

LEGISLATIVE COUNCIL

Wednesday, October 13, 1976

The PRESIDENT (Hon. F. J. Potter) took the Chair at 2.15 p.m. and read prayers.

QUESTIONS**SITTINGS AND BUSINESS**

The Hon. M. B. DAWKINS: I seek leave to make a short statement prior to directing a question to the Chief Secretary, as Leader of the Government in the Council.

Leave granted.

The Hon. M. B. DAWKINS: Early this session, by courtesy of the honourable gentleman, honourable members were provided with a suggested schedule of the sittings for the remainder of this session, and I believe that it was suggested that we might rise about mid-November and resume in the new year. I ask the Chief Secretary whether at this stage he has any further or more detailed information that he can give the Council.

The Hon. D. H. L. BANFIELD: The Government has reviewed the position since I made the announcement, and the position as it now stands is that we will be sitting until December 9. The original date for the ending of the sitting was in November. We will not be sitting in the week commencing October 25 but, when we come back after that week, we will continue to sit until December 9. Regarding the sittings in the new year, the Government will be watching the position, in the light of the fact that a Commonwealth Parliamentary Association conference will be held in Parliament House early in February and the fact that the Queen's visit will be in March. The Government will be looking at the position about when we will sit in the new year. We can take it that we will be sitting until December 9, and there will not be another break after the break in the week commencing October 25.

TRAIN TRAVEL

The Hon. JESSIE COOPER: I ask leave to make a short statement before asking a question of the Minister of Lands, representing the Minister of Transport.

Leave granted.

The Hon. JESSIE COOPER: Many people, including myself, enjoy train travelling, finding it very relaxing. This is surely the reason why our trains going to other States always are so well filled. However, if trips such as I experienced on the Overland to Melbourne last Friday night become a common occurrence, I doubt that this state of affairs will continue. On that occasion, sleeping-car passengers were comparatively lucky. They merely had to contend with hideous noise, loud-mouthed and foul-mouthed utterances, thumps on the doors, and other anti-social activities. The conditions became so turbulent in the club car that the bar had to be closed early. Sitting-up passengers were subjected to more of the same or worse behaviour, until requests were made to the conductor for police intervention. He telephoned for police to come aboard at Serviceton but, when the train arrived, no police appeared. However, two police officers boarded the train at Dimboola, but took no further action, despite the willingness of many passengers to give names and addresses, if required. I under-

stand that this was because, in the event of an arrest, the conductor must leave the train with the person arrested, resulting in a delay in the train journey. In addition to this, when the train was halted at Diapur, two men were seen running along the roof of the carriage nearest to the engine. I therefore ask the Minister whether he will take steps to prevent this type of hooliganism on all of our railways, so that passengers and conductors can be protected from persecution. Further, will the Minister contact his opposite number in Victoria and, between them, will they work out some easier way in which the police can take action on such occasions?

The Hon. T. M. CASEY: I shall be happy to refer the honourable member's question to my colleague and bring down a reply.

MEAT CLASSIFICATION

The Hon. J. R. CORNWALL: I seek leave to make a short statement before asking a question of the Minister of Agriculture.

Leave granted.

The Hon. J. R. CORNWALL: I believe the Minister attended a special meeting of the Agricultural Council in Sydney last week to discuss the future of the dairying industry. However, I understand the subject of an Australia-wide national carcass classification scheme was also on the agenda. There appears to be growing concern, particularly from some of the producer organisations, that the whole meat classification scheme proposals are being bogged down. Is this correct? Can the Minister indicate how long it is likely to be before we see a national meat classification scheme in operation?

The Hon. B. A. CHATTERTON: The prime reason for the Agricultural Council meeting in Sydney last Friday was to discuss the problems of the dairying industry, but the Queensland Minister for Primary Industry put forward a plan for the beef industry. His proposals were too complex and had not been sufficiently researched for any decision to be made on them at that time, because they involved a plan for a home consumption price for beef and other things that needed considerable further research. An aspect of the plan that all Ministers of Agriculture considered very important was the aspect of meat classification. We have done much research on this matter at Samcor, and I think we are probably further advanced than are most other States in meat classification work. At the previous Agricultural Council meeting in Bundaberg, it was decided that commercial trials should take place. In Sydney, it was decided that we should try to set up these commercial trials and get a viable system of meat classification operating as soon as possible. Our approach in South Australia is that legislation will probably be required; New South Wales is at present drafting legislation that could perhaps act as a model for other States. The sort of legislation we are envisaging would provide for a system whereby people could use meat classification voluntarily. Once they agreed to use meat classification, they would have to meet compulsory standards that would be set under the legislation. I do not think the meat industry is yet ready for classification compulsorily, and certainly we have no interest at this stage in carrying it out compulsorily. The producer organisations are very enthusiastic about meat classification, but I think there is some opposition in the meat trade, particularly from wholesalers, who believe that meat classification will increase competition and make it much easier for producers to sell meat direct to retailers

and others without using the wholesale network. I think this is the background of the opposition within the meat trade. If meat classification is to get off the ground, it will depend very much on the enthusiasm and effectiveness of the producer organisations in making the system popular and well accepted throughout the trade.

GOVERNMENT CARS

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

Leave granted.

The Hon. M. B. DAWKINS: Yesterday, the Minister provided me with a reply to a question I asked about a month ago concerning Government cars. The reply was that the Government Motor Garage at present uses four prestige cars manufactured by Chryslers and General Motors-Holden's. There are five spare cars in the fleet, which means, I think, that the fleet comprises 24 Government cars that are used by Ministers, officers of Parliament, and other V.I.P.'s. The main purport of my question, which was not answered, was whether the Government, which is largely using Ford L.T.D.'s at present, had considered reverting to the practice of using South Australian made vehicles and, if it had not, whether it would consider that possibility. The fact that it is at present using only four South Australian manufactured vehicles means that we have a low quota of South Australian vehicles. I ask the Minister whether he could obtain for me an answer to the main part of my question as I asked it a month ago.

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

PRIMARY PRODUCERS

The Hon. A. M. WHYTE: I seek leave to make a statement before asking several questions of the Minister of Lands.

Leave granted.

The Hon. A. M. WHYTE: On Tuesday morning, the Australian Broadcasting Commission reported that only \$13 533 had been spent, to September 29, under the Emergency Assistance to Primary Producers Act. A breakdown of that figure involved \$3 363 for livestock disposal in council-controlled areas, \$7 960 for the 50 per cent rebate on the cost of carriage of breeding stock to agistment, and \$2 210 for the 50 per cent rebate on the cost of carriage of fodder to drought-affected stock. There has been one allocation for carry-on finance. My questions relate to the rate of interest being charged for carry-on finance. Will the Minister say what criteria must be fulfilled in this respect? Apparently, the criteria are indeed restrictive, especially when one finds that only one application has been made until now. My second question relates to the 50 per cent rebate on the cost of the carriage of stock for agistment. There seems to be some confusion in this area, in as much as people are not sure whether they can claim the 50 per cent rebate when breeding stock is taken from the property, or whether they must wait until the stock has been returned to the property. Will the Minister clarify, first, the rate of interest applying to carry-on finance, and the criteria that apply, and secondly, the position regarding agistment?

The Hon. T. M. CASEY: Regarding the first part of the honourable member's question, I will get a detailed reply for him so that there may be no mistakes regarding the situation. I assure the honourable member that the criterion is not a harsh one. This indicates that the drought is not quite as serious as we were led in the early stages to believe it was. Indeed, the figures quoted by the Minister of Agriculture recently give some hope that there will be a larger grain harvest this year than was expected some months ago. Yesterday and last night we had some excellent rains throughout the North of the State, and I am sure that this will enhance the prospect of primary producers increasing their yields. Regarding the second part of the question, many farmers and graziers have engaged private contractors to shift their stock from the farm to the place of agistment. Because those private contractors want to get their money, the farmer or grazier must merely send in his account to the Lands Department, which will proceed to pay 50 per cent of the cost that has been incurred. Also, if, of course, the stock do not come back to the farm, as has occurred on several occasions when farmers have taken their stock to places of agistment and then sold them, so that there was no stock to go back to the farm, that money would have to be refunded, as has been done in the past. I hope that answer satisfies the honourable member.

INDUSTRIAL CODE AMENDMENT BILL

The Hon. J. A. CARNIE obtained leave and introduced a Bill for an Act to amend the Industrial Code, 1967-1972. Read a first time.

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

That this Bill be now read a second time.

The question of extended trading hours has occupied the minds of the public and the time of Parliament for many years. I do not intend to go over the long history of this matter, which would be familiar to all honourable members. Sufficient to say that the subject of extended trading hours has, since 1970, been the cause of one referendum and three Bills prior to this one. Yet, despite this, still no satisfactory conclusion has been reached. Two of the Bills (those brought in by the then Leader of the Opposition, Mr. Steele Hall, and the then Minister for Labour and Industry, Mr. McKee) called for Friday night shopping, while the most recent, brought in by the member for Mitcham last year, called for the complete abolition of trading hours restrictions. All three Bills were defeated—Mr. Steele Hall's on Party lines in the House of Assembly, and the Minister's when amendments made by the Legislative Council were unacceptable to the Government. The member for Mitcham's, I suppose, could also be said to have been defeated on Party lines. I will say no more than that the voting was 41 to two. I regret that a matter such as this should become the subject of Party politics. All members of both sides should be able to vote freely on it. There is no doubt that, because Labor members were not free, had there been an election after the referendum in 1970, at least three of them would have lost their seats.

While on this matter, I stress that this Bill is my own and does not necessarily represent the views of the Liberal Party. I can honestly say that I do not know how honourable members on this side of the Council will vote, but I hope that all members on both sides will support it. This Bill does not seek a permanent abolition of those sections

of the Industrial Code dealing with shopping hours, although it is my personal belief that this would be the best thing to do and I hope that ultimately it will come. What I seek to do is to remove them for the month of December only. There are several reasons why I want this, but the main one is to gauge public and traders' opinions on extended shopping hours. Honourable members will remember that the Opposition in 1970 charged that the question asked in the referendum was too restrictive, that it did not allow for a free expression of opinion. The same charge has been made about a poll conducted just over 12 months ago by Peter Gardner and Associates.

This Bill, if carried, will settle the question once and for all. Public opinion will be tested where it counts—in the market place. The result of the 1970 referendum was remarkable for its unevenness and people in areas with late night shopping voted overwhelmingly for its retention. But in Adelaide's changing scene the results of a referendum held six years ago are not relevant today. We are, or would like to be, more cosmopolitan now than then. Adelaide is promoted as the Festival City, the "Athens of the South", but what do we do—we turn Adelaide off at 5.30 p.m.

Because of this changing scene, the poll taken by Peter Gardner and Associates in September, 1975, must have much more significance than the referendum. The question asked in this poll was as follows:

The subject of late night shopping, or shops remaining open on Friday nights has been raised recently. Do you believe, as a general principle, that shops should remain open on Friday evenings, or should they close?

The poll did not ask, "Would you want Friday night shopping if costs will increase?" or "Should we have Friday night shopping in lieu of Saturday morning?", or any of the other questions that could be raised. It simply asked if, as a general principle, one believed that shops should remain open on Friday evenings. Ignoring, for the moment, these other questions, the results of the poll provide interesting facts and the overall result was as follows:

	Per cent
Open	72.7
Close	19.3
Don't know	8.0

But it is the age groups 18-24 and 25-30 that the real significance lies and the figures were as follows:

	Per cent
Aged 18-24:	
Open	81.4
Close	11.7
Don't know	6.9
Aged 25-30:	
Open	84.1
Close	12.1
Don't know	3.7

These are the groups of the young married people and they comprise a large percentage of the public. These are the age groups comprising working wives and young mothers. In either case, shopping in normal hours is difficult. These are the people who want the opportunity to shop as a family and not have to leave the children with a neighbour, or put up with the rush and congestion of Saturday morning shopping. I also refer to the low undecided figure. This shows a high community interest, that people had an opinion.

I referred earlier to any increase in costs that might arise from longer shopping hours. To deal with this question, it is interesting to look at the two major States which have late night shopping, and compare them with South Australia which does not. Since 1971 or 1972 Sydney has had Thursday night shopping, while the rest of the shops in the State can open on Friday night.

Victoria has no restriction whatever between midnight Sunday and 1.00 p.m. Saturday. In fact, traders have chosen to open on Friday evenings.

I recall what happened in Victoria about five or six years ago when Sir Henry Bolte announced that he intended to legislate for Friday night shopping. There was outcry from both the Retail Traders Association and the unions, the result being that Sir Henry, who was a much more positive man than our Premier, said he would remove the restrictions altogether and the parties concerned could work out the position themselves. That is what happened, and now shops are open on Friday night, which is what Sir Henry wanted originally.

My information is that there has been no increase in costs in Melbourne or Sydney that can be attributed to late night shopping. The consumer price index for the three capitals for the 12 months to June, 1976, was as follows (and I divide this into the groups affected mainly by late trading):

	Per cent		
	Sydney	Melbourne	Adelaide
Food Group			
c.p.i. increase	8.1	7.8	10.2
Clothing and drapery			
c.p.i. increase	13.9	15.09	14.6
Household supplies and equipment			
c.p.i. increase	8.5	7.8	9.4
All groups			
c.p.i. increase	10.3	11.6	12.5

So, despite the fact that Melbourne and Sydney have late night shopping, they have managed to keep their increases in the c.p.i. below the rate of increase in Adelaide. Retail traders, with some justification, claim that excessive and unreasonable demands by the union concerned make increases in costs inevitable. Certainly, in the event of abolishing trading hours permanently, the penalty rates presently applying would have to be reviewed, but I believe and I would hope that this could be done to the satisfaction of all parties. But this has nothing to do with this Bill. What it seeks to do is to allow a trial period to enable the unions and the traders to assess what the public, who pay the wages and provide the profits, want. I am not looking for a way to have longer trading hours, but I am looking for a way to have more flexible trading hours. What hours suit one area may not suit another. What suits one type of business may not suit another.

The Hon. D. H. L. Banfield: That is only what you want.

The Hon. J. A. CARNIE: What I want is free trade in a free enterprise society. I have no doubt that anyone who speaks against this Bill will raise the question of exempt goods and will point out that there is a wide range of things which can be bought outside of normal trading hours. There are many things which are on the exempt list. A few years ago it was possible to buy cigarettes after hours, but not matches to light them with. In an attempt to try to solve the shopping hours problem, the Government increased the range of exempt goods. Now a woman can buy panty-hose but a man cannot buy socks.

The Hon. D. H. L. Banfield: Which is the better for you?

The Hon. J. A. CARNIE: All this means is that whatever is done with regard to exempt goods, there will always be anomalies. The best solution is that all goods should be freely sold at all times. Other anomalies were quoted by Mr. Beerworth, S.M., in August, 1975, when delivering judgment on the Rundle Street traders who had opened after hours. Mr. Beerworth convicted them because, as he

said, he had to uphold the law as it stood. But he also said "that the whole issue of early closing was screaming for a sensible approach".

This Bill, to provide completely free trading for the month of December, is not only designed as a test period. It is the time when people want to shop as a family. It is the festive season, and what better time to bring life to a festival city. We have just commissioned the Rundle Mall. What better place to promote a carnival atmosphere such as is seen in Europe and America?

The Hon. M. B. CAMERON: We go to bed with the pigeons here.

The Hon. J. A. CARNIE: The honourable member is quite right. The same applies to all shopping centres throughout South Australia. Instead of dying at 5.30, Adelaide could come alive. In December, thousands of South Australian children will leave school, many of them to join the unemployment queue. Even if only for a short period, extended trading hours will provide job opportunities for many of the potential unemployed. For several years all reports have indicated that the majority of people want to be able to shop at least one night a week. I have mentioned the Peter Gardner poll of last year. A Gallup poll in March, 1972, showed that 80 per cent of people throughout Australia wanted late-night shopping. On Channel 9 at the same time the Premier said, "There is a very real demand for Friday night shopping." Yet union pressure prevents him doing anything about it.

The Hon. M. B. CAMERON: He said that?

The Hon. J. A. CARNIE: Yes, the Premier said that, and he stated that very frequently.

The Hon. C. M. HILL: He is in the grip of the unions.

The Hon. J. A. CARNIE: In June of this year the Minister of Labour and Industry said, on his return from Europe, "I was very impressed with the shopping hours situation throughout Europe", and hinted at a shopping hours review. Since then we have heard no more. Why? Obviously for the same reason—union pressure. Undoubtedly, both the Retail Traders Association and Mr. Goldsworthy, the Secretary of the union, will oppose this move. I would point out that Mr. Goldsworthy speaks for a very small section of shop assistants. Only a small percentage are members of the union. I would also point out to both the Retail Traders Association and the union that this Bill does not provide for compulsion. If the association feels that either the public does not want extended hours, or that it would not be in the best interests of the public to have extended hours, then no pressure can be brought upon them to open beyond their present hours. It simply enables them to open if they wish, or if they consider that the demand is there.

In conclusion, I could do no better than to quote the present Minister of Labour and Industry. On August 19, 1975, he said, in reply to a question in the House of Assembly, "The Government stands firm on its policy of equal trading opportunities." What equal trading opportunities are there now when some shops which are exempt can sell goods which others cannot, when some goods are exempt when others are not? The only way to provide equal trading opportunities is to remove restrictions altogether, and allow free traders in a free enterprise to open when they believe a demand is there and a profit can be made. I prepared this explanation yesterday, but the Attorney-General, in another place, has, since then, introduced a Bill to liberalise licensing hours. Of course, this matter comes within the ambit of another Act, but, briefly, bars will be allowed to open until midnight and dining rooms and restaurant restrictions have been removed

altogether so they may open at times which suit them best. This is what I want to do regarding shopping hours, and I hope that this move by the Government means that it will support my Bill.

The Bill is short and to the point. Clause 1 is formal and clause 2 provides that Part XV of the Industrial Code be suspended for the month of December, 1976. It provides an ideal testing time to enable us to see whether extended trading hours have public acceptance, and I ask honourable members to support it.

The Hon. C. J. SUMNER secured the adjournment of the debate.

IMPOUNDING ACT AMENDMENT BILL

Second reading.

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

That this Bill be now read a second time.

Theoretically, the Impounding Act sets out the desired reasons why straying stock should be controlled and, where necessary, impounded. The Act also sets out the penalties that will apply when such straying stock are identified with an owner. However, circumstances have changed in some rural sectors of this State which require the principal Act to be updated.

Ordinarily, a person or persons practising rural pursuits as a business either reside, or arrange for an agent to reside, on the property concerned, especially where cattle and sheep or even horses are grazed. However, growing numbers of people are seeking and, in fact, procuring properties at and about commuting distance from their respective metropolitan or township residential base. For example, many people based in Adelaide have either acquired whole farms or subdivided portions of farms on which to enjoy an association with livestock, but they do not necessarily carry on a truly economic farm or grazing practice.

Serious problems are reflected by the practice of depositing entire stock on unattended farmlets. This problem is grossly aggravated where inadequate fencing or feeding is provided for those animals. The Bill should have a desirable effect in making the principal Act workable and useful in those parts of the State experiencing problems, because clearly not only will the owner of a bull or entire horse above the age of one year or a ram above the age of six months keep that bull, horse or ram on any land, but also he shall be required to have that land enclosed and the owner or an agent responsible for the supervision of the bull, horse or ram must ordinarily be resident on that land or within 10 kilometres of that land. If he fails to comply with those amended requirements, the penalty shall be \$500.

The Hon. C. W. CREEDON secured the adjournment of the debate.

INFLAMMABLE LIQUIDS ACT AMENDMENT BILL

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

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

That this Bill be now read a second time.

The whole purpose of the Inflammable Liquids Act is to ensure that those inflammable liquids that will readily ignite

are stored and conveyed in a safe manner. Motor spirit and kerosene are inflammable liquids to which the Act applies, whereas diesel fuel, because of the temperature at which it will ignite, is not subject to the Act. The distinction which has existed for many years contained in the definition of inflammable liquids in the principal Act is that the Act applies to inflammable liquids that have a flash-point of less than 150 degrees Fahrenheit, which is about 65 degrees Celsius.

Heating oil as produced some years ago ignited at a temperature just over 150 degrees Fahrenheit. Because of refining practice necessary with Australian crude oil, heating oil now produced in Australia ignites at a slightly lower temperature. In recent years consideration has been given by the Standards Association of Australia to whether it is necessary for heating oil now produced to be subject to the same control as is necessary in respect of motor spirit and kerosene. The Standards Association of Australia has recommended that the flash-point temperature should be reduced to 61 degrees Celsius. Action has been taken in all other Australian States to amend the legislation to adopt this lower flash-point.

The whole purpose of this short Bill is to amend the definition of inflammable liquids by reducing the flash-point from 150 degrees Fahrenheit to 61 degrees Celsius—a reduction of 8 degrees Fahrenheit or 4 degrees Celsius. The effect of the amendment will be that heating oil will not be subject to the provisions of the Act. This change has been sought by the oil industry and, as public safety will not be affected and the change is made as a result of a recommendation of the Standards Association of Australia, which has been adopted in all other States, the Government proposes that this amendment be made. Clause 2 is the only operative clause which gives effect to the above amendment.

The Hon. D. H. LAIDLAW secured the adjournment of the debate.

WEST TERRACE CEMETERY BILL

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

The Hon. T. M. CASEY (Minister of Lands): I move:
That this Bill be now read a second time.

It provides the legislative framework for the carrying out of a comprehensive redevelopment scheme in the general area of the West Terrace Cemetery. In summary, the scheme will provide for the redevelopment of the area as part of the park lands of the city of Adelaide but in such a manner as to ensure that its former use as a cemetery is taken into account.

Clauses 1 and 2 are formal. Clause 3 sets out the definitions used in the Act and I would draw honourable members' particular attention to the definition of "the cemetery". Clause 4 formally vests the land comprised in the cemetery in the corporation known as the "Minister of Works". Clause 5 ensures that responsibilities for the development of the area will lie with the Minister rather than with the Corporation of the City of Adelaide which bears general responsibility for the control and maintenance of park lands of the city. Clause 6 is formal.

Clause 7 gives the Minister power to manage the cemetery as a place for the interment of the dead and is intended to cover the period while portion, at least, of the cemetery is still in use. In addition, this clause is intended to ensure that the reservation of areas for the burial of persons

of certain religious persuasion is still given effect to. Clause 8 provides for the progressive closing of portions of the cemetery. Clause 9 enables the Minister to develop the closed portions in the manner provided for in this clause; that is, as a park or recreation area. In the exercise of this power, the Minister is obliged to preserve buildings, headstones and monuments of historical or religious significance.

Clause 10 arises from a request by the Hebrew Congregation and will ensure that the graves in the "Jewish" portion of the cemetery are left undisturbed. Clause 11 specifically preserves rights to burial plots that have already been granted in the cemetery, for the balance of the term for which they were granted. Clause 12 provides for the cessation effect of certain regulations, of doubtful validity, on the coming into operation of this Act; suitable new regulations will be made under clause 13. Clause 13 provides for an appropriate regulation-making power.

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

LEVI PARK ACT AMENDMENT BILL

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

The Hon. T. M. CASEY (Minister of Lands): I move:
That this Bill be now read a second time.

This short Bill amends the principal Act, the Levi Park Act, 1948, to remove the limitations imposed by section 12 on the fees payable to the Chairman and members of the trust constituted by the principal Act. At present the annual fees that may be fixed by the trust for the Chairman and members are limited to a maximum of \$52.50 and \$13.20 respectively. These maxima were fixed almost 30 years ago. If the proposed amendment is agreed to, the trust will, subject to the approval of the Minister, be empowered to fix more appropriate fees.

Clauses 1 and 2 are formal. Clause 3 strikes out from section 2 of the principal Act the specific definition of "Minister", enabling reliance to be placed on the appropriate definition in the Acts Interpretation Act. Clause 4 effects the amendment adverted to above.

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

LIBRARIES (SUBSIDIES) ACT AMENDMENT BILL

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

HOUSING ADVANCES BILL

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

The Hon. B. A. CHATTERTON (Minister of Agriculture): I move:

That this Bill be now read a second time.

This short Bill establishes an account at the Treasury to facilitate the advancing of certain funds for housing. It authorises advances to be made to the State Bank and the South Australian Housing Trust, two agencies that have

for many years been involved in making housing moneys or houses available. This measure is essentially a machinery one, as it cannot, of itself, create housing funds.

Clauses 1 and 2 are formal. Clause 3 establishes the account and makes provision for crediting to it amounts appropriated by Parliament and repayments of principal and interest where advances from the account have been by way of loans. This repayment provision creates a type of revolving or self-generating fund, and the present intention is that all principal and interest received will be so credited. However, it is recognised that the need for funds from the account may diminish in the future. Therefore, flexibility is provided for the Treasurer to wind up the account gradually by crediting repayments and interest to Loan or Revenue Account. Such sums would then become available for redistribution to other purposes subject to appropriation by Parliament. Paragraph (c) of subclause (1) of this clause merely ensures that any other appropriate funds will be available to the account.

Clause 4 merely authorises advances to be made from the account to the named institutions. Clause 5 has a mildly retrospective effect to the extent that enables recent advances by way of loans to be brought within the scope of this measure.

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

WAR FUNDS REGULATION ACT REPEAL BILL

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

The Hon. B. A. CHATTERTON (Minister of Agriculture): I move:

That this Bill be now read a second time.

It repeals the principal Act, the War Funds Regulation Act, 1916. The principal Act constituted a State War Council which was given certain powers in connection with the conduct of the Great War which are, for present purposes, irrelevant. However, in addition, the council was given certain powers in relation to the management and control of "war funds" as defined in section 2 of the principal Act.

The council, which has latterly been constituted of two Ministers of the Crown, has, over the past 50 years, seen the funds over which it has had oversight diminish or disappear. At present the only fund remaining is kept at the Treasury in a trust account. When certain securities are realised, this account will have a balance of about \$4 800. Upon the repeal of the principal Act, it is proposed that the balance in the trust account will be passed to the War Veterans Home Myrtle Bank Incorporated, since this institution seems an appropriate body to be the recipient of the residue of the moneys.

Clause 1 is formal. Clause 2 effects the necessary repeals. Clause 3 passes the residue of the trust account to the War Veterans Home at Myrtle Bank.

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

LIBRARIES AND INSTITUTES ACT AMENDMENT BILL

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

The Hon. B. A. CHATTERTON (Minister of Agriculture): I move:

That this Bill be now read a second time.

This short Bill, which amends the principal Act, the Libraries and Institutes Act, 1939, as amended, is intended to give full effect to an arrangement between the Government and the Council of the Institutes Association of South Australia Incorporated. The substance of the arrangement was that as from July 1 of this year the staff required by the council would be employed under the Public Service Act. However, the principal Act and section 59 provide for a Secretary to the council and further provide that the Public Service Act shall not apply to a person occupying the office of Secretary.

Clause 1 is formal. Clause 2 provides for the Act presaged by this Bill to be deemed to have come into operation on July 1, 1975, this being the date from which the arrangement took effect. Clause 3 repeals and substantially re-enacts section 59 of the principal Act. In its new form it provides for all officers and servants of the council to be appointed under the Public Service Act.

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

APPROPRIATION BILL (No. 3)

Adjourned debate on second reading.

(Continued from October 12. Page 1423.)

The Hon. C. M. HILL: The Treasurer's Budget speech and the documents accompanying it reflect, in my view, an unsatisfactory financial situation in this State and unsatisfactory financial management by the Treasurer. I accuse him of providing misleading information about the excessive taxation in this State relative to the taxation imposed in other States. Also, there are serious cutbacks in allocations to the arts in this Budget, which we are being asked to approve.

I certainly seek some explanation about those facts. There are also severe increases in charges to the motorist which, while reflecting the general attitude of this Labor Government towards motorists ever since it came to power in 1970, nevertheless cannot be allowed to pass without mention. Finally, the Auditor-General's Report reveals extravagances in the Premier's Department regarding expenditure on lunches, entertainment, and so on, and I ask for some explanation of those figures.

I deal first with the question of the high taxation that applies in South Australia and the efforts made by the Treasurer during July and September this year to cover up the real facts regarding the high taxation compared to that imposed in other States. I have done some research into this matter, and I have here a transcript of part of an interview that the Treasurer gave on television on *This Day Tonight* on July 14 this year. This was the programme in which the Treasurer had the full half-hour allotted to him and during which he was interviewed by newspaper men and commentators such as Mr. Ian Steele, Mr. Rex Jory and Mr. Trevor Watson.

I suppose that this was an occasion when the Treasurer had the largest television viewing audience that he has ever had in this State. One would expect, therefore, that the facts that he gave on that occasion would indeed be accurate and would reflect the true picture on the subject about which he spoke. One of the commentators, when asking the Treasurer about a certain matter, said (and I now quote from the transcript):

Dr. Tonkin today repeated his call for the Government to reduce State taxation and he said that, if the Liberal Government came in, he would cut taxes and carry out a complete review of the taxation system in South Australia.

The Treasurer replied:

Dr. Tonkin talks about reducing State taxes: his remarks on the subject of finance in the past have not shown him really to have much idea of what State finances generally were about. But let us take the position of State taxes.

The Hon. T. M. Casey: Do you agree with that statement?

The Hon. C. M. HILL: I will see whether the Minister is still laughing in a few moments. The Treasurer continued:

South Australia raises \$177.50 a head in State and local government taxation. The Australian average is \$212.90. The New South Wales figure is \$234, and the Victorian figure is \$231, so in fact we are fourth in the level of State taxation a head, behind Western Australia under a Liberal Government. What Dr. Tonkin is saying about the general level of State taxation is nonsense. South Australia is not on the Australian average overtaxed at all.

The Hon. C. J. Sumner: That's right. That's still the case.

The Hon. C. M. HILL: It seems that the Hon. Mr. Sumner agrees with what the Treasurer said. At the same time that the Treasurer was giving that interview, I was carrying out some research into the subject. In the course of my inquiries, I asked the Parliamentary Library's Research Officer, Mr. Loughlin, to ascertain some facts and figures for me. I received that information from him, but I could not make the figures that I received tally up with those that Mr. Dunstan gave on television on July 14. So, as a result of those discrepancies, I did what I thought I should do, and wrote to the Treasurer. I asked him whether he could give some further explanation. It was quite a respectful letter, dated July 22, as a result of which I received a reply, dated September 21, from the Treasurer. I wish to read that reply so that the whole matter can be put in its proper context. The letter is as follows:

Dear Mr. Hill, I refer to your letter of July 22 in which you asked for my comment on the differences in per capita taxation figures between figures I used on A.B.C. television and figures prepared by the Parliamentary Research Service.

The figures I used were from the quarterly survey of statistics prepared by the Australian Bureau of Statistics, which are recognised as the most authoritative comparisons. However, the differences in accounting and Treasury procedures between the States means that to get strictly comparative figures takes some time and, accordingly, the figures I was quoting were the 1973-74 figures.

The Hon. C. J. Sumner: He said that in *Hansard* on August 4.

The Hon. C. M. HILL: I can appreciate the laughter emanating from the back benches on hearing that: the figure that the Treasurer gave in July this year, telling the people of this State how well off they were regarding taxation, related to 1973-74. The Treasurer's letter continued:

At the time I went on *This Day Tonight* they were the latest, most accurate figures available. The Parliamentary Research Officer, Mr. Loughlin, based his report on comparison of figures drawn from annual Auditor-Generals' reports. Officers of my staff referred Mr. Loughlin's report to the Treasury and they have reported back. The relevant sections of the report are:

The Treasurer then quoted from his Treasury officer's report. He continued:

As he states, Mr. Loughlin's comparison is based on figures drawn from the annual Auditor-Generals' reports. Unfortunately, accounting practices vary between States and the items shown under the heading of "Taxation" are, there-

fore, not the same in all States. The most significant difference is in the treatment of motor vehicle registration fees and drivers' licences. The figures for New South Wales and Western Australia include nothing at all for these charges, the figure for Victoria includes only about \$1 per capita, the figure for Queensland about \$5 per capita, the figure for Tasmania about \$17 per capita, and the figure for South Australia about \$24 per capita. These differences introduce considerable distortion into the comparison, as charges similar to those credited to the Revenue Budget in Tasmania and South Australia are credited direct to trust funds in the other States. The relative severity of taxation in South Australia is, of course, greatly overstated. Apart from this, there is the absence from the figure for New South Wales of poker machine tax, which yielded about \$15 per head in 1974-75.

In summary, the figure for South Australia in the comparison prepared by Mr. Loughlin is artificially inflated by the inclusion of most motor vehicle taxation while the figures for the other States (with the exception of Tasmania) include very little for this factor.

As a general comment, I would point to the danger of basing comparisons of this nature on information drawn from Auditor-Generals' reports. If considerable care is taken to ensure that the figures for all States cover the same items and that the figures for all States include all major taxes, the comparison will probably be valid. Differences in accounting practices, however, particularly in the use of trust funds, make this a difficult task. The Australian Statistician takes great pains to ensure that his figures are both comprehensive and comparable between States and wherever possible they should be used as a basis for comparison. Unfortunately, this quest for accuracy results in considerable delay before information becomes available. My officers have endeavoured to apply the Statistician's methods to the 1974-75 accounts of each State, and have come up with the figures shown below in table I. They formed the basis of a reply given to the Hon. Mr. Sumner in the Legislative Council recently and should not be far from the mark.

The Hon. C. J. Sumner: There you are, nothing new; why don't you try something new?

The Hon. C. M. HILL: The statement continues:

Table I—State taxation per capita: New South Wales, \$233; Victoria, \$227; Queensland, \$155; South Australia, \$198; Western Australia, \$184; and Tasmania, \$150: I hope this clarifies the situation. Yours sincerely, D. A. Dunstan (Premier).

What do we have from all this? We have the Treasurer going on television in July of this year and painting his canvas regarding the very moderate taxation in this State, but quoting figures of two years ago, 1973-74; and he quotes those figures now in this letter, on his own admission. He says that they were the most recent figures he had, but he did not take much trouble to obtain the figures for the year 1974-75, which he has provided for me and which were available to him; they were vastly different from the figures of the previous year.

The Hon. C. J. Sumner: Vastly?

The Hon. C. M. HILL: Yes, vastly. I stress that by saying that the South Australian figure for 1973-74, which the Treasurer gave on television, was \$177.50 a head, and yet the figure a year later, which he should have given, was \$198 a head. If that is not a vast difference, I should like to know what is. The figure he gave for New South Wales for 1973-74 was \$234 a head, but for 1974-75 in New South Wales it was \$233 a head, so it has actually come down \$1. That was the record of New South Wales, whilst we in South Australia climbed from \$177.50 to \$198.

The Hon. D. H. L. Banfield: But we are still lower than New South Wales.

The Hon. C. M. HILL: The Minister's claim in rebuttal is, "What have you got to worry about? We are still lower than New South Wales."

The Hon. B. A. Chatterton: Were we or not?

The Hon. J. R. CORNWALL: Will the honourable member give way?

The Hon. C. M. HILL: I will give way when I have finished this point. The Treasurer gave for Victoria the figure of \$231 for 1973-74, and in 1974-75, for Victoria, it was \$227, which was even lower. Again, for purposes of comparison, South Australia rose to \$198 in 1974-75 as against \$177.50 in 1973-74. The Treasurer said on television, "We are not over-taxed", and he compared our taxation with the average; but in 1973-74 we were below the Australian average, which the Treasurer gave on television as \$212.90. In 1974-75, the Australian average was \$191, and South Australia, of course, had risen to \$198.

The Hon. M. B. Cameron: A huge increase.

The Hon. C. M. HILL: Yes. We moved into third position in Australia, a position higher than that of any of the smaller States of Australia. Yet the Treasurer had the effrontery to pull these old figures out of the bag on his television programme—first of all, criticising David Tonkin. If he gave unreliable information like this, the people should take no notice of his reference to David Tonkin. The Treasurer said, "These are the figures that should be accepted in July, 1976." It is absolute misrepresentation on the Treasurer's part; it is political deceit of the worst kind, and I want the Leader of the Government in this Council, when he replies, to say what explanation the Treasurer can provide for going back to those figures of two years ago and not stating the facts.

The Hon. C. J. Sumner: They were the only ones available.

The Hon. C. M. HILL: How can that be when the Treasurer gave me new figures in this letter, after I had to seek the information in the same month that he went on television? We are not waiting 12 months before querying him. I queried him in the same month that he went on television, and I believe he is not giving truthful information when he says that the 1973-74 figures were the latest. Who will believe that the Treasurer of this State does not keep himself up to date with the latest figures of per capita taxation?

If the Treasurer does not keep himself up to date, that in itself is damning evidence of the way he does his job, and I and the people of South Australia do not believe that the Treasurer when he was asked that question did not have the figures for the year 1974-75 at his disposal. There is absolutely no doubt that his officers would have had them and, in my view, he cannot escape the charge that he would have had them. So, instead of giving a truthful reply, he went back 12 months simply because it suited his case, and the viewers in South Australia (and it was the largest television audience he would ever have had in this State) were given this old information just to boost the Treasurer's case. If that is the standard of conduct of the Treasurer of this State and of the Parliamentary conduct to which the Treasurer of this State resorts, without any further explanation later, any apology, any admission of a mistake or error—I have not read anything about any admission of a mistake or error—

The Hon. B. A. Chatterton: What was in error?

The Hon. C. J. Sumner: It was explained in the answer to the question.

The Hon. C. M. HILL: You know very well that he produced figures for the people of South Australia, and the interviewers on that programme expected him to give the most recent information. That fact surely cannot be denied. He did not do that and he stands condemned for not doing it. I, like the people of South Australia, fully appreciate the fact that this is simply an example of the way in which

the Treasurer is pulling the wool over the eyes of the people of this State: he has been doing it for a long time and is still doing it. It is all very well his having publicity at a birthday party and drinking champagne in the mall—it merely reinforces what I am saying—

The Hon. N. K. FOSTER: Will the honourable member give way?

The Hon. C. M. HILL: No.

The Hon. N. K. FOSTER: What do you say—will you give way?

The Hon. C. M. HILL: No. It simply reinforces what all people are saying, that he is all show and no go. We hear that being said in the corridors—

Members interjecting:

The Hon. C. M. HILL: He produces these falsehoods on television and thinks he can get away with it, but the day of reckoning is coming. It will not go on all the time, because the Opposition intends to look very closely at all the statements that the Treasurer makes in future; the people will appreciate that the information he gave on television was over two years old and that the more recent information, which would not have done his case any good, by a long shot, was available to him. It was an example of a purely political speech.

The Hon. J. R. CORNWALL: Will the honourable member give way?

The Hon. C. M. HILL: Yes.

The Hon. J. R. CORNWALL: The argument that the Hon. Mr. Hill has so poorly developed is completely specious, unless, of course, he cares to relate it to the level of services delivered in this State. Is the Hon. Mr. Hill aware that Queensland, which has a Government that can be fairly described as right wing (some people would go further than that), provides 6 per cent of housing in that State through its Housing Commission, while the comparable figure in South Australia is 20 per cent? That is just one figure I have taken out of the air but, as the honourable member is well up with these statistics, will he say how much the Queensland Government spends on the arts and on community welfare? Unless one makes these comparisons, reference to one figure only is invalid.

The Hon. C. M. HILL: In effect, the honourable member is defending the high taxation applying in South Australia.

The Hon. F. T. Blevins: He's not.

The Hon. C. M. HILL: That is what he is doing. It must give him some pride—

The Hon. T. M. Casey: How much do they spend on the arts in South Australia and how much is spent in Queensland?

The Hon. C. M. HILL: I do not know the Queensland position, and the Hon. Mr. Cornwall does not know, either. That is completely irrelevant to the debate. What the honourable member is doing is defending the high taxation applying in South Australia. He takes pride in the fact that we are third on the most recent figures available relating to per capita taxation. He is proud that we are higher than all the smaller States. Not only is his Government proud of its record (although it is not willing to give the public the true figures) of high per capita taxation in comparison with other States but it pursues increases in taxation, too. True, there have been some reductions in taxation, and I will refer to those shortly.

The second point I want to make deals with the method by which this Government increases taxation and the areas of taxation. There was a time (and I am somewhat of a

traditionalist in saying this) when at the presentation of the Budget we heard of forecast increases that were to come into force in the coming year, and the proper concept of presenting a Budget was achieved. When presenting the Budget, the Government should give a review of the position concerning the ensuing year's income and expenditure, and should forecast any expected taxation.

However, all this Government does now when it presents its Budget is gloss over the true situation. It seeks to paint a rosy picture and talks of balancing its Budget. Then, throughout the financial year, step by step and stage by stage, the Government introduces various increases. I am amused by the manner in which some of these announcements are made as the year progresses. We see, say, in the latter half of the week some kind of leak in the press concerning the possibility of increasing a tax. It is not always quite definite, so it does not require much publicity, and usually there is an announcement in the *Sunday Mail*, or over the air—

The Hon. M. B. Cameron: It's called "soft sell".

The Hon. C. M. HILL: Yes. Of course, the publicity army the Premier employs in Victoria Square knows these tactics well and doubtless those officers advise the Government on this. I am not critical of those officers for doing that work, because they are carrying out their job, but it is all part of the technique of gradually getting over to the people, by soft-sell methods, taxation increases. It is interesting to examine the year under review in relation to the Budget and see that water and sewerage rates have been increased by 15 per cent, despite the high per capita taxation faced by South Australians.

The Hon. C. J. Sumner: Where do we rate now on a per capita basis?

The Hon. C. M. HILL: We rate third behind New South Wales and Victoria; we are not far behind Victoria. *Members interjecting:*

The PRESIDENT: Order!

The Hon. C. M. HILL: Marine and Harbor charges, including wharfage, conservancy dues, pilotage and tonnage rates, have all been increased, and hospital fees are to be increased, or have been increased. Registration charges for private motor cars have been increased by 25 per cent in the past year, and commercial vehicle registration charges have increased by 30 per cent. Drivers' licence fees have been increased from \$5 to \$6, and all these increases have been introduced gradually throughout the year despite the extremely high rate of taxation levied in South Australia compared to the rates applying in other States. Much publicity has been given to proposed taxation reductions, involving land tax, succession duties, stamp duty, and an adjustment in pay-roll tax. Figures have been provided by the Treasury regarding the much vaunted decrease in land tax. In 1975-76 actual receipts amounted to over \$19 800 000, while estimated receipts for this year amount to \$18 600 000. Therefore, a reduction of about \$1 200 000 is expected, but that is not a large sum. Certainly, it is not large when one considers the surplus achieved in the past year, and I will deal with that surplus shortly.

Much publicity has been obtained by the Treasurer concerning concessions in succession duties. These concessions are welcome, and I applaud the Government for going that far but, in the figures on succession duties with which we have been provided in the Budget, actual receipts amounted to \$19 076 705 in the past financial year, whereas the Government still estimates that it will receive \$19 500 000 in the coming year. Despite the proposed benefits provided by the Government in some areas of succession duties, the Government still expects to receive

more revenue in aggregate from this source than it received previously. Some adjustments concerning pay-roll tax are referred to in the Treasurer's statement. Last year pay-roll tax receipts amounted to about \$119 400 000, and this year the Government estimates that it will receive about \$136 000 000.

The Hon. Mr. Sumner will remember that when the supplementary Budget was debated in this Council in June, I quoted figures on stamp duty in real estate transactions and said that in South Australia, in comparison with other States, the duty was far too high. I am pleased to hear that the Treasurer has announced a reduction in this area. I do not know by how much stamp duty will be reduced, because we have not yet studied the Bill, but a figure of up to 22 per cent has been mentioned.

Nevertheless, in the document before us the actual receipts for stamp duties under this heading, which include stamp duty on real estate transfers, for last year were \$64 959 819, but the estimated receipts in the present Budget are \$73 700 000, a considerable increase. I question seriously whether or not the concessions which have been announced to estate taxation in this State are large enough to relieve the great number of people who deserve to have some relief in regard to this high taxation upon which I have dwelt for some time.

The Hon. Anne Levy: Too long!

The Hon. C. M. HILL: In regard to the stamp duty and real estate transactions, I should say, because it ties up with the thread I was trying to weave in this debate last June, I stated that a young couple in this State had to pay \$810 stamp duty on a house, the consideration for which was \$35 000. The comparable figure in Tasmania was \$587.50, in Western Australia \$500, in Victoria \$700, in Queensland \$600, and in New South Wales \$613. I notice in the Treasurer's address before us that he indicated that some relief up to 22 per cent was going to be introduced. If it is the full 22 per cent, in the examples that I have quoted, a young couple in South Australia in future would pay \$632, which is still higher than Tasmania, Western Australia, Queensland and New South Wales. Therefore, one must look with considerable caution upon the whole aspect of State taxation in this State. The Treasurer is afraid to give the most recent figures because they indicate—

The Hon. C. J. Sumner: He gave the most recent figures to the Parliament in August.

The Hon. C. M. HILL: I do not know about that. I am talking about what he gave to the public of South Australia. For some reason or other he would not do that.

The Hon. C. J. SUMNER: Will the honourable member give way? The figures that he gave on *This Day Tonight* were the latest official figures available at the time from the Bureau of Statistics, and that are available now. The latest figures available from the bureau are for 1973-74.

The Hon. C. M. HILL: I do not agree with the Hon. Mr. Sumner at all. I believe that the Treasurer should have given the figures for the 1974-75 year, and I am sure that any competent Treasurer in July, 1976, would have had the accurate 1974-75 figures at his disposal, and I will not accept it any other way than that.

The Hon. C. J. SUMNER: Will the honourable member give way? Is it true that the 1974-75 figures from the Bureau of Statistics were not available to the Treasurer at the time of the *T.D.T.* interview, and are still not available?

The Hon. C. M. HILL: I just cannot accept that. I have read the Treasurer's letter out in full. It is a lengthy letter. The Treasurer's officers most certainly would always

seek the best possible basis for comparison between the States. They would have these figures. They would be continuously available.

The Hon. N. K. Foster: That doesn't mean a thing.

The Hon. C. M. HILL: I believe that they would have known the figures, and I believe that the Treasurer knew—

The Hon. C. J. SUMNER: Will the honourable member give way? Is it true that on page 392 of *Hansard* when answering a question by me the Treasurer said:

The comparable statistical publication for 1974-75 is not yet available but officers of the State Treasury Department have since applied the procedures adopted by the statistician to information obtained from the audit reports of each State to produce the following comparison for that year.

Then follows the figures that are quoted in that letter. In other words, the last official Statistician's figures that the Treasurer quoted from the Bureau of Statistics were those for 1973-74, and the figures that were subsequently calculated were figures calculated by Treasury officers using a similar basis. They are not official Bureau of Statistics figures because they are not available.

The Hon. C. M. HILL: The argument will go on unendingly.

The Hon. C. J. Sumner: Because you won't accept the situation. You haven't read the answer.

The Hon. C. M. HILL: I know the competence of the Treasury officers in this State, and I know that they keep abreast of all comparisons regarding other States on every detail of State finance. I know that from my experience. I am satisfied they would have known these figures, and would have reported the figures to the Treasurer. I am also satisfied that when the Treasurer quotes figures in 1976, and does not say that the figures are over two years old, he is simply giving figures to suit his own case.

Dealing with the overall result of the Budget, I refer honourable members to the Supplementary Budget earlier this year when the Government, in effect, found that it had about \$55 000 000 surplus at its disposal in its Revenue Account, and Parliament was asked to approve this amount being allocated for certain purposes. At the beginning of the 1975-76 year there was a surplus in the Revenue Account of \$22 700 000, and then the \$55 000 000 was taken out and used for Loan purposes. The actual working surplus for the year under discussion, namely, the 1975-76 year, finally amounted to \$2 200 000, and so there was a balance held over as at June 30, 1976, of approximately \$27 500 000.

There was another small grant of \$2 500 000 within that arrangement. The \$27 500 000 is mentioned by the Treasurer. This is an extremely buoyant situation for the State to be in. It is, first of all, so buoyant that we seem to have established a practice of budgeting for transfers of revenue to the Loan Account, and I do not agree with that principle at all. I believe that when a State can enter a year with \$22 700 000 surplus, and end up in that year with \$27 500 000 surplus, and yet within that year appropriate about \$55 000 000 of revenue for Loan purposes, that is a clear indication that the taxation is too high.

I believe that the people of this State should have been presented with a Budget on this occasion which showed considerable reductions in taxation because of that surplus situation. The Treasurer cemented this arrangement of transfer to the Loan Account into his budgetary system because in his proposed expenditure he intends to transfer \$15 000 000 in the current year from July 1, 1976, to the Loan Account, and he is proposing to allocate \$12 000 000

for pipeline purposes, \$9 500 000 of that being in the nature of capital expenditure. The other \$2 500 000 is for exploration, and I have no argument against that.

When we see the Budget document before us where, in a previous year, \$55 000 000 has been transferred to Loan Account, and where in the year under review for budgeting purposes about \$27 000 000 is allocated for Loan purposes, then I think we can accept that this situation is going to continue under the present Treasurer and the people, by their everyday taxation, will be paying for capital works in this way.

I believe that that principle is wrong and that there is considerable area for further tax reduction. If that reduction could be achieved, further incentives would be given to the people and those incentives would, in turn, be carried forward to more commercial, business and industrial activities and the employment situation generally.

The Hon. C. J. SUMNER: Will the honourable member give way?

The Hon. C. M. HILL: Yes.

The Hon. C. J. SUMNER: Is it true that all State Governments, including the Liberal and Country Party Governments of Queensland, Victoria and Western Australia, have expressed concern about the proposals for Federal finance in future, and is it true that, in view of the doubts about the extent of Federal finance available to the States, it is necessary for the Treasurer to retain some surplus to cover this contingency?

The Hon. C. M. HILL: First, of course, there is not a State Government, either Labor or Liberal, that does not indicate its fears about what treatment it is likely to receive from Canberra, but we have to live with that situation, under our present system. However, if the honourable member's point is to be pursued, the Treasurer can still retain his \$27 500 000 floating, so to speak, in Revenue Account, as at the end of 1975-76.

That, in itself, would be some cushion against the fears that the Treasurer has mentioned coming to reality, but, despite what happened between the end of one financial year and the end of the next, in the past financial year another \$55 000 000 was found and allocated for Loan purposes. Even if we accept that the honourable member's submission has some soundness, how much will we proceed to tax the people of the State, simply against the fear that the worst will happen in regard to Canberra? That \$55 000 000 was taken out of Revenue Account, and still we have the surplus that I have mentioned.

The Hon. C. J. Sumner: You do not think we should have bought the new buses?

The Hon. C. M. HILL: I do not know about the new buses.

The Hon. C. J. Sumner: That is where the money went.

The Hon. C. M. HILL: An amount of \$20 000 000 was to be appropriated towards the buses. I do not know whether it was, because some of the other part of the \$55 000 000 was to be given to works, and that was changed to housing.

The Hon. C. J. Sumner: What about our contribution to the Cooper Basin proposal? Are you opposed to that?

The Hon. C. M. HILL: I am not in any way critical of the \$2 500 000 for exploration. The matter of whether we should be buying into the Cooper Basin with the \$9 500 000 that the Treasurer intends to spend could be argued. Nevertheless, we have the glaring figures of such an excessive amount of money within this Revenue Account that further taxation benefits should be given to the people. I stated when I commenced my speech that there were some

cut-backs in allocations for the arts, and I should like an explanation of these, because at present there is a controversy regarding the Industries Assistance Commission draft report on reductions in allocations to the arts.

I have read in the newspapers that the Treasurer will be leading a meeting tomorrow in the Space area between the theatres adjoining Parliament House. That meeting will oppose these reductions, and I support that opposition, which has come from all over Australia, in regard to this report. One thing that concerns me (and perhaps honourable members opposite, such as the Hon. Mr. Sumner, who has been interested in this debate, could tell me) is why Mr. Whitlam commissioned the I.A.C. study on the performing arts. I have been trying to find some explanation or press release that Mr. Whitlam gave late in 1974, when he did that. If he had not done that, we would not be faced with the present position.

The Hon. C. J. Sumner: It may have recommended more support for the arts.

The Hon. C. M. HILL: It could have, but I think what Mr. Whitlam did could be marked down as another error of judgment by him. I hope that the Hon. Mr. Sumner, if he goes to the rally tomorrow, will raise this matter and find out whether anyone there can tell him why Mr. Whitlam personally commissioned this study.

I refer now to the Miscellaneous provision for the Premier's Department. The grant to the Adelaide Festival Centre Trust for 1975-76 was \$1 751 470, and the amount for 1976-77 has been reduced to \$1 250 000. There must be some explanation, and perhaps the Hon. Mr. Banfield, as Leader of the Government and a person interested in the arts, will explain that. The further matter that concerned me was the general reduction in grants and provisions for the arts, because for 1975-76 an amount of \$1 711 562 was provided, but the Treasurer proposes to allocate only \$1 538 000 this year. Unless I get a reasonable explanation of that, I must lay a further charge that there is political hypocrisy on the part of the Treasurer in organising the rally tomorrow, which I suppose will end up as a rally against Mr. Fraser at a political level.

The Hon. C. J. Sumner: Of course, you are not being hypocritical by asking for lower taxes and increased expenditure for the arts, are you?

The Hon. C. M. HILL: That is only a matter of priorities. Under these two important provisions in the Budget, the Treasurer proposes to make cut-backs regarding the arts. My next point deals with the motorist. Practically every year, when I speak on the Budget, I find that the motorist has been hit even further with heavy taxation. The proposed revenue from the motorist in licence and registration fees is increased from actual payments last year of \$32 129 533 to a proposed \$45 000 000. The net proceeds to the Highways Fund from this source are to increase from \$11 984 253 last year to an estimated \$23 105 000 this year. We all need more money for roads, but reasonable consideration should always be given to South Australian motorists.

The person on a moderate income finds it increasingly difficult financially to run his motor car. I do not know whether the Government plans to force motorists off the road from an environmental viewpoint or whether in some way or other the Government believes that it can continue increasing motorists' taxes and that the motorists will not notice such increases. These people are finding it difficult to cope with increased registration fees and increased drivers' licence fees. I hope that we can go through the full financial year without the motorist being slugged again, as has occurred in the past.

The Hon. C. J. Sumner: What is the future of the private motor car?

The Hon. C. M. HILL: A serious question mark hangs over that matter, because of the energy situation. I believe that younger couples particularly and also those in the lower income brackets and the moderate income brackets deserve to be able to afford to run their motor cars. This Government purports to stand for people in the lower income brackets, yet it has increased the fees to which I have referred. In these circumstances, the matter should certainly be raised in Parliament, and the Government should give an assurance that in the forthcoming year it will not increase further this form of taxation.

I hope the Leader of the Government in this Council, when he replies to this debate, will give satisfactory explanations of the queries that I shall now raise. The amount that Parliament voted last year under the Chief Secretary's line in connection with "Sundry grants as approved" was \$13 950, but the sum actually paid was \$48 950. What is the reason for that large increase? The increase is all the more glaring when we realise that a definite pattern is not established; the amount proposed for this financial year is \$9 350.

I refer now to the increase from \$476 277 actually paid last year to \$586 367 proposed for this financial year in connection with the Transport Department's professional, administrative and other staff. For some years I have had serious doubts about the real worth of this expenditure. I stress that my criticism is entirely directed to the Minister of Transport, who must accept responsibility. After six years, I fail to see results flowing from the vastly escalating expenditure under this heading. This is not only my personal view; many motorists who experience traffic congestion in metropolitan Adelaide have serious criticisms of public transport. If Parliament is asked to approve such increases, the public ought to be able to see some tangible evidence of the benefits of such expenditure.

I turn now to the Development Division of the Premier's Department. The sum of \$24 889 was actually paid last financial year in connection with the item "Director, Development Division", but it is proposed to spend only about half of that sum (\$13 100) in this financial year. What is the situation in regard to the Director's salary?

Can the Government give more details of the sum of \$60 000 allocated for overseas trade fairs? Last financial year, nothing was spent on this item. The Auditor-General's Report for the financial year ended June 30, 1976, reveals that \$101 000 was spent under the heading "Administration expenses, minor equipment and sundries". The Auditor-General says:

The amount was (in accordance with departmental accounting records) mainly for:

	\$
Travelling, motor vehicle expenses, etc.	25 000
Printing and stationery, subscriptions, books, etc.	21 000
Telephone, telex and postage costs . . .	17 000
Entertainment, purchase of liquor and working luncheons	13 000
Photographic and art materials	10 000

The fact that the Auditor-General qualified his statement by explaining that the expenditure was in accordance with departmental accounting records indicates that he has not looked much further into that subject, as an auditor. I wonder how tight the control within the Premier's Department is in regard to this matter.

The Hon. C. J. Sumner: Are you criticising the Auditor-General?

The Hon. C. M. HILL: No. I am not criticising the Auditor-General one little bit. The honourable member's interjection was most unbecoming. I wonder whether the matter I raised in connection with the Premier's Department should be considered a little further to see whether there is some looseness in this expenditure. After all, it is an area in which expenditure can race away. All of us involved in organisations know how, if a tight ship is to be run, this type of expenditure must be closely watched.

I hope that in future years the records provided will give the Auditor-General a great deal of detail. I do not accept that this is fair and reasonable expenditure. As representatives of the people, we have the responsibility of checking such expenditure and ensuring that every dollar of the people's money is spent cautiously, prudently, and to the betterment of this State. When I see, under this heading, \$13 000 of a total of \$101 000 for entertainment, purchase of liquor and working luncheons, I believe there is extravagance here of the worst kind. I should like to know from the Leader of the Government in the Council whether he can give a further explanation that justifies this expenditure.

I hasten to point out that I understand that this is not the only sum that is included under this general heading. Honourable members know that the great army of press secretaries, aides, and other staff employed in the Premier's Department have, in the main, allowances provided for them, for entertainment, luncheons, and so on. I do not therefore know exactly what those sums represent.

The Hon. C. J. Sumner: How many press officers are there in the Premier's Department?

The Hon. C. M. HILL: I do not know. The honourable member is almost one of them, the way that he keeps so close to the people up there. He knows the information about which he is asking. I do not know it, because I am a member of the Opposition. I am merely stating views that have been expressed to me by a large number of the public outside, who know that expenses and entertainment allowances are given to these officers to whom I have referred. I should like to have the full information about those accounts. Although I have not yet been able to obtain this information from my research, I hope that I will be able to do so in due course.

Apart from the aggregate sum which goes towards general entertainment, and so on, in the interests, I would like to hope, of the State, we have an extra figure of \$13 000 for this one general line "Entertainment, purchase of liquor, and working luncheons".

I am concerned not only about that line but also about other lines. I refer to the matter of telephone, telex, and postage costs amounting to \$17 000, and to \$10 000 allocated for photographic and art materials. Surely the telephone bills incurred by the Premier's Department go on the normal telephone account, as happens in every other department. What kind of telephones are these? Are they private telephones, or what are they? The telephone account of the Minister of Agriculture does not come into his line. However, in this case, relating to the Premier's Department, it is laid out under the general heading of "Administration expenses, minor equipment and sundries". A more vague description than that I could not wish to find.

Taking the matter in totality, the people outside believe that this involves extravagance of the worst kind. They are greatly upset that the Treasurer is splashing around money right, left and centre in this way. There is such an area of mystique and mystery about the Premier's

Department that no-one quite knows who is or who is not in there. No-one quite knows who is working in the department on contract or on a Public Service salary.

On top of that, they have now decided to spend on lunches, entertainment and liquor a figure of \$13 000. They say, "We can take that down to Parliament and push it through there. Then it will be forgotten for another year." However, it is not forgotten outside.

The Hon. B. A. Chatterton: What about visiting ambassadors and other people who come to South Australia?

The Hon. C. M. HILL: I am willing to admit that there is a certain degree of that.

The Hon. B. A. Chatterton: A certain degree? There's a considerable degree of it.

The Hon. C. M. HILL: I remind the Minister that I, too, have been in the Ministry, and I have some idea of the extent of the necessary entertainment and of the extravagance into which one could easily blossom if one did not keep a tight control on one's purse. I sum up this point by emphasising, as much as I can, that this kind of spending and extravagance must be checked if the Government is to represent itself as being a responsible Administration.

If the figure does, with good reason, get to anything like this, full details should be brought to Parliament so that it can pass judgment on it. However, the people who have talked to me at meetings and other places about the matters to which I have referred are aghast at the figures. They cannot understand them. They believe that the Treasurer, on this occasion and throughout the last year, has gone too far, as well as in relation to his overseas expenditure.

The Hon. C. J. Sumner: You should ask a Parliamentary question about it.

The Hon. C. M. HILL: I am raising it now, because when the Minister in charge of the Budget debate replies I want him to give this information so that I can take it back to the people who have raised it with me and give them the Treasurer's explanation. I have, therefore, asked for this information.

I have spoken for a little longer than the time for which I intended originally to speak. This is, however, one of the most important debates that comes before Council, and it has, to my mind, revealed some very serious shortcomings in the financial administration of this State. What worries me is that the public at large is not being informed properly of these matters, and that glossy publicity and pictures are painted, taking people's minds off the real business of Government, that is, of making ends meet financially and not over-taxing the constituents.

That is the real business of Government, and this State has been over-taxing its people. It has been afraid to tell the people the true position regarding high taxation. Indeed, it has continued to increase certain areas of taxation, to which I have referred. Although it has made some concessions, in totality, when one sees the figures in the books before us, one sees that these concessions are not large indeed.

I hope the Government will change its policy regarding budgeting so that revenue can be channelled into the Revenue Account, and that the people will be given the benefit of that by reduced taxation. I hope that the Minister, who is listening intently to the debate, will reply to the queries I have raised. In the general area of extravagance in the Premier's Department, I hope we can get more detailed facts and figures so that the Government can at least try to justify this high expenditure that has been revealed in the Auditor-General's Report.

The Hon. R. A. GEDDES: I rise to support the Bill.

The Hon. N. K. Foster: Why not wait for a speaker from our side of the House?

The Hon. R. A. GEDDES: The speaking order was the Hon. Mr. Hill, the Hon. Anne Levy, myself, the Hon. Mr. Blevins and the Hon. Mr. Burdett. I realise that Miss Levy has altered her place on the programme, but I did not consult with the Hon. Mr. Blevins regarding the order of the debate and, on that score, I apologise. I did not intend to speak out of order. However, I will be as quick as I can.

I pose several questions regarding the use of atomic energy for the generation of electricity in South Australia if that is to be our future type of power supply. Do we need an atomic reactor? Do we want to be worried about the waste material that comes from reactors, even though it is claimed that the waste coming therefrom in one year in this State could be put in a hole 4ft. deep by 4ft. wide? Do we want to concern ourselves with the huge capital cost of an atomic reactor with all its costly associated safeguards for the public, the work force, and the environment? Do we want to be involved in the type of security needed to guard a modern-day atomic energy plant from the Idi Amins, the Asher Arafats or Peking or Moscow reactionaries, or any other type of terrorist?

A system of security where the orders are, "Shoot to kill and ask questions later"—is this what we want? Do we want to be involved in the problems, the concern, and the fear that so many people think atomic reactors may produce to the environment, to children, to civilisation? Yet, do we want to maintain the present standards of living, of employment, of industrial and economic development? Do we want machines to make motor cars, washing machines, clothes and food? Do we want cheap electric power in 99 per cent of the homes in this State (a figure quoted by the Electricity Trust in its annual report)? Do we want air-conditioners, electric radiators, refrigerators, and stoves in our homes and factories to be operating in 10 to 15 years time?

I quote an article published by the Electricity Trust in its annual report put out last week:

The new northern power station using Leigh Creek coal will provide a high level of basic power output until the end of the century (24 years) but for increases in power requirements beyond 1985 (nine years hence) a new source of energy will be required.

The Electricity Trust's sales of electricity increase by about 6 per cent a year. This percentage, multiplied by nine years, gives us 54 per cent. How are we going to provide the basic energy requirements after 1985 that the trust warns the Government it will need? Are we going to use fossil fuels—oil? By 1985 the amount of oil coming out of the Bass Strait field will be down to about 200 000 barrels a day, and the total Australian needs of crude oil by that time will be 590 000 barrels a day. It is estimated that by the year 1985-86 the annual import bill for crude oil will be two billion dollars a year to Australia to import 70 per cent of the nation's needs in oil. Remember, it takes anything up to eight to 10 years to develop a new oilfield and all the associated structures, pipes, and delivery points needed.

So I suggest that to use oil to turn turbines to generate electricity will be too dear and too valuable; it will have to be reserved in some form to cater for the transport needs of this huge land we live in. Or will this energy be natural gas? Our known reserves in the Gidgealpa-Moomba Basin are sufficient to supply the State's needs (principally Adelaide's) until about 1987, and to develop and harness

more fields in this area millions of dollars are needed. A sympathetic State Government conscious of the cost of power to the consumer will not allow the companies involved (Delhi-Santos and its associates) to make the type of profit necessary to invest in very costly risk exploration for new gasfields. The previous Federal Government prevented the profitable sale of liquid petroleum gas to other countries, sales of which would have provided the millions of dollars necessary for new exploration work. Besides, the burning of valuable and rare fossil fuels, such as natural gas, to generate electricity is considered unwise because of its rarity. Again, it takes, we are told, between five and eight years to develop a new gasfield, with all the associated works needed for it.

Therefore, can we presume that the Electricity Trust's warning of the need for new energy sources after 1985 will mean we must find something other than natural gas? There are some people who believe that the excellent coal reserves on the eastern seaboard of Australia should be developed for Australia, which reserves would be suitable for use in the power stations and for all South Australia's needs for the supply of fuel energy to the power stations. This coal is of very high quality but one of the troubles that appear to be occurring in the development of the coalfields in New South Wales and southern Queensland is that the mines are underground, and very little open-cut work is possible. They are having great difficulty in getting a work force to work underground with the skills necessary for underground work. The prediction is that in five to 10 years time so much coal will be needed and the demand will be so great that there will be great difficulty in getting a work force able and willing to work in underground conditions, with all the associated difficulties that mining for coal involves. If that be the case, the chances of using New South Wales coal would be restricted.

Furthermore, do we in South Australia want to be involved in the transport of coal from New South Wales to Adelaide, when it is already recognised that transport costs in Australia are amongst the highest in the world, to supply our needs? Let us not forget that the pollution from coal-fired boilers has been responsible for more deaths than any other known atmospheric pollutant. So, do we want an atomic energy power plant to provide electricity to maintain our present life style? The Government, which claims, as it claimed yesterday, that it will win the next election, must be prepared to act constructively, and it must act now. Energy and wealth in our society are similar to the weave in a piece of cloth, each supporting the other, each interwoven. Energy provides the capacity to do work; wealth basically means the manufacture of goods being exchanged for other goods and services. We talk about the supply of energy and of wealth, and our society in this State depends on the availability of energy, and the goods and services that energy provides.

A warning has been given by the Electricity Trust that must be considered with diligence and haste to find an alternative economic energy source. In spite of the trust's efficiency and the excellent work and knowledge of the Mines Department, and in spite of the millions of dollars that Delhi-Santos has spent and will spend in the discovery of natural gas, now is the time for the Government itself to step in and form a committee incorporating people with the best knowledge in the world available to inquire into every aspect of our fuel energy needs for the future and how best they can be met. I am concerned about the use of atomic energy in South Australia. I realise that it might be the only alternative, but let us make certain

that every other alternative source of energy supply has been investigated before atomic fuels are used. I support the second reading of the Bill.

The Hon. F. T. BLEVINS: First, I promise not to take quite as long as the Hon. Mr. Hill took to make his contribution.

The Hon. M. B. Cameron: Hear, hear!

The Hon. F. T. BLEVINS: I am pleased to hear that comment by the Hon. Mr. Cameron, who must have suffered as much as the rest of us. Secondly, I wish to refer to some of the incorrect comments made yesterday by the Hon. Mr. Carnie. His remark concerning the state of industry in South Australia would give a completely erroneous impression to anyone who heard his speech or who read it in *Hansard*. The Hon. Mr. Carnie stated:

We are now an expensive State and our record of industrial harmony is broken.

What is the actual situation?

The Hon. J. A. Carnie: We are the third highest taxed State in the Commonwealth. That is expensive.

The Hon. F. T. BLEVINS: Exactly how expensive a State South Australia is will be dealt with by other honourable members. I wish to deal with the matter of industrial harmony.

The Hon. J. A. Carnie: What about Whyalla?

The Hon. F. T. BLEVINS: Does the honourable member know anything about Whyalla?

The Hon. J. A. Carnie: Go on, don't let me interrupt you.

The Hon. F. T. BLEVINS: The honourable member has interrupted me. I point out that industrial disputes in Australia in the last year are down 26.9 per cent but in South Australia (under a Labor Government) industrial disputes are down by a massive 31 per cent. South Australia has 9 per cent of the work force but only about 4 per cent of the industrial disputes. Our record is enviable and it is ridiculous for the Hon. Mr. Carnie to say that our record of industrial harmony is lost. That is so much nonsense. The number of registered unemployed in Australia in the past 12 months has increased by 7.9 per cent, yet in South Australia it has decreased by 4.7 per cent in the same period. The number of people claiming unemployment benefits in Australia in the past 12 months has increased by 16.2 per cent, but in South Australia the number has decreased by 1.7 per cent.

The Hon. J. A. Carnie: Do you have the figures—

The Hon. F. T. BLEVINS: The honourable member promised not to interrupt. Not only does he mislead the Chamber but, when he gives his word, he does not keep it. Regarding civilian employment in the past 12 months, the number of people employed throughout the Commonwealth has decreased by 0.7 per cent, yet the number of people employed in South Australia has increased by about 1.5 per cent. The true position is exactly the opposite of that depicted yesterday by the Hon. Mr. Carnie. Therefore, I believe that at the commencement of my speech today I should make that position clear.

Further, I know that all members would want me to comment on the remarks yesterday of the Hon. Mr. DeGaris. Frankly, and all joking aside, I was appalled when I heard the Leader's remarks: I did not believe them. It is a tragedy that in 1976 the man who leads a State Opposition Party in this Council can refer to the blocking of Supply. In today's *Australian* we see the heading "Liberals threaten to deny Supply to Dunstan". Only about one year after the shocking events in Canberra, this threat is repeated, and the report states:

The Liberal Opposition Leader in South Australia's Legislative Council, Mr. DeGaris, yesterday threatened to block Supply to the Dunstan Government and force an election.

Only one year after the terrible events in Canberra these stupid remarks are published on the front page of our national daily. Not only are the Leader's remarks stupid but also, when one reads them in conjunction with his statements in this Chamber of September 8, a stronger picture emerges. The Leader stated (*Hansard*, September 8, 1976, at page 870), without equivocation whatever, that he believed that members of this Council should not be elected at all. That is exactly what he said: there was no hedging at all about the matter.

Not only does the Leader agree with the blocking of Supply but also he does not believe in electing members to this Council. For the sake of the Liberal Party and for the sake of South Australia, he must be removed. I am astonished that the press has not taken up this matter. All honourable members know of the battle now going on in the Liberal Party to see who will be the Leader of the Opposition in this Council.

The Hon. C. J. Sumner: Dawkins!

The Hon. F. T. BLEVINS: Although everyone knows of this battle, not one word about it do we read in the press: the only headlines we see concern alleged splits in the Australian Labor Party. Where are the headlines and reports about the Hon. Mr. DeGaris?

The Hon. C. J. Sumner: Who is the main contender?

The Hon. F. T. BLEVINS: The honourable member referred to Mr. Dawkins, but I am sure he was being facetious. I will leave it to the gentlemen of the press, whose role is one of investigative journalism, to find out who are the contenders for Liberal Party leadership in this Chamber. That is what the members of the press should be doing, especially after the disgraceful contribution made yesterday by the Hon. Mr. DeGaris. Without doubt, for the benefit of South Australia, the Leader must go. I must confess that, in some respects, I will be sorry if he does go, because he certainly assists the Labor Party every time he opens his mouth. I thought the Hon. Mr. Hill (who is one of the contenders for the leadership), would have not made a bad Leader, until I listened to him today. I do not think he did his case much good at all. I do not know what support he has from the back bench (there is not much of it here now), but he has probably lost it after his speech today. I now turn to the Liberal Party policy on shipbuilding, as follows:

An Australian shipbuilding and repair industry is essential to the national interest. The Liberal and Country Parties believe Australia must maintain an independent capacity to provide and service the relevant requirements of our commercial shipping and our defence forces. A Federal Liberal and Country Party Government will pursue policies which ensure the shipbuilding and repair industry operates as competitively and efficiently as possible. In this we will provide a building subsidy to protect our relatively small but vital industry.

The Hon. C. J. Sumner: When was that said?

The Hon. F. T. BLEVINS: Before the last Commonwealth election. That is still its policy. That is exactly what it said.

The Hon. A. M. Whyte: You haven't got Mr. Jones's quote there?

The Hon. F. T. BLEVINS: What I am doing is supporting the Liberal Party policy. That was the promise. What has been the reality? The Liberal and Country Party Government is attempting to destroy not only the shipbuilding industry, which is vital to this nation, but also

all manufacturing industry in this country. Representatives of manufacturing industries are constantly saying the same thing. In this morning's *Australian*, the Executive Director of the Australian Chamber of Manufactures (Mr. Bill Henderson) is quoted as saying:

If the I.A.C. had its way and dismantled sections of industry, the result would be nationally disastrous.

Mr. Henderson went on to say:

The benefits which the manufacturing section gave to the Australian community more than justified the \$4 300 000 000 in protection which it received annually.

This is the important part:

Mr. Henderson said that there was a definite attack being made by the I.A.C. and the Government on Australia's labour-intensive industries.

I will be interested to hear what the Hon. Mr. Laidlaw is going to say when he speaks in this debate, because a report in the *Australian* of October 8, 1976, under the heading "I.A.C. jeopardising jobs, say bosses", states:

The Metal Trades Industry Association yesterday accused the Industries Assistance Commission of jeopardising hundreds of thousands of jobs. The association's national director, Mr. R. G. Fry, said the I.A.C. was damaging economic recovery because of its dogmatic attitude to tariff protection for industries hit hard by inflation and rising costs.

Both the Metal Trades Industry Association and the Associated Chamber of Manufactures are attacking Mr. Fraser and the Government. What we are witnessing in Australia today is a massive attack on the industrial working class. This Fraser Government wants 500 000 unemployed in an attempt to bash the trade union movement into accepting a worsening of hard-won standards in wages and working conditions. The shipbuilding industry is the first industry to be attacked, and I am appalled that an industry as vital to Australia as the shipbuilding industry should be used in this manner. The policy of both Parties before the 1975 Federal election was very similar, clearly because no rational person or Party could argue that a shipbuilding industry was not vital to a large island trading nation such as ours. Earlier this session a debate on the shipbuilding industry took place in the House of Assembly. The level of ignorance shown by Opposition members astonished me.

I think this issue is far too important to be debated on the ridiculous level that the Opposition does. Talk of starving workers to change their attitudes, or saying that strikes and demarcation disputes have brought the shipbuilding industry to its knees helps no-one, and only increases division in our community. So that Opposition members can, in the future, make a more intelligent contribution when discussing this industry that is vital to our State, I want to place in *Hansard* just what the true position is. It is important to look briefly at some of the history of shipbuilding since 1956, and for this I refer to a survey dated June 1, 1976, conducted by the International Metal Workers Federation. Under the heading "General situation and prospects" the report states:

During the first three months of 1976, orders in the world shipbuilding industry fell by a further 10 per cent. In comparison with March, 1974, they have fallen by about 50 per cent. Thus, orders have reached their lowest level since September, 1970, and only ensure work for the shipyards for an average of two years, which, considering the long delivery time in the shipbuilding industry, is not very long . . . During the last 20 years, total deliveries of shipyards have increased five-fold (1956, 6 290 000 gross tons; 1974, 33 540 000 gross tons). According to a study by the O.E.C.D. published at the beginning of 1975, the world capacity of shipyards would reach 52 000 000 gross tons during 1977-1980. Oil tankers account for about 70 per cent of total deliveries. Most of these are built by the Japanese, as their shipyards are centred around the production of oil tankers.

According to the estimations made by Japanese and European shipbuilders, it is to be feared that the existing fleet of oil tankers will be enough to satisfy transport requirements in 1980. In 1975, 18 000 000 gross tons of oil tankers were cancelled throughout the world, of which 6 400 000 gross tons was only for Japan. For 1976, the cancellation of a further 5 000 000 gross tons is being negotiated. According to the opinion of several economic institutes, it is possible that, for the years 1976-80, the demand for new oil tankers will not be much above zero.

The survey further states:

The renewal of the demand for oil tankers will not happen before 1980, or even later. Only 62 per cent of the production capacity of shipyards will be used between now and 1980, and 66 per cent between 1980 and 1985. For 1977-78 a surplus manpower capacity of 30 per cent is expected. The danger of further over-capacity (in cargo ships and methane tankers) exists where there is too significant a restructuring of the production of tankers into other types of vessels. The reorganisation of the market can only be achieved by joint and international agreements with a view to a significant process of disinvestment.

Clearly the problem lies with the massive cancellations of tankers ordered from Japanese yards. In no way can the Australian industry compete with nations such as Korea, Taiwan and Singapore, and it is with yards in these countries that the whole shipbuilding world is now trying to compete. All these countries have one thing in common—extreme right wing authoritarian Governments that do not allow workers to organise in trade unions or fight for decent working conditions. This creates an atmosphere that encourages investment in the most up-to-date plant and equipment because investors, mainly American, know that these dictatorships will safeguard that investment. Australian shipbuilders cannot and will never be able to compete with that kind of oppression and, apart from a few of the lunatic fringes of the Liberal Party, no-one would want us to be able to do so. It is not just Australian shipbuilders who cannot compete with modern Asian yards. A report in the *Times* of Wednesday, December 17, 1975, shows that all traditional shipbuilding nations are having this problem and goes on to show what steps are being taken by those nations to assist their industry. I seek leave to have that report inserted in *Hansard* without my reading it.

Leave granted.

SHIPBUILDING: ACTION SOUGHT AGAINST PRICE-CUTTING

Before a team of leading Japanese shipbuilding industrialists boarded their aircraft from Tokyo to San Francisco this month for crucial talks with their European counterparts, a formal note was handed to the Japanese Government by the E.E.C. Commission's representative in the Japanese capital.

The timing of the delivery of the note had been deliberate, given the importance of the talks, and it marked a major phase in the development of relations between the commission and Europe's shipbuilding industry. For years European industry has been pressing for a coherent community policy and commission support—without much success. Throughout this year demands for firm action from Brussels in the face of the most serious decline in demand for tonnage since the 1930's, exacerbated by ruinous price-cutting by the Japanese to secure the few orders that are available, have been gaining in volume. Through a complex of organisations representing various countries and groups of countries, Europe's shipbuilders have sought to explain carefully, objectively and coolly the extent of the crisis which could threaten thousands of jobs in the years ahead if it remains unchecked.

After intensive talks between leaders of the Association of West European Shipbuilders in the autumn, the commission called for detailed evidence of Japanese shipbuilders' price dumping practices. Members of the A.W.E.S. which includes all the E.E.C. shipbuilding countries with Sweden, Norway, Spain and Finland, were able to provide that information. For months they had been making

allegations that Japanese yards, desperate to fill their massive surplus capacity, had been cutting prices to unrealistically low levels as much as 40 per cent below prices quoted by European yards. The industry itself, through the A.W.E.S. and the Council of European Builders of Large Ships, had already had two sessions with the Japanese before the December conference in San Francisco, but little had emerged from the earlier sessions. That the Europeans were able to go into the meetings supported by the E.E.C.'s strongly-worded policy statement to the Japanese, represented therefore a considerable hardening of the European posture and attitude. The main objectives of these discussions have been to secure from the Japanese a commitment to eliminate the practice of distorting prices and at the same time to agree on measures which would lead to a reduction in output.

Throughout the world there is a massive over-supply of shipbuilding capacity and it has been forecast that capacity could safely be cut back by two-thirds without any problems in meeting demand. Developing countries are pressing ahead with new yards when it is clear that there is already a massive surplus. The crisis has been compounded by the repercussions of the 1973 Arab-Israel war which has led the oil companies and the shipping industry to cancel close on 50 000 000 tons of tanker orders that were on shipbuilders' books little more than a year ago as the world economy began its descent into recession. There are those who have been worse hit than others. Norwegian yards and the Japanese who had concentrated on the series production of large oil tankers have been badly hit while those shipbuilding industries in Britain and Germany, which have maintained a mixed bag of ship types in their order books, have not been so adversely affected. But while most European yards have sufficient work to carry them through the next 18 months to two years, new orders are needed now and in the next few months if there is to be sufficient work available in the years up to 1980 and beyond for the yards that are at present building ships.

At the end of September this year, the Japanese industry which builds more than half the world's new ships, had an order book totalling 37 700 000 tons gross. The combined order book of the eight E.E.C. countries building ships (the exception being Luxembourg) amounted to 22 200 000 tons gross but with the inclusion of orders held by European countries outside the Community (Finland, Norway, Sweden and Spain) the European order book stood at a level of slightly more than the 37 000 000 tons gross. There is therefore little to choose in the size of the respective order books between the two shipbuilding blocks, but the Japanese with their higher rates of output clearly pose a threat because of the need for them to secure new work to replace completed orders. But the Japanese yards, which are often part of much larger industrial groups with the ability to work closely with Japanese Government departments, have shown they do not intend to ease their grip on the world market. Some have argued, notably the British, that those who have expanded most should contract accordingly.

It is against this background that the eleventh-hour intervention by the Commission has given heart to the European shipbuilding industry; although no-one should be under any illusions of the scale of the problems which lie ahead. There will be painful decisions to be taken and there will have to be a scaling down of shipbuilding capacity, and with it jobs, if the industry is to emerge stronger and more able to withstand the next drop in the market and in a strong position for the move upwards. As Mr. Per Anker-Nielsen, the Norwegian Chairman of the A.W.E.S. observed before leaving for the San Francisco talks: "Yards are approaching the necessary limits for taking contracts; they are approaching the time when contracts have to be signed for yards to stay in business at all". Much depends on the Commission and on the attitude of member governments. In a directive issued in June, the Council of Ministers declared that a "healthy and competitive shipbuilding industry is necessary for the community; that it contributes to its economic and social development as it represents a substantial market for a number of sectors including those of advanced technology and also contributes to maintenance of employment in a certain number of regions of the community".

No European shipbuilding industry would disagree with such a laudable objective but the crux of the matter is really what the E.E.C. considers to be "healthy and competitive" in terms of size, production and employment. The

European shipping fleet, embracing only the E.E.C. member states, accounts for about 23 per cent of the world merchant fleet while last year E.E.C. yards delivered about a quarter of world shipbuilding output. The industry has the muscle therefore to argue forcefully with the Japanese muscle which can now be flexed at the call of the commission. Clearly major difficulties between member states have to be resolved. The means by which a competitive industry can be created could involve the phased rundown of shipbuilding capacity in some regions of Europe and to any government this would be unpalatable politically. A reversion to protectionist policies seems unlikely given the community's traditionally liberal approach to world trade.

But that there must be a rapprochement between the industries of Europe and then with the Japanese, is patently clear. Without moves towards the development of a coherent and comprehensive policy for shipbuilding in Europe, the outlook is bleak. The shipping industries of Europe could become almost totally dependent on Japanese shipyards, which would then not be offering to cut European prices by up to 40 per cent.

SUMMARY OF AID GIVEN IN SEVEN COUNTRIES

1. JAPAN

The following have been the principal features of Japanese maritime policy.

- 5-year goals for the delivery of new ocean-going ships to Japanese operators
- interest subsidies to finance each annual program for building ships for the domestic fleet
- an initial depreciation allowance of 25 per cent on new ships and other tax rules whose effect is to minimise payment of corporate tax by Japanese operators who continue to improve their fleet
- deferred capital gains tax on sales of ships
- tax credits against earnings in the foreign trades by Japanese operators
- cheap credit to shipbuilders to finance suppliers' credit to foreign ship buyers
- cheap credit to finance shipyard expansion
- immediate tax write-off of devaluation losses on deferred payments of suppliers' credits to foreign buyers.

The cost to the Japanese government budget of such assistance to the maritime industry for the Japanese fiscal year ending in March, 1973 is estimated at \$500m on current account and \$278m for increased borrowing of government funds by the industry.

Government support saved the shipbuilding industry about \$250m in the same fiscal year, about 6.6 per cent of the value of the ships they delivered. Undervaluation of the yen saved foreign buyers at least another 20 per cent for ships bought under dollar denominated contracts.

Government support saved Japanese shipping lines about \$250m in the same fiscal year, equal to about 9 per cent of their revenues. Those operators acquiring ships under the government credit program probably had savings equal to 15 per cent of their revenue.

The Japanese maritime policy techniques that most merit U.S. consideration are:

- interest subsidies to ship owners
- special depreciation allowance for ship operators
- supplier credits on foreign ship sales financed by the Export-Import Bank
- government credit for acquiring U.S. flagships employed in the foreign trades.

2. SPAIN

The following have been the principal features of Spanish maritime policy:

- no foreign-built ship operated under Spanish flag
- all crude oil and other state-trade commodities imported into Spain for domestic consumption must be imported on Spanish vessels if capacity is available
- the large government-owned industrial sector prefers to use Spanish vessels
- multi-year programs for expanding the Spanish fleet
- accelerated depreciation available especially to ship operators
- cheap credit arranged by the government for domestic operators buying new vessels
- a "concerted action" program to consolidate and modernise the shipbuilding industry with the help of cheap credit and free depreciation on new investments
- government ownership of major shipyards, with minimal return on equity

government conversion of foreign exchange into pesetas at the pre-revaluation rate on contracts signed prior to the 1973 revaluation
 government capitalisation and refinancing of shipyards in financial difficulty
 subsidised credit to shipyards to finance suppliers' credits to foreign ship buyers.

The cost to the Spanish government budget of such assistance to the maritime industry in 1973 may be estimated at \$200m.

Government assistance to the shipyards in 1973 was worth about \$150m, equal to about 20 per cent of the cost of the ships they delivered.

The value of government assistance to Spanish shipping lines in 1973 was about \$60m, equal to more than a third of their freight revenues.

The Spanish maritime policy technique that may be of particular interest under U.S. conditions is the payment of shipbuilding subsidies as a fixed percentage of the selling price of any vessel built in a national yard.

3. SWEDEN

The following have been the principal features of Swedish maritime policy:

- accelerated depreciation of ships and in recent years depreciation of over 100 per cent of the investment costs
- inventory write-down potential for shipyards which can help shelter profits in boom years
- credit guarantees to shipyards on second mortgage loans
- sheltering of capital gains from ship sales if reinvested in new ships
- government participation in industry consolidation and specialisation
- subsidised loans to shipowners
- interest free loans and other special rescue aids to shipbuilders in financial difficulties
- subsidised interest rates on exports
- use of tax-free reserves to shelter windfall profits

The cost to the Swedish government budget of its aid to the maritime industry in 1972 is estimated to be about \$85m. This is exclusive of the cost of exempting ships delivered to domestic owners from VAT, which would add about \$22m. About \$30m was for navigation aids and related harbor costs, which should be recouped from charges to ships using its harbors.

Government support saved the shipbuilding industry about \$22m for the same fiscal year. This represented a benefit of about 4 per cent of the value of ships delivered. With improved operating results in 1973 the value of the tax benefits should increase.

Government support saved the shipping lines about \$37m which was equal to about 8 per cent of revenues.

The Swedish maritime policies that most merit U.S. consideration are:

- accelerated depreciation of ships
- pre-delivery depreciation and depreciation over 100 per cent of cost
- inventory (work-in-progress) write-down potential for shipyards
- subsidised interest rates.

4. THE FEDERAL REPUBLIC OF GERMANY

The following have been the principal features of German maritime policy:

- direct construction subsidies
- interest subsidies on ship acquisition loans by domestic operators
- a 30 per cent initial depreciation allowance, including down-payments and progress payments, on a new ship write-off against personal income of tax losses from individual investments in a new ship
- deferment of capital gains tax on the reinvested proceeds from a ship sale
- 50 per cent reduction in tax payable on shipping income earned in the foreign trades
- multi-year shipbuilding programs with construction and credit subsidy adjusted to facilitate reaching program goals
- grants, cheap credit and special accelerated depreciation for investment in shipyard facilities
- interest subsidies and low interest loans from public funds to shipbuilders to finance suppliers' credit to foreign ship buyers
- exemption from the value-added tax of all ships whether built for domestic or foreign buyers.

The cost to the government of the Federal Republic and the coastal state governments of Germany of subsidies and tax benefits to their maritime industries may be estimated currently at about \$100m a year, a sum that should reach \$250m by the later years of the current decade. The exemption from the value-added tax was worth another \$50m in 1972, a sum that will probably reach \$125m a year before the end of the 1970's.

For 1972, the value of government aid to the shipbuilding industry may be estimated at \$50m, expected to reach \$200m a year between 1976 and 1979. The combined effects of an under valued exchange rate, unrealistic pricing and government subsidy probably resulted in ships being delivered from German yards in 1972 at 20 per cent or more below their full cost of production. For the rest of the decade, an average subsidy of 11 per cent is expected to permit profitable operation of the shipyards. Exemption from the value-added tax is equal to another 11 per cent of new ship prices.

The value of direct and indirect subsidies to the German ocean-going fleet in 1971 was at least \$100m, about 5.5 per cent of gross revenues.

The German maritime policy features that most merits U.S. consideration are:

- fixed percentage construction subsidy for all types of ocean-going vessels
- special depreciation and tax free proceeds of ship sales tax incentives to sell a ship within 10 years of its purchase.

5. NORWAY

The following have been the principal features of Norwegian maritime policy:

- special tax free reserves to which a ship operator or shipbuilder may allocate profits from boom years
- special initial or accelerated depreciation provisions for ship or shipbuilding productive equipment
- 6 per cent customs rebate on ship sales
- subsidised interest on second mortgage loans made to the shipyards so they can finance ship sales
- exemption of ship sales from capital gains tax if the gain is reinvested in ships or can be offset by funds from certain reserve accounts
- lower personal income tax for seagoing personnel
- provision for ship owners to charge off devaluation losses.

The cost to the Norwegian Government of its support to its maritime industry in 1972 is estimated to be over \$200m, exclusive of the cost of exemption from the investment tax of ships built for domestic owners, which would add about \$18m.

Government support saved the shipbuilding industry about \$30m in the same fiscal year which was approximately 7½ per cent of the value of their deliveries.

Government support to the Norwegian ship owners was worth at least \$160m, equal to about 7 per cent of freight revenues.

The Norwegian maritime policy techniques that most merit U.S. consideration are

- special initial or accelerated depreciation provision for ships or shipbuilding facilities
- special tax free reserves
- exemption of ship sales from capital gains if reinvested in new ships—(accompanied by greater flexibility in timing of ship sales).

6. UNITED KINGDOM

The following have been the principal features of the United Kingdom's maritime policy:

- cash investment grants to U.K. ship owners towards the purchase of new ships (this provision was terminated in 1971)
- free depreciation of new ships, which permits a ship owner to use any rate in any year until the ship is fully depreciated
- government support to shipbuilders for mergers, consolidation, and specialisation
- ship construction grants (on a declining scale)
- subsidised credit on ships built for foreign or domestic owners
- facility investment grants for shipbuilders located in development areas to foster modernisation
- subsidised credit to shipbuilders for new facilities
- rebate of customs taxes
- accelerated depreciation of shipyard facilities in development areas.

The cost to the U.K. government of support to its maritime industry was over \$550m in 1972, exclusive of the cost of exempting from VAT of the ships built for domestic owners, which would add about \$37m.

The value of the government support to the shipbuilding industry may be estimated at slightly over \$50m. In addition equity investments and loans totalled another \$22m. Exclusive of the equity investment and the loans, the support was about 12 per cent of the value of the ships delivered.

The value of the government support to the shipping companies in 1972 is estimated to have been about \$520m which was about 17 per cent of revenues.

The U.K. maritime policy techniques that most merit U.S. consideration are as follows:

- accelerated, flexible depreciation of ships
- subsidised credit for ships built for foreign or domestic owners
- subsidised credit for new shipbuilding facilities
- accelerated depreciation of new shipbuilding facilities.

7. FRANCE

The following have been the principal features of French maritime policy:

- multi-year programs for increasing French merchant fleet tonnage, with government support programs adapted to facilitating achievement of program goals
- government support for mergers, regrouping and specialising of shipbuilders and shipping lines
- requirement that two-thirds of crude oil imports be carried on French flagships or on approved charters
- equipment grants to operators for the purchase of new ships
- interest subsidies on new ship acquisition loans
- government subsidy of the cost of injuries and illness aboard ship
- a highly accelerated depreciation system for all French industry, together with other tax shelters that serve to minimise taxes on profits, especially for industries with large new investments

exemption from income tax liability on operations carried on outside of France, including shipping services construction subsidies on new ships built in French yards

investment subsidies and cheap credit to encourage shipyard modernisation and consolidation
inflation insurance program for shipbuilders
subsidised credit to shipbuilders to finance their suppliers' credits to foreign ship buyers
exemption from the value-added tax for all ships, whether built for domestic or foreign owners.

The cost to the French government of support to its maritime industry may be estimated at \$400-\$500m per year.

The value of government support to the shipbuilding industry may be estimated at \$200-\$250m per year, equal to about one-third the annual value of French shipbuilding.

The value of government support to French shipping operators may be estimated at \$150-\$250m a year, a sum approximately 10-15 per cent of their operating revenues.

The French maritime policy techniques that most merit U.S. consideration are:

- interest rate subsidies to ship owners
- accelerated depreciation and low tax rate on capital gains from ship sales
- preference rules with respect to crude oil
- restructuring, modernising and specialising of the shipbuilding industry.

The Hon. F. T. BLEVINS: No nation in the world gives less support to the shipbuilding industry than does Australia, and a further table showing the amount of assistance given in 1971 by all the major nations to their shipbuilding industries would, I think, be useful for all South Australians to note and compare with assistance given by the Australian Government. I now seek leave to have inserted in *Hansard* without my reading it a table showing the measures of assistance to the shipbuilding industry.

Leave granted.

ASSISTANCE TO SHIPBUILDING

Assistance from Public Sources	Belgium	Canada	Denmark	Finland	France	Germany	Italy	Japan	Netherlands	Norway	Spain	Sweden	U.K.	U.S.A.	Australia
A. Protection of the national market—															
1. Customs duties on ships		X			X		X	X			X		X	X	X
2. Import Restrictions		X				X		X			X		X	X	
3. Government purchasing			X												
B. Direct subsidies	X	X			X		X							X	X
C. Fiscal assistance—															
1. Customs duty exemption	X	X			X	X	X	X	X		X	X	X		X
or rebates for imported materials and parts			X												
2. Tax exemption	X		X	X	X			X	X	X	X	X	X		
or rebates						X	X				X				
D. Finance for investments and research—															
1. Facilities for the equipment of yards	X	X			X		X	X					X		
2. Loans or grants for the reorganisation and conversion of yards	X	X	X		X	X	X	X	X	X		X	X	X	
3. Contributions to research															
4. Assistance for the development of shipbuilding capacity abroad								X					X		
E. General facilities for financing the activities of yards—															
1. Provision or guarantee of finance on favourable terms			X			X	X		X	X	X	X	X	X	
2. Public ownership or participation															
F. Export credit facilities—															
1. Provision of credits on favourable terms	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
2. Export credit insurance	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
G. Assistance to customers (shipping, fishing, etc.)—															
1. Home credit schemes	X	X	X		X	X	X	X	X	X	X		X	X	
2. Demolition and/or modernisation subsidies	X	X			X	X	X	X		X			X	X	
3. Operating subsidies					X										

Source: U.S. Department of Commerce: *Maritime Subsidies*, 1971.

The Hon. F. T. BLEVINS: While I am still detailing the amount of assistance given by other nations to the other shipbuilding industries, it is interesting to note a specific concrete example that concerns Australia directly with the American shipbuilding company, the Bethlehem Steam Corporation which has been awarded a \$US156 600 000 contract to build two cargo ships for Farrell Lines Inc. for the U.S. and east coast of Australia and New Zealand routes. The U.S. Commerce Department will pay 49.6 per cent, or about \$US77 800 000, of the cost of the two 27 340 tonne dead weight vessels. So an American company in the Australian trade is massively supporting its shipyards in America and its owners, and always has done. If any member desires to read about that it is contained in a magazine *Oversea Trading* published by the Department of Oversea Trade, volume 28, No. 16, August 20, 1976.

Honourable members, after reading the documents incorporated in *Hansard*, will agree that it is not surprising that Australian yards cannot compete on a free open market, because a free open market just does not exist. Without exception, the major trading nations will not, in any circumstances, allow these shipbuilding industries to collapse, because they know that their economic life depends on shipping and they realise they have to be self-reliant in shipping and shipbuilding.

Apart from the questions of trade, there is also the question of defence. The Whyalla shipyards came into being because Australia could not expect any other nation to supply it with ships during the Second World War, and nothing at all has changed since the 1940's. In times of war, Australia would still not get its ships from any other nation. To be self-reliant, Australia has to keep its shipyards for the protection of its people. To kill off the industry because of a temporary position of over-supply is tantamount to treason, and it disturbs me that we have in the Liberal and National Country Party Government people who would leave this island continent without the means of keeping its lifelines open. Apart from the questions of economics and defence, what of the social consequences of closing down this industry? On top of the already massive unemployment in this country, I suppose Fraser and company think another 6 000 or 7 000 unemployed is not important, but, to anyone with any kind of feeling for the individuals concerned, it is of major importance.

Mr. George Campbell, on behalf of the Amalgamated Metal Workers Union, the Federated Ironworkers Association, the Federated Shipwrights and Ship Constructors Association of Australia, and the Federated Ship Painters and Dockers Union of Australia, made the following submission to the Industries Assistance Commission:

The great majority of these members are facing immediate disruption of their lives as a result of the threatened closedown of shipbuilding activity. Many will face the grim prospect of extended unemployment with all of the consequences of privation, both economic and cultural, that follow. Alternative employment will be difficult to obtain for some and impossible for others in the foreseeable future. Many will be forced by economic pressures to leave homes established and built up over the years in the hope of finding a new means of livelihood in a new area. All of the disruption and frustration involved will leave a deep scar on those who are to have this economic and family disruption inflicted on them.

It is not the function of the Industries Assistance Commission to consider the level of protection desirable for the shipbuilding industry solely in terms of economic or financial circumstances. It has certain responsibilities to the Australian community to have regard to the social costs involved. These are set out in the commission's statutory obligations. In every inquiry the commission is required

to have full regard to the national objective of maintaining full employment. There have been some reviews undertaken by the commission where new tariff levels have been suggested with an arguable effect on employment. In this matter there appears little room for argument.

It must be emphasised again that there is little prospect of any retrenched employees gaining alternative employment. The level of unemployment in New South Wales at the end of July was 6.04 per cent in seasonally adjusted terms. There were 137 532 persons registered as unemployed at that date (seasonally adjusted figures). In the metal trades industry some 5 197 male skilled workers were unemployed (actual figures). If the areas most likely affected by a closedown of the shipbuilding industry are considered the degree of the likely catastrophe becomes plain. In the Newcastle-Gosford-Maitland district there are more than 12 000 persons presently unemployed. If an industry such as shipbuilding were to close with the consequent increase in unemployment in the district the result in social and economic terms would be disastrous.

In Whyalla, about 1 000 are presently unemployed. In a small localised community this level is already having a severe adverse effect. But if shipbuilding ceases Whyalla will lose its mainstay. Many of those working in Whyalla are migrants brought to Australia with the promise of a new life with security. A decision to disrupt their lives with such severity cannot be lightly made with good conscience. To summarise the unions' view, we state:

1. Australia needs a shipbuilding industry and the cost to maintain it is in the national interest.

2. There are problems in the industry which we freely recognise and are prepared to use our best efforts to co-operate in their solution.

3. Comparison on international costs should be done in some depth after looking at all of the alternatives.

4. If persons are to be retrenched from the industry for the alleged advantage to the rest of the community it is only fair and just that they should be adequately compensated.

5. Full and proper regard should be had to the social cost involved as well as purely economic considerations.

6. The industry should be judged on its cost structure in the light of the protection and assistance given to its suppliers and not only on a superficial examination.

7. Shipbuilders and employees should be given encouragement and adequate time to develop a more efficient industry.

That submission put up an unanswerable case to answer but, of course, the I.A.C. did not see it that way. The commission does not see the position the way manufacturing industry sees it. The commission brought down a decision that would remove about 10 000 people, or about 26 per cent of the population, of Whyalla. Those people have to leave. Imagine 10 000 people leaving the city! The effect on that city will be devastating, and all because the Fraser Government has decided that Australia should not have a manufacturing industry.

The Hon. J. A. Carnie: Which Federal Government Minister lowered the subsidy from 45 per cent to 35 per cent?

The Hon. F. T. BLEVINS: Does the honourable member know?

The PRESIDENT: Order! The honourable member must address the Chair, not carry on a conversation across the Chamber.

The Hon. F. T. BLEVINS: That begs the question that the honourable member who interjected was out of order in the first place. Obviously, the Hon. Mr. Carnie has no facts and he knows little or nothing about the industry. I am trying to put facts and figures in *Hansard* and, when he has looked at them, I will be more than pleased to debate the matter with him. I suggest that, until he gets facts and figures and until he knows a little about the industry, he should not show his ignorance, and he should keep quiet.

So that members opposite will know just what the workers in the industry are prepared to do to assist in

keeping disputes to a minimum, I seek leave to have inserted in *Hansard* the Australian Council of Trade Unions resolution on the shipbuilding industry, and also resolutions from the National Shipbuilding Council and a mass meeting of workers at Whyalla Shipbuilding and Engineering Works on the same matter.

The PRESIDENT: Is leave granted?

The Hon. M. B. Dawkins: No.

The PRESIDENT: Order! Leave is refused.

The Hon. F. T. BLEVINS: You want to speak to your Whip and your Leader, because I have already arranged it with the Whip, the Leader, the President and the Clerk. As far as I am concerned, that is good enough, and I again seek leave to have inserted in *Hansard*, without reading them, resolutions from the Congress of the Australian Council of Trade Unions held in September, 1975, from a meeting of the National Shipbuilding Council, held in Canberra on June 11, and from a mass meeting of workers held at Whyalla Shipbuilding and Engineering Works on May 27.

The PRESIDENT: In order that there will be no misunderstanding, I will put the question: that the honourable member have leave to have those resolutions incorporated in *Hansard*. Those in favour say "Aye"; those against say "No". Leave is granted.

A.C.T.U. CONGRESS RESOLUTION

Shipbuilding:

Congress notes with deep concern the depressed state of the Australian shipbuilding and ship repair industry, and the closure in recent times of a number of major shipbuilding facilities, this during a period of unprecedented expansion of the Australian shipping fleet.

Congress declares that a viable, efficient and planned shipbuilding and ship repair industry with the capacity to produce and maintain all Australian flag vessels, necessary to meet Australia's shipping requirements now and in the future, is of national importance and should be regarded as an essential service. However, it should be recognised that if a viable, efficient and planned shipbuilding and ship repair industry is to become a reality then it will require a completely new approach by everyone concerned with the industry from the Government down to the worker on the shop floor.

To that end, Congress welcomes the report of the Australian Shipbuilding Industry Study Mission of September-October, 1974, as presented to the Government in August, 1975, and recommends that unions involved in shipbuilding and ship repair give serious considerations to the mission's findings.

Congress, in particular, notes the mission's findings that in all the major shipbuilding nations there was a strong financial commitment to the industry by government.

Congress is aware that the problems of the Australian shipbuilding and ship repair industry are two-fold. One is the immediate need to provide sufficient work to enable the industry to stay afloat. This is essential if sufficient time is to be allowed to enable the major restructuring of the industry to take place, so necessary to put it on a viable and efficient basis. In pursuance of the objective of establishing a viable, efficient and planned shipbuilding and ship repair industry, Congress declares that:

1. That Australian Government should reaffirm its stated objective of maintaining and building a viable and efficient shipbuilding and ship repair industry.
2. There should be greater Government financial assistance to the industry, not only in the form of subsidies, but assistance in the area of aiding the industry to purchase new plant and equipment, and to introduce new production techniques. It is essential if a strong, viable and planned shipbuilding and ship repair industry is to become a reality.
3. A national advisory body should be formed consisting of shipbuilders, maritime and shipbuilding unions, shipowners, suppliers and Government, to meet regularly to review and consider the development of the industry with a view to co-ordination,

development and planning of a long-term programme for the industry.

4. A national shipbuilding college should be established which would embrace a design, research, development and training centre.
5. A national shipbuilding committee should be established under the auspices of the A.C.T.U. This committee should comprise representatives elected by each shipyard from union delegates and union officials elected from a meeting of unions in the industry. It would meet on a quarterly basis to consider matters raised by the national advisory body concerning the industry on the national scene, and would forward items to the national advisory body for its consideration.
6. There should be an interchange of workers between Australian shipyards, and an interchange of workers between Australian shipyards and overseas shipyards with similar work situations in order to examine new techniques and develop interchange of ideas.

In order to overcome the short-term problems with which the industry is faced, Congress declares that:

1. All repair and refit work on Australian flag vessels should be carried out in Australian shipyards or ship repair facilities (except where damage or service requirements arise in overseas ports).
2. That Australian flag vessels should be constructed in Australian shipyards, except where they are urgently required or where it is proven that Australian yards cannot meet the required construction dates (provided that sufficient notice is given to the industry), or the proposed vessel cannot be constructed with the currently available facilities.
3. No vessel capable of being built in Australian shipyards (except those exceptions already mentioned) to be accepted on the Australian coast.

NATIONAL SHIPBUILDING COUNCIL RESOLUTION

(a) Long-term Objective: The long-term objective was to establish a representative national council which would put into operation the recommendations of the Oversea Study Mission and the Industry Forum to ensure the continuing future of the industry.

(b) Short-term Objective: The short-term objective would be to meet on a regular basis, with special meetings as required, to deal with the immediate problems facing the industry. Other groups concerned with the industry, e.g., ship repair, should be included in the council and others who could assist with immediate problems could be co-opted.

RESOLUTION OF WORKERS AT WHYALLA SHIPBUILDING AND ENGINEERING WORKS

We believe it to be of national importance that a viable and efficient shipbuilding industry be developed in Australia.

We support the recommendations of the Shipbuilding Forum held in September, 1975, and the policy decision of the A.C.T.U. Congress held September, 1975.

The implementation of the above recommendations and policy decision is crucial if a viable and efficient industry is to be achieved.

We congratulate the A.C.T.U. Interim Shipbuilding Committee and the Australian Shipbuilders Association for taking the initiative in forming a national council in order to implement these recommendations.

However, we would make it quite clear that the success of such an endeavour and the degree of co-operation achieved at the workshop level here in Whyalla will depend upon the following:

1. A clear understanding that there will be no redundancy of the present work-force employed at Whyalla as a result of any changes in working practices, or the introduction of new production techniques.
2. Greater consultation by management and the recognition by management of a works committee representing all shipyard employees.
3. A clear statement by the Government that it will support and assist the industry in achieving the above objectives.

We call upon the A.C.T.U. to immediately convene a meeting of Federal unions and rank-and-file representatives from the major shipbuilding areas to consider positive action by the trade union movement in seeking the implementation of the Shipbuilding Forum recommendations and the A.C.T.U. Congress policy decision.

The Hon. F. T. BLEVINS: There is no doubt in my mind that the latest proposals put to the Australian Government by this State Government are a solid basis for putting the industry back on its feet. If the State Government's proposals are agreed to, that will ensure the continuation of the industry. To make the industry economically viable in the long term requires a far larger market for ships than presently applies on the Australian coast. To get the economies of scale needed in this industry requires Australia to gradually implement the United Nations formula for allocating shipping trade between nations. That is, 40 per cent of the trade between two countries should be carried in ships belonging to those countries, and the 20 per cent remaining by third parties. If such a policy was implemented, an enormous expansion would take place in the Australian shipping fleet and, of course, the building and replacing of that Australian fleet would give our shipbuilders the economies of scale that make shipyards viable. This idea of a national fleet is, of course, not new. I want to read a statement to members opposite; they should take note, because these are very wise words.

The PRESIDENT: Order! There is too much audible conversation.

The Hon. F. T. BLEVINS: You are correct, Mr. President. The wise words are as follows:

Australia is the world's only island continent. We are one of the great trading nations of the world. Our prosperity depends upon our ability to export our own products and resources and to import the goods which are produced in other parts of the world. It is incomprehensible that a nation such as ours should not be one of the world's leading maritime powers. The annual cost to Australia of freight is of the order of \$1 000 000 000. The savings in foreign exchange and the acquisition of skills and resources would more than offset the cost involved in creating a national fleet. A large proportion of the real profits that we should obtain from the export of natural resources is lost to this country because of the costs involved in shipping.

The Opposition believes that Australia is not only capable of becoming a large-scale maritime nation but also that one of the functions of the national Government is to encourage this development. What needs to be done in shipbuilding is to give the Australian shipbuilding yards terms that are at least equal to those of overseas yards. Give them a chance to compete.

No-one can argue with that statement, which was made in the Commonwealth Parliament by Mr. Nixon when in Opposition on June 3, 1975. He was exactly correct. What hypocrisy and what humbug, that this man, who is now Commonwealth Minister for Transport, with the chance to put his grand words into action, is instead attempting to destroy the industry. I know he will fail. The Australian people will not let him and his gang succeed, because the people are coming to realise that it may be the shipyards today, but it is everyone's job tomorrow, unless one is engaged in the rural or mining industries, and they employ only about 10 per cent of the work force. I appeal to all members opposite to join the Labor Government in this State in saving the shipbuilding industry for Whyalla, South Australia and Australia. I support the Bill.

The Hon. J. C. BURDETT: I support the second reading of the Bill. The Budget appears to effect considerable tax relief. Of course, the actual direct tax relief in the areas of land tax, stamp duties, and succession duties is considerable—about \$8 900 000. However, this cost to the Government is almost completely met by the net amount it received in taxation over and above what it expected to get last year in connection with these same taxes; this amounted to \$6 600 000. This increased amount

was collected largely because of the high rates of taxation in an inflationary economy. The concessions are almost offset by this windfall.

All that the Government has done has been to go part of the way toward redressing the injustice caused by high rates of capital taxation in an inflationary period. Moreover, when we turn to the estimates of receipts on Revenue Account, we find that, while estimated receipts of taxation have dropped by about \$4 000 000, estimated departmental fees have increased by more than \$95 000 000. This represents an increase of almost 70 per cent. This is alarming, because increased departmental fees would seem likely to fall heavily on people with the smallest incomes, the least amount of capital assets and, therefore, the least ability to bear those fees.

I refer to the proposed abolition of succession duties on successions between spouses. There is something incomprehensible about the whole history of this matter. I ask the Minister, when he replies to this debate, to explain this point. Last year, the Government allowed a remission, within certain defined limits, of stamp duties and gift duty which would otherwise have been payable on the gift of an interest in a matrimonial home. The remission initially applied for the period from July 14, 1975, to July 13, 1976. The Premier subsequently announced his intention to introduce legislation for the abolition of succession duties on estates passing to widows and widowers. I understand that a considerable number of persons availed themselves of the opportunity to transfer interests in matrimonial homes as a result of this remission, with the intention of reducing the incidence of succession duties on their estates.

Although the only likely source of accurate information would be the Commissioner of Stamps, I understand that a significant number of applications were lodged, a large number of these being lodged in the final weeks of this period of exemption. Although State Government charges were remitted, there was, of course, no remission of Federal gift duty. Unless, therefore, the net value of the interests conveyed pursuant to the remission was less than \$10 000 (assuming there to be no other relevant gifts) it was necessary for persons affected to pay Federal gift duty. A number of persons were faced with this situation but, in the belief that the ultimate effect of availing themselves of the remission would be beneficial, they incurred liability for Federal gift duty, in some cases amounting to substantial sums. Apart from Federal gift duty, valuation fees and legal expenses were also incurred.

In some instances, transfer documents have been stamped by the South Australian Commissioner of Stamps, and in other instances documents are still held by the Commissioner. In one such instance, the liability for Federal gift duty will amount to \$750. Owing to the fact that husbands and wives are involved, both the title and the transfer documents are within the control of the person acting for the parties, and there is no doubt that the legal position is such that registration is within the power of the parties and that the gift is, in the legal sense, irrevocable, despite the fact that registration may not yet have been effected.

I find it hard to believe that in the first two weeks of July, 1976, (being the final two weeks of the initial period of exemption) the Government was not aware that it intended to announce the abolition of succession duties on estates passing to spouses, operative as from July 1, 1976. The matter appears even more confusing in the light of the Government's subsequent announcement that the period for remission of stamp duties and gift duty would be extended to January 31, 1977.

The Government at present seems to be intent on copying Liberal policy. The proposed abolition of succession duties on successions between spouses is one example of this, and the proposed abolition of rural land tax and the revision of other rates is another example. In neither case did the Government go far enough in emulating Liberal Party policy. In the area of succession duties, most successions, in point of number, and a large proportion, in terms of value, are to children. While the Liberal Party advocates a complete revision of rates to give reasonable relief to children as a result of inflation, the Government has not done this.

I also believe that it is necessary to give greater relief from land tax, particularly to house owners. It is, however, pleasing to see the Government copying Liberal Party policy. I suppose imitation is the sincerest form of flattery. The Labor Party seems to be hell bent on posing as a Liberal Government. It should be remembered that the Labor Party, however much it may copy our individual policies, is anything but a Liberal Government. Its official objectives are still the nationalisation of the means of production, distribution and exchange.

The Hon. C. J. Sumner: To the extent necessary to avoid exploitation. Perhaps you might quote it in full.

The Hon. J. C. BURDETT: That seems to be interpreted as the Labor Party pleases. In last week's *Sunday Mail* there was a two-page report on one of the Government's Ministers, namely, the Attorney-General. The report states that Mr. Duncan's political philosophy is based on a study of Marxist thought, relating it to Australian society. It would appear from that report that that statement was made with the Minister's approval. The statement is somewhat vague, probably deliberately. It seems to me that the Attorney-General supports the Marxist philosophy and wishes to apply it to Australian society. So, despite its haste to copy individual Liberal policies, let no-one be deceived: the Labor Party is still entirely committed to its policy of the nationalisation of the means of production, distribution and exchange.

The Hon. C. J. Sumner: To the extent necessary to avoid exploitation.

The Hon. J. C. BURDETT: Apparently, that is to be interpreted in the light of Marxist philosophy. I now refer to education, and raise the matter of the Mannum Primary School and dental clinic. More than four years ago, the Government said that it approved, in principle, the construction of a new Mannum Primary School. Several questions have been asked about this matter since, although there is still no line on the Estimates for the construction of that school. So, if four years ago—

The Hon. D. H. L. Banfield: You're saying that you're happy about cutting out public buildings.

The Hon. J. C. BURDETT: I did not say anything like that at all.

The Hon. D. H. L. Banfield: Your Party has said that.

The Hon. J. C. BURDETT: Four years ago, the Government said that it was necessary to build a new Mannum Primary School. I therefore ask the Minister (and I hope he will answer this question when he replies) when the Government will do what it said four years ago was necessary. I turn now to the field of what I will call, in a very broad sense, community welfare. There are a number of voluntary organisations that operate in this area. They commonly operate very efficiently, and at much less cost than can the Government. This is, of course, because much work can be done by volunteer effort.

The Government has assisted most of these organisations, and has co-operated with them. However, I think more could be done to give these organisations greater financial assistance so that they may serve the community, and in many cases they do so more economically than can the Government. As examples, I mention the Right to Life Association, the Prisoners' Aid Society in its activities of providing hostel accommodation for juveniles, the Murray Valley Development League, the National Council of Women, and the sheltered workshops. I suggest that it would be good business for the Government to give greater assistance to these and other similar organisations. I support the second reading.

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

BRANDS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 7. Page 1373.)

The Hon. B. A. CHATTERTON (Minister of Agriculture): During the second reading debate, the Hon. Mr. Whyte raised a number of questions about the permanent branding of animals. I assure him that this position has not changed in the legislation. The matter is already covered in the existing legislation and is, of course, raised with great discretion by the department. In fact, the permanent identification of cattle is done only on those that are designed for slaughter. It is done after the cattle have been valued under the Cattle Compensation Act and the price has been agreed to by the owners. The department is well aware of the problems that the Hon. Mr. Whyte has raised, and it will not involve a situation in which owners are penalised.

Bill read a second time.

In Committee.

The CHAIRMAN: Does any honourable member wish to speak to this Bill in Committee?

The Hon. A. M. WHYTE: I rise merely to say that I accept the Minister's statement clarifying the matter that I put to him. Is the Minister willing to give an undertaking in this respect?

The Hon. B. A. CHATTERTON: This is the way in which the Agriculture Department works, and I give the honourable member the undertaking that he has requested. This relates to animals which are condemned for slaughter and on which compensation payable under the Cattle Compensation Act has been agreed to. Those animals in quarantine herds, or those not classed as positive to a test, would not be permanently branded.

Bill read a third time and passed.

CATTLE COMPENSATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 7. Page 1373.)

The Hon. B. A. CHATTERTON (Minister of Agriculture): The Hon. Mr. Dawkins raised a number of matters during the debate. In 1973 the Treasury made an advance of \$110 000 to support the Cattle Compensation Fund at an interest rate of 5 per cent. The debt has not been repaid. The money standing to the credit of the fund

attracts an interest rate of 6 per cent, so the fund is not disadvantaged by maintaining credit advances at the Treasury. Associated with the progress made over the years against the disease under the Cattle Compensation Act, compensation is now payable.

The other point raised by the honourable member concerned the *Stock and Station Journal*, which is an obsolete term under the old Act and has been deleted. That publication is now called the *Stock Journal*, and it is thought appropriate to have just one publication under the Act. I said it would be widely advertised. The publications that have been used include the *Advertiser*, the *Stock Journal*, the *Sunday Mail*, and the *Farmer and Grazier*.

The Hon. M. B. Dawkins: Can I have an assurance that those papers will continue to be used?

The Hon. B. A. CHATTERTON: Yes.

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

STOCK DISEASES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 7. Page 1374.)

The Hon. B. A. CHATTERTON (Minister of Agriculture): The Hon. Mr. Cameron raised the point in the second reading debate about the delay that could occur when cattle were found positive to disease on trace-back and property follow-up testing. He said there should be something incorporated in the Act to ensure that that situation was covered. It is difficult to provide some limit to this. The point raised by the Hon. Mr. Cameron about the tail-tagging is acknowledged by the officers of my department, who never pretend that the tagging of cattle is 100 per cent effective. In Western Australia, which has more experience than other States, it has proved to be about 85 per cent effective in its operation. There are certainly errors that can occur through the faulty identification of animals, the wrong transcription of numbers, and the occurrence of false positives on laboratory testing. I explained that all trace-back information and associated laboratory testing had to be interpreted in the light of the field disease situation. Because of this, it has been the policy of the department to test positive trace-back herds as soon as possible after the information has been received, and that will continue to be our policy—test them as soon as possible.

The diseases in some cases are difficult to submit to laboratory tests. To take the case of tuberculosis in cattle, it has been proved that if laboratory samples are collected from animals with tubercular swelling after tests, as is often the case, it could take up to three months to obtain a report, and even if the sample is negative on examination it does not necessarily mean that tuberculosis is absent from the herd. These procedures, which are used in South Australia, are well recognised, so it is not an isolated situation.

The prime reason for the amendment to section 11 of the Act, which enables an inspector to quarantine stock of unknown disease status, is that a number of stock-owners are recalcitrant in having their animals tested for such diseases as tuberculosis and brucellosis. Through their neglect, they can place neighbours and other stock at risk of disease and considerably increase the costs of the campaign which are, in large part, borne by the farmers themselves, as was brought out in the second reading

debate. In cases where owners refuse testing, it is necessary to place the herds in quarantine until testing has been arranged and carried out. So I think I can reassure the honourable member that the concern he shows is adequately dealt with by the testing and the necessary identification of false positives on laboratory testing in connection with quarantine.

Bill read a second time.

In Committee.

The CHAIRMAN: Does any honourable member wish to speak in Committee?

The Hon. M. B. CAMERON: In his reply to the debate, the Minister indicated (and I accept his indication) that the department carries out test procedures as soon as possible after the disease is suspected. He also indicated that the system is considered to be about 85 per cent effective; it would take up to three months for tests to be finally carried out. Even though I accept that it would be very difficult to amend this Bill to make a requirement for the period, three months can be a long time, if that is the period of quarantine for the final identification of disease, for a person to wait to have the quarantine lifted, particularly when the tail-tagging system does have problems, as the Minister has indicated. The most important one is that tail-tags are not fool-proof and can be and are misused by people, as the Minister has previously indicated.

Therefore, people can have animals quarantined awaiting testing procedures on grounds not applicable to their own cattle. In other words, a cow has been slaughtered with tail-tags on, which is not a certain person's cow, through the faulty use of the tail-tag concerned. Can the Minister indicate whether the department will continue the search for a more reliable method of identification of cattle for slaughter other than the tail-tagging system? As he says, it is already being done in America. Will the system be developed to bring about minimum imperfection in the identification system?

The Hon. B. A. CHATTERTON (Minister of Agriculture): Certainly, we will monitor research on identification. True, work is proceeding in America in this area, but I do not believe that anything has been developed for commercial use in relation to the identification of cattle. However, other research has been under way concerning the placing of identification tags below the skin. I understand it is not a commercial operation but, so far as we are concerned in South Australia, we would like a 100 per cent fool-proof system. We do not have one yet. There is room for human error and room for failure with tags. We will continue to look for methods to improve the effectiveness of the system. Meanwhile, we have to work with what we have got.

Bill read a third time and passed.

POULTRY PROCESSING ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 12. Page 1426.)

The Hon. A. M. WHYTE: I rise to support the Bill, although I do so with some reservations. Had the same legislation been submitted to me from processors and not supported by producers, I would have found it difficult to support. The old saying is true that one seldom makes money from producing primary produce, but much money can be obtained from selling primary produce. As this Bill is supported by producers, I must support it, especially

as I have heard of no opposition to it from producers. That is surprising, especially as I am not sure that the Bill does exactly what producers think it will do.

When this Bill is passed heavy penalties up to \$2 000 will come into force. I hope the same harmony that now exists between producers and processors will continue. I have little to say about the Bill itself. As the Minister explained, it is designed to give some stability to those producers who presently cannot bargain with any great force on their own behalf with processors and who, in fact, have little opportunity to obtain a price which returns them a fair reward for their efforts.

I was interested in the information that has come forward in the debate concerning the huge numbers of chickens slaughtered. About 158 000 000 chickens are slaughtered annually in Australia, and I was told of producers who handle between 30 000 and 40 000 boiler birds in one shed and who turn over the same quantity of birds about every 10 or 12 weeks.

It is pleasing to know that Victoria and Western Australia already have legislation similar to that proposed here. Throughout the Bill there is no reference to a poultry farm, a boiler farm or a broiler farm, the word "farm" only being used. However, in discussions with the people supporting this legislation, it was obvious that they sought only to refer to the broiler industry, and they were concerned only with farmers producing more than 5 000 or 10 000 birds a year. Indeed, if the cut-off figure were 20 000 birds they would not mind that, either. There should be an exemption provided and the term "farm" should be spelt out more clearly and should refer to the broiler chicken industry.

The exemption clause should provide for small producers who do not have a contract with any of the known processors, thereby enabling small producers to still sell the few birds they produce, whether they be boilers or broilers. I will attempt to have such a provision written into the Bill at a later stage. The clause dealing with the formation of a committee provides that there will be an even number of producers and processors on the committee. I hope the members get on well together, because it is a pretty tight piece of legislation they are dealing with. It has been suggested that there will be three members on the committee from each section, with an independent chairman. The Hon. Mr. Dawkins referred to an appeal tribunal, whereas the Bill provides that any disagreement will be arbitrated by the Minister.

That might be the best way to go about the matter. After all, the Minister is accessible through the Parliamentary procedure, but there is no further appeal from the determination of an independent tribunal. Further, the Minister could get a good lambasting from everyone concerned, including honourable members who represent more closely the industry than do others who might be involved.

I intend to have written into the Bill that "farm" does not just mean any farm, but refers to a broiler chicken farm. There should be an exemption for farmers producing less than 5 000 birds. The industry has indicated that such an exemption will be of no consequence. All the industry is concerned about is the 68 registered producers in the State who produce more than 30 000 birds every 10 weeks. Such producers are not concerned about farmers producing 200 or 300 boilers and they are happy to accept an exemption level of 5 000 birds.

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

ART GALLERY ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 12. Page 1418.)

The Hon. C. M. HILL: I support this short Bill, which gives the Art Gallery Board authority to borrow funds subject to the Treasurer's consent. The Treasurer is also given the right to guarantee the repayment of respective loan moneys. It would seem to me reasonable that the Art Gallery Board should take this opportunity to borrow some money and I would think that the board, as a responsible committee, would exercise care and great caution concerning the amounts of money that it sought under this new provision.

It has concerned me for some time that in the general allocation of funds for the arts, whilst the Art Gallery has been paid grants of a gradually increasing sum, much larger amounts are allocated to the performing arts. In general consideration of priorities, the Art Gallery has not been treated as generously as it might have been. This Bill will therefore allow the gallery to increase the funds which are available to it, and as a result I would think that the gallery might be able to acquire more exhibits than it has been able to purchase in the past. Not only is the number of exhibits the point in issue, but in today's world the cost of such purchases is increasing all the time.

The Hon. D. H. L. Banfield: *Blue Poles* is more valuable now.

The Hon. C. M. HILL: I did see where Mr. Whitlam said—

The Hon. D. H. L. Banfield: Not Mr. Whitlam, one of the board members.

The Hon. C. M. HILL: I read where Mr. Whitlam said it was more valuable; and to back up his judgment he challenged someone else to call tenders for it. I do not take much notice of Mr. Whitlam. It was Mr. Whitlam who personally commissioned the Industries Assistance Commission inquiry into the arts, and that has caused so much of a furore that the person who initiated the report should be ashamed of himself. I do not think the Minister should get up the pole on this issue! All I am trying to say (and I am trying to be quite reserved in my comments on the Bill) is that I support the change the Government is seeking. I hope that as a result of the change we will see further valuable acquisitions purchased by the board and, as a result, the Art Gallery and the people of South Australia should benefit in the future.

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

MARINE ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 12. Page 1419.)

The Hon. R. A. GEDDES: I support this short Bill. It has some interesting features relating to the history of why the amendments have been introduced by the Government. One of them is that when, under section 63 of the principal Act, an accident occurs at sea, and should an officer be negligent in his duties aboard ship, there is no provision for an inquiry to be held into his conduct (or

misconduct) or to ascertain how an accident has happened. This was revealed to the committee by a judge of the Marine Court when a particular case was being heard. In effect there was no provision for a court to inquire into the problem.

Later on, when the amendment was made some years ago which brought fishing boats into the ambit of the Marine Act and there had been a collision at sea between two fishing boats, it was found when an inquiry was held that there was a provision to reprimand the boat, but no provision to reprimand the skipper of the boat. That is the other reason for the Bill, and I am sure that the Minister is fully aware of these matters.

The Bill amends section 63 to provide for skippers who are guilty of careless navigation, drunkenness, tyranny, or a failure of duty, or who have caused by wrongful act the loss or abandonment of, or serious damage to, any ship, or loss of life, to appear before a Marine Court of Inquiry. Clause 4 gives the Government authority to make regulations to control fishing boats on the Murray River. At the moment, under the Act all fishing boats which go to sea come under the provisions of the Marine Act. That means that certain life-saving equipment has to be on board and incorporated in the design, before ships go to sea, and this is only common sense.

Murray River fishermen have always been excluded from the ambit of the Act, and it must be remembered that only a year or two ago the Government brought in some very sweeping legislation under the Boating Act, which controls all pleasure craft, whether they be in the open sea or in the Murray River. That Act provides safety regulations wherein life-saving equipment must be carried, and skippers must have a licence to drive. So Big Brother, looking down and checking on all these things, realises that there is an under-privileged community on the Murray River, the fishermen, who do not need to have safety equipment and do not need to have a licence: all they have to do is catch fish. It is very hard to find any fishermen on the Murray River who can say whether or not they want this Bill to go through. From inquiries I have made, I believe the Bill is sensible, and I therefore support the second reading.

The Hon. J. C. BURDETT secured the adjournment of the debate.

SALARIES ADJUSTMENT (PUBLIC OFFICES) BILL

Adjourned debate on second reading.

(Continued from October 12. Page 1419.)

The Hon. D. H. LAIDLAW: I support the second reading of this Bill. The powers given to the Public Service Board and Teachers Salaries Board to permit salary adjustment to have retroactive application is granted by the Public Service Act, 1967-1975, and the Education Act respectively. Under the Salaries Adjustment (Public Service and Teachers) Act, which was enacted originally in 1960, a person who dies or retires between the date of adjustment and the date of retrospective application will receive the increase but not a person who resigns. This Bill seeks to repeal the existing Act and to grant generally the right for a public servant or teacher to receive the adjustment, whether he dies, retires or resigns. I see no reason to draw a distinction between the three.

This matter has recently been considered in the private sector. In May, 1975, the Western Australian Industrial Appeals Court decided in favour of an appellant who had resigned from her job but had not been paid for a wage increase with retrospective application. This Bill would therefore convey to members of the public sector the same rights enjoyed by those in the private sector. I support the Bill.

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

ADJOURNMENT

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

That the Council at its rising adjourn until Thursday, October 14, at 2.15 p.m.

I take this opportunity to convey birthday greetings to the Leader of the Opposition. I understand that the Leader celebrated his birthday yesterday. Actually, it is easy to forget the Leader's birthdays, because he looks younger and younger each year. As a result, the occasion crept up on me. Nevertheless, we wish the Leader all the best.

Motion carried.

At 5.50 p.m. the Council adjourned until Thursday, October 14, at 2.15 p.m.