LEGISLATIVE COUNCIL

Tuesday 6 November 1979

The PRESIDENT (Hon. A. M. Whyte) took the Chair at 2.20 p.m. and read prayers.

OMBUDSMAN'S REPORT

The PRESIDENT laid on the table the Ombudsman's report for the financial year ended 30 June 1979.

MINISTERIAL STATEMENT: PUBLIC SERVICE

The Hon. K. T. GRIFFIN (Attorney-General): I seek leave to make a statement.

Leave granted.

The Hon. K. T. GRIFFIN: It is clear that some members of the Opposition are deliberately seeking to undermine the status and morale of the South Australian Public Service and that sections of the media are allowing themselves to be misled by what are nothing more than scandalous misrepresentations. The Leaders of the Opposition in both Houses have persistently purveyed false information about the numbers of public servants involved in transfers since the change of Government.

Not once but twice they have said 100 public servants were involved in the changes, although the Premier has corrected this on both occasions. The number is 38, not 100. The irresponsible accusations, obviously designed to cause fear and unrest in what is a fine Public Service, have not involved only gross exaggerations in numbers, however.

Less than two days ago, the Hon. Mr. Sumner made allegations of a "hit list", making it now necessary for the Premier and me to give further details about the transfers that have taken place. The largest number of the 38 public servant transfers were 11 from the former Policy Division of the Premier's Department. These arose because the Premier, my other colleagues and I decided, before we came into Government, that there should be a different manner of dealing with policy issues and Cabinet business. We wanted to put an end to a situation where submissions to Cabinet from individual Ministers could be examined and further commented upon by officials of the Premier's Department before being discussed and decided in Cabinet.

Six more transfers involved officers who at the change of Government were Ministerial officers and who were members of the Public Service, and therefore held a substantive position within the Public Service. They have reverted to their previous classifications although in different positions from those they originally held. Two officers in the Department of Community Development, Ethnic Affairs Branch, other than those already mentioned in the categories above, have been transferred. One other officer of this branch was transferred but has since been re-employed in her former position. One other officer of this branch was redeployed internally.

Three more former Ministerial employees, who did not have a substantive Public Service position, have been found appropriate Public Service positions. Five Public Service staff employed in offices of former Ministers (they are a different category from Ministerial appointees) were also reassigned, although three of these placements are still being reviewed.

Two staff employed in the Unit for Industrial Democracy and not already mentioned are also being redeployed. Other public servants who have moved as a result of the change of Government include three officers who asked or were asked to join the staff of the Premier's Department. Finally, there are the public servants who sought to join the staff of the Leader and Deputy Leader of the Opposition. They number four in all.

In addition, the Leader of the Opposition in the Upper House has asked that the officer performing steno-secretarial duties to the previous Leader be redeployed and a new steno-secretary appointed. As I have said, 38 public servants have been transferred since the Liberal Government took over. Redeployment is not new and, in fact, a significant number of changes were made when the former Premier came to office earlier this year without a change of Government. Other changes will inevitably occur from time to time as part of the normal operation of the Public Service. In addition, at the Opposition's request, three former Parliamentary members of the previous Government were offered re-employment in State Government departments, following their defeat. Two of these members accepted the employment offered.

Let me deal now with the question of morale. First, the officers who have been transferred have been placed in jobs at the same level, and with the same salary, as the jobs they had before. They have the same rights and prospects for promotion as have other public servants. In their interests, as well as the best interests of the service as a whole, the sooner the Opposition stops misinforming the public the better. These officers for the most part want nothing else but to settle down in their new positions and to get on with their careers as public servants.

As for the 17 000 other Public Service officers, they have every reason to have confidence in their future. We have pledged that the Government's objective of reducing the size of the public sector will not be achieved by sackings. Public servants' jobs are secure, provided that they continue to work with the professional dedication which South Australians expect and have a right to demand of them. Reductions in numbers will be achieved by natural wastage (retirements and ordinary staff turnover) and people resigning for personal or family reasons, or to take an opportunity in the private sector.

This means that those who remain in the Public Service can look forward to a stimulating, challenging, competitive environment, and one in which there will be opportunity for individual self-fulfilment in service to the South Australian community, as well as opportunity for advancement in rank and salary for the ones who are the most effective and efficient. Public servants themselves know that to be true and are happy about it; a lot of them have told us so.

That is why the Premier and I and my colleagues are confident in saying that morale in the Public Service is good, and the so-called morale issue raised by the Opposition is a non-issue. However, if members of the Opposition continue in their irresponsible and damaging comments about the Public Service, they will do harm. For that reason, the Premier and I are answering them directly, in the interest of South Australia and of good, stable government for all of us.

MINISTERIAL STATEMENT: BEER PRICES

The Hon. J. C. BURDETT (Minister of Community Welfare): I seek leave to make a statement.

Leave granted.

The Hon. J. C. BURDETT: On Thursday 1 November 1979 in this Council I answered a question from the Hon. C. J. Sumner relating to the recent increase in beer prices.

I stated that, as far as I could recall, I received representations on behalf of the brewing industry, the Australian Hotels Association and the Consumers' Association of South Australia when the application was being considered. On reflection, I recall that I did have discussions with representatives from the Consumers' Association of South Australia at that time. However, these discussions were about price control generally and particular items which were subject to price control. The discussions with the Consumers' Association of South Australia did not cover the increase in beer prices which was then being considered. I regret that I did not recall this when giving my answer last Thursday.

