public a move was made to have them debarred from certain areas. That was my opinion at the time, and I do not think it was far wrong. Since bookmakers are zoned, there appears no reason why there should be any special allocation of money for the purposes mentioned.

The Hon. A. F. KNEEBONE: Yesterday I spoke against the proposed amendments, and I am still opposed to them. True, much of the racing industry is in the country. As the Hon. Mr. Burdett has said, it is an area where the amateur can participate in the B grade, and sometimes they eventually come to the A grade in the city.

The Hon. A. M. Whyte: And *vice versa*; many B grade horses from the city find a home in the country.

The Hon. A. F. KNEEBONE: That is true. I have every confidence in the judgment of the authority, and I am sure it will support country racing. It will realise, as we do, that this is an area from which comes the sport of racing. Zoning does not prevent metropolitan bookmakers from going to country or provincial meetings, but they are not likely to go there if they get less than they got before. The amendment would not be in the interests of the punter, as the number of bookmakers on country courses would be reduced. I have every confidence that the authority will support country racing, and the Bill in its present form provides that country racing will receive such support.

The Hon. G. J. GILFILLAN: I cannot understand the Government's attitude. The Chief Secretary has spoken mainly about the convenience of bookmakers.

The Hon. A. F. Kneebone: And punters!

The Hon. G. J. GILFILLAN: And perhaps punters. One could almost think this legislation was a deliberate attempt to kill country racing. The statutory benefit provided under the Bill is only about \$3 000. With the removal of the \$10 000 contribution from the Betting Control Board, and without allowing country clubs any statutory means of revenue raising, they will be placed in a bad position. The increase of the contribution so that it is on a par with the metropolitan bookmaker, and the extra 0.2 per cent going to the country clubs, would be worth \$24 000, and the \$58 000 contributed by the city clubs as a call for distribution to country and provincial clubs is purely a voluntary contribution. The country clubs have no entitlement and no formula for receiving this money, which is to be distributed to certain clubs.

The Hon. A. F. Kneebone: They still get it.

The Hon. G. J. GILFILLAN: They received \$10 000 from the Betting Control Board. That was a statutory amount. These problems have occurred since the introduction of the T.A.B. The emphasis has moved from bookmaking to the T.A.B. The metropolitan clubs recognise this situation and have made money available for distribution to certain clubs. However, under the amendment this will be money actually earned within the clubs themselves. It will give them some statutory independence by having funds come in to which they have a statutory right.

Amendment carried; clause as amended passed.

Clause 8—"Application of commission."

The Hon. J. C. BURDETT: I move:

To strike out paragraphs (a) and (b) and insert the following new paragraphs:

(a) by striking out paragraphs (b), (c), (d) and (e) of subsection (2) and inserting in lieu thereof the following paragraphs:

(b) an amount equivalent to the prescribed percentage of the total amount of the bets made with bookmakers on events decided within the State on the day the bets were made (excluding the amount of bets made in registered premises) shall be paid to the clubs at whose meetings those bets were made;

(c) an amount equivalent to the prescribed percentage of the total amount of the bets made with bookmakers on racecourses and coursing grounds on events decided within the State on a day or days subsequent to the day on which the bets were made (excluding the amount of bets made in registered premises) shall be paid to the club by which the event was conducted; and

(d) the balance of the commission received by the board under this section shall be paid to the Treasurer in aid of the general revenue of this State;

and

(b) by inserting after subsection (4) the following subsection:

(5) In this section—"the prescribed percentage" means—

(a) in relation to bets made within the metropolitan area—1.1 per centum;

and

(b) in relation to bets made outside the metropolitan area—1.3 per centum.

This amendment is consequential on the amendment made to clause 7. It provides for passing on to the country clubs the 0.2 per cent about which I have spoken.

The Hon. A. F. KNEEBONE: I realise this amendment is consequential on the previous amendments, but I am still firmly opposed to it.

Amendment carried; clause as amended passed.

Clause 9—"Unlawful betting."

The Hon. R. C. DeGARIS: This clause increases the penalty for illegal bookmaking to a fine of \$2 500 or imprisonment for six months. I refer to the words "carries on business as a bookmaker". All honourable members know what goes on in many areas of the State in shearing sheds. Perhaps a discretion should be allowed in this matter, as \$2 500 is a high penalty. I seek the opinion of the Chief Secretary on this.

The Hon. A. F. KNEEBONE: I am reluctant to start including exemptions in this legislation.

The Hon. R. C. DeGARIS: If a well organised bookmaker is caught, that is one thing, but I am referring to another area. I approve of the increase in penalties, but perhaps there should be some discretion in certain cases.

The Hon. A. M. WHYTE: There are people who take bets but who could not be described as starting price bookmakers in the true sense. They have never been of any detriment to racing; indeed, sometimes they have provided a stimulus to it. It would be a pity if such persons were fined \$2 500. I am sure that as many bets are made on football games.

Clause passed.

Clause 10 and title passed.

Bill recommitted.

Clause 6—"Disposal of amount deducted from investments made with the board"—reconsidered.

The Hon. J. C. BURDETT: I move:

After paragraph (a) to insert "and"; after paragraph (b) to strike out "and"; and to strike out paragraph (c).

This amendment follows the abandoning of the previous amendment I moved, which would have provided out of revenue a minimum of \$10 000 to be distributed to the country clubs. Originally, this \$10 000 had come from the Port Pirie betting shops, and the effect of this amendment that I have now moved is to leave the law unaltered and, in effect, to allow the \$10 000 eventually to be phased out with the proposed phasing out of the Port Pirie betting shops. This has been agreed on between the Provincial Racing Association and the South Australian Jockey Club. The provincial racing clubs will be satisfied with the 0.2 per cent provided for in the amendment previously carried.

The Hon. A. F. KNEEBONE: I oppose the amendment.

Amendment carried; clause as amended passed.

Bill read a third time and passed.

Later:

The House of Assembly intimated that it had disagreed to the Legislative Council's amendments Nos. 1 to 4.

Consideration in Committee.

The Hon. A. F. KNEEBONE (Chief Secretary): I move:

That the Legislative Council do not insist on its amendments.

Honourable members will recall that, when these amendments were moved in this Chamber, I disagreed with them and said that the fears being expressed by the country racing people and by honourable members who had opposed the Bill after discussion with those people were unfounded—fears that the country racing people would not be adequately looked after by the racing authority as a result of the extra money provided by the Bill for the racing industry. Under the provisions of the Bill as it was presented to this Chamber, the racing industry would have an extra return of about \$950 000. Because of the concern expressed by honourable members and as a result of my discussions with members of the racing community and those people who will be administering the industry in the future, every consideration will be given to the country racing fraternity because the people to whom I have spoken have indicated that they are aware of the need for the country racing clubs to continue.

I have mentioned in the debate that the arrangements, discussions and negotiations entered into by the working party and the Cabinet subcommittee with the racing industry reached the point where a Bill was prepared for presentation to Parliament, after discussions with all sections of the racing industry. It was on that basis that a package deal was made with the racing industry, resulting in the introduction of this Bill into Parliament.

The Hon. R. C. DeGARIS: Is this the only Bill that the package deal relates to?

The Hon. A. F. KNEEBONE: No. A racing Bill will be introduced in the next session of Parliament. The Government hopes to be able to bring down a racing Bill for an Act to cover most of the recommendations of the Hancock committee and the various sections of the racing industry.

The Hon. R. C. DeGARIS: You are saying that that package deal would make it impossible for Parliament to interfere?

The Hon. A. F. KNEEBONE: No, I am not saying that at all.

The Hon. R. C. DeGARIS: But a package deal has been made already?

The Hon. A. F. KNEEBONE: No. This is the first of the arrangements made. Honourable members will know that part of the *quid pro quo* in relation to this Bill was the making available of additional money by the amalgamation of the clubs and the formation of an authority in the metropolitan area with representation from the country clubs on that authority to administer the racing industry. Those were all the things that were discussed and out of all those things came this Bill.

The Hon. G. J. GILFILLAN: I am disappointed at the Government's attitude to this Bill. One amendment that has been rejected is the one dealing with the \$10 000 from the Betting Control Board. I must admit that is not a very important amendment because the Port Pirie betting shops have a limited time to run. They would give the Government up to \$10 000 a year for three to five years, depending on how long the betting shops remained in Port Pirie. However, I suppose that is not very much money at the rate the Government is spending it in this State. I am prepared to concede that amendment, but I cannot understand the Government's disapproval of making the bookmakers' turnover tax equal between country and city and allowing the country to have that additional benefit for country racing. I cannot understand this, because it costs the Government nothing. Here, a deal is being made, but I believe it is in Parliament that deals should be made, and there should

not be package deals behind the scenes. If the only reason for the Government's rejection of this amendment is some sort of package deal, I protest strongly, because country racing is being sold out.

I have been in contact with the Country Racing Association for over 12 months on this matter and I know that the point of view it has expressed to me during the passage of this Bill through the Council is the point of view it has always held, and there is no suggestion that it has felt otherwise in my discussions with the association. In fact, I was asked to approach that association on behalf of a country racing club last year and I was advised that the best thing to do was to wait for the Hancock report to come out because there might be recommendations in that report on that matter. I understand this legislation is not entirely as the Hancock report suggested. Following that approach, I asked the Minister in this Council, by way of a question, whether when drawing up legislation to give effect to this report he would take into consideration the position of country racing clubs.

In the allocation of money from Totalizator Agency Board funds to racing, the ultimate and absolute authority is the Minister himself. Although I do not care much about amendment No. 1, I hope consideration will be given to the other amendments, which can be separated if necessary. If this is not done, I hope the Chief Secretary will undertake to go into this matter to ensure that a more sympathetic attitude is taken towards country and provincial racing clubs. The people involved in racing and in this deal now believe that perhaps they have made a mistake and have not given sufficient consideration to the position of country racing. It is a tragedy that we have deals made behind the scenes between organisations asking for our support (and they will be asking for it in the near future again) while the matter is not left to be debated fairly in Parliament without any behind-the-scenes conspiring.

The Hon. J. C. BURDETT: I am extremely disappointed at the Government's attitude in this matter. The Hon. Mr. Gilfillan has said that the Government has sold out country racing, as indeed this Government has sold out country people in general. As I said before, the Government seems to have overlooked altogether that some people do actually live in the country. Some of them even want to race horses in the country. We have got used some time ago to the Government's refusing to give any kind of preferential treatment to country people. This is the last straw, because here we find differential treatment applying against country racing. Bad enough that there is no kind of preference given but now the country clubs are actually dealt with on the basis of being differentiated against to the extent of 0.2 per cent.

The Hon. A. M. WHYTE: This was the opportunity the Government and the racing fraternity had to write into legislation the true and proper percentages that should go to country clubs. It is no use my being told that the Government and racing interests have made all sorts of deals between them, because such deals can be undone as quickly as in this case they were made. We have been waiting for action to be taken on the Hancock report. I believed that much would be done for racing when the report was fully studied by the Government, that we would then see a Bill seeking to alter the whole concept of racing, its percentages and everything else.

Instead, we have part of the report, the money side of it, being dealt with by this Bill at a stage when it is too late for us to check on what the Minister says. I am

not blaming the Minister, because I do not believe he is fully conversant with the industry, nor does he claim to be. However, the matter is under his administration, and any deals that were done were done too late for us to make a thorough examination to see whether all the parties did agree to what had been suggested in the package deal.

It is all very well to say that the \$950 000 will be equitably distributed by the controlling body. From past experience we know that this has never been done. The controlling body has never allotted money easily. Any funds obtained by country clubs were squeezed from the authority and battled for. Here we have the opportunity for country clubs to have written into the legislation what is their just due from the industry. Today, country clubs play a major role in the racing industry. Country clubs and provincial clubs are important. This current situation is most unjust, and I am disappointed to see that we did not get the co-operation I had expected.

We are asking nothing from the Government's coffers. Instead, we are merely asking that the legislation be written so as to safeguard country racing. This is a reasonable and fair request. When one talks about package deals one wonders what sort of package deal was made causing this legislation to receive the treatment it has received. Why was it introduced at a time so late in the session? I express my extreme disappointment in respect of the undertaking of the Chief Secretary to look at this matter. It will take some time to get a clear view of what the legislation does. In fact, we know that this Bill provides some assistance, that it is a little better than what currently exists, but it certainly does not provide country racing with a just share. I express my dissatisfaction and disappointment about the situation, especially that the Government has not accepted our amendments.

The Hon. R. C. DeGARIS: I refer to the history of these amendments. Yesterday, amendments were moved by the Hon. Mr. Burdett, and then I asked that progress be reported so that we could look at what was being done. The Government strongly opposed the amendment. Today, the Hon. Mr. Gilfillan, the Hon. Mr. Whyte, and the Hon. Mr. Burdett worked closely with both country and city racing interests. I believe I am right in saying that there was general agreement amongst all those interests in respect of the amendments to the Bill. I support completely the views expressed by the Hon. Mr. Gilfillan, the Hon. Mr. Burdett and the Hon. Mr. Whyte.

I am worried about the point referred to by the Hon. Mr. Gilfillan that the Government gets together with people and comes to a deal, and the deal is made, signed, sealed and delivered. Suddenly, Parliament becomes impotent and can do nothing about an injustice that has occurred in the dealing that has transpired between the Government and various groups. I am concerned not only about this Bill but about the next Bill. Tonight the Chief Secretary said that a deal had been done, and that deal concerned this Bill and the next Bill.

The Hon. A. F. Kneebone: Not completely. Some of the things that were agreed on could not go into this Bill.

The Hon. R. C. DeGARIS: I know, but for the next Bill has a deal been done, too?

The Hon. A. F. Kneebone: Not completely.

The Hon. R. C. DeGARIS: That could make a slight difference, but I believe that a deal will be done. Once again we will find ourselves in the position that, the deal having been done, Parliament will be unable to correct any wrong that has been done in that deal. I believe that the amendments moved by the Hon. Mr. Burdett were

just and fair. I believe that the deal the Government came to with the interests they dealt with was unfair; yet we find absolutely no co-operation between the Government and this Council in respect of the amendments that had been moved. The amendments are absolutely fair and just. With the work that has been done today—

The Hon. C. W. Crendon: Another deal?

The Hon. R. C. DeGARIS: Not another deal at all.

The Hon. A. F. Kneebone: What is the difference between the people lobbying you and our discussing the Bill with the interests?

The Hon. J. C. Burdett: There was no deal.

The Hon. R. C. DeGARIS: I point out that no lobbying was done. I refer to the history of the matter. Yesterday, Mr. Burdett moved his amendments. There was a reaction from the Government and I moved that progress be reported to allow us to look at what was being done. I rang the interests concerned—they did not lobby us. I asked them to come to Parliament House and discuss the amendments with us.

The Hon. A. F. Kneebone: The Hon. Mr. Gilfillan said he had been talked to over 12 months.

The Hon. G. J. Gilfillan: No. I was asked 12 months ago by a country club to approach the Country Racing Association.

The Hon. R. C. DeGARIS: I believe that we discovered an injustice in the Bill, and we have amended it to correct that injustice. All those with whom I have checked in city and country racing are perfectly happy with the amendments but, because a deal has been done, the amendments are out; no-one will shift.

The Hon. G. J. Gilfillan: There is the big stick of \$1 000 000.

The Hon. R. C. DeGARIS: Yes. The point that concerns me is that the Government is going to try to gain control of the racing industry through the racing Bill that will come next. I am afraid that the big stick of \$1 000 000 has been used to move Government control into the racing industry in South Australia. I hope that no deal has been done in relation to that Bill and that members of both Houses can make up their minds with complete freedom. I hope the consideration that honourable members give to the legislation will not be inhibited by a back-door deal done by the Government with the interests concerned.

The Hon. A. F. KNEEBONE: I am not over-impressed by the Leader's emotional outburst. In its dealings in connection with this Bill and the proposed racing Bill, the Government is setting up authorities for the control of the various sections of the racing industry. Does that look as though the Government is trying to take control of the industry? The nominations of people to cover the industry will be from the industry itself.

The Hon. R. C. DeGARIS: What Ministerial control will there be?

The Hon. A. F. KNEEBONE: Naturally, the same as now—it will be under a Minister.

The Hon. A. J. Shard: There will be no Government representatives on the board of control.

The Hon. R. C. DeGARIS: What control will the Minister have of the people representing the racing industry?

The Hon. A. F. KNEEBONE: No more control than the Minister has today.

The Hon. R. C. DeGARIS: I will hold you to that.

The Hon. A. J. Shard: It will be like the Trotting Control Board, which has worked most successfully.

Motion carried.

POTATO MARKETING ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

[Sitting suspended from 9.40 to 10.29 p.m.]

APIARIES ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

DAIRY INDUSTRY ACT AMENDMENT BILL

The House of Assembly intimated that it did not insist on its amendment to which the Legislative Council had disagreed.

DAIRY PRODUCE ACT AMENDMENT BILL

The House of Assembly intimated that it did not insist on its amendment to which the Legislative Council had disagreed.

FORESTRY ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

ARTIFICIAL BREEDING ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

ADJOURNMENT

The Hon. A. F. KNEEBONE (Chief Secretary): I move:

That the Council at its rising adjourn until Tuesday, February 18, 1975, at 2.15 p.m.

I wish all honourable members and officers of the Council the compliments of the season, and I hope they have a pleasant break and come back refreshed in February for another fairly heavy period.

The Hon. R. C. DeGARIS (Leader of the Opposition): I support the Chief Secretary's remarks. On behalf of all members of the Liberal Party in this Chamber, I reciprocate the Chief Secretary's wishes. I convey Christmas wishes to all members of the staff and all officers of Parliament. I thank them for the continued support we have had from them over the last few months. So far, this session has not been over-arduous. As long as the autumn sittings are as orderly as this part of the session has been, I do not think any honourable member will have anything to complain about.

Motion carried.

At 10.32 p.m. the Council adjourned until Tuesday, February 18, 1975, at 2.15 p.m.