QUESTIONS

LEGAL SERVICES COMMISSION

The Hon. C. J. SUMNER: I seek leave to make a brief explanation prior to asking the Attorney-General a question about the Legal Services Commission.

Leave granted.

The Hon. C. J. SUMNER: While I was Attorney-General I became aware of certain difficulties that the Legal Services Commission could potentially be in as a result of its budgetary position. In fact, in the last financial year the commission ran over its budget allocation from the Federal Government, but this was made up by that Government at the end of the last financial year. Earlier this financial year, I became aware that there might be further problems if the commission accepted all those applicants who were eligible for legal aid, bearing in mind the budgetary allocation needed to deal with all those eligible applicants.

I asked the Legal Services Commission to keep within its budgetary allocation and undertook to review the situation should there be any problems. It now seems that some problems have arisen with the Legal Services Commission budget. As I have said, it now appears that, if the commission accepts all those people who are eligible, it will not have enough Federal or State funds to provide assistance to all those people who are eligible. It is also disturbing that Miss Armstrong had indicated that per head of population the amount the South Australian Commission receives is less than that of some other States. In this morning's *Advertiser* Miss Armstrong said that per head of population South Australia receives $1·46; Western Australia $2·43; and $5·35 for the Australian Capital Territory. It seems unfair that the Federal Government does not provide an equitable amount to all States for legal aid.

Are the figures mentioned by Miss Armstrong, and referred to in my explanation, correct? Secondly, will the Attorney-General make urgent representations to the Commonwealth to ensure that funds are available to provide legal aid for all applicants who are eligible for it? Thirdly, will the State Government consider additional funding to the Legal Services Commission to enable it adequately to carry out its charter?

The Hon. K. T. GRIFFIN: As to the first question, about the accuracy of the figures, my information is that these figures are generally within some realm of accuracy. It must be remembered that the figure mentioned for the Australian Capital Territory does not take into account that the funding from the Commonwealth to the Australian Capital Territory contains both what in South Australia is a State component and a Commonwealth component. For example, in South Australia, when the Legal Services Commission was established, the Commonwealth and the State entered into an arrangement different from arrangements in other States, which vary among themselves, and that arrangement was based on the number of assignments that the Australian Legal Aid Office, as it was then known, actually took and the proportion which that bore to the State-financed legal aid assignments.

When the commission was established here and the arrangement was entered into between the State and the Commonwealth, those factors were taken into consideration. In the Australian Capital Territory, for instance, there was no funding similar to the State-based funding of legal aid; in fact, the Commonwealth met both components.

The whole question of the Legal Services Commission's funding is a difficult one, and I am sure that the Leader, when he was Attorney-General, would have had similar difficulty to that which I am now having in coming to grips with the complexities of the financial arrangements upon which the commission is based. However, since I have been Attorney-General several discussions have taken place with the Director and the Chairman of the Legal Services Commission and also with my officers with a view to establishing a more effective basis of controlling the administration of the commission.

The point that needs to be made is that, at the end of the three months ended 30 September 1979, the over-run in commitment level at the Legal Services Commission is very much on those assignments for which the Commonwealth would ordinarily accept responsibility under its financial agreement. There is a moderate over-run on State assignments, but that is not unexpected over a short period. It is not expected over the period of a year that there will be any substantial over-run of the commitments relating to State matters. The Commonwealth over-run is a matter that my officers and those of the commission are currently reviewing with a view to making submissions to the Commonwealth thereon. Only recently, there has been a change in some aspects of Commonwealth funding, to the benefit of the Legal Services Commission.

Regarding the State over-run and commitments, provision has been made in this year's Budget for an allocation of $129 000, which the Treasury has indicated can be drawn upon if unforeseen circumstances arise that necessitate drawing on any part of that amount.

The final question was whether the State Government would consider allocating additional finance. I have already indicated that there is provision in the Budget for a contingency, which will be reviewed on its merits when applications are made.

FIELD PEAS

The Hon. B. A. CHATTERTON: I seek leave to make a statement before asking the Minister of Community Welfare, representing the Minister of Agriculture, a question regarding field peas.

Leave granted.

The Hon. B. A. CHATTERTON: Last year, there was a very good crop of field peas in South Australia, and many producers expected difficulties in marketing their crops. The United Farmers and Stockowners Association of South Australia Incorporated took an active part in trying to find export markets for the field peas grown in South Australia. With the good season that we are having this year, it seems that there will again be a large quantity of field peas on the market, and growers are once more concerned about the market potential for this crop. On

Eyre Peninsula, producers have formed a committee to try to improve the marketing of field peas, and I believe that producers elsewhere are active in this respect.

Will the Minister of Agriculture support the activities of growers in trying to improve the market for field peas and particularly to try to get a stable minimum price for the crop? Also, will he ask the Barley Board, which now has power to become involved in marketing crops other than barley and oats, to look into the opportunities that exist in relation to field peas and to try, on behalf of South Australian growers, to market them?

The Hon. J. C. BURDETT: I will refer the honourable member's question to my colleague and bring back a reply.

HOUSING TRUST RENTS

The Hon. M. B. CAMERON: I seek leave to make a statement before asking the Minister of Housing a question regarding Housing Trust rents.

Leave granted.

The Hon. M. B. CAMERON: It has been alleged in a news item today that Housing Trust rentals are about to be increased. I understand that this is a result of the Commonwealth-State Housing Agreement, which requires rentals to be reviewed annually. Will the Minister say whether such a review has taken place and, if it has, whether there is to be an increase in trust rentals?

The Hon. C. M. HILL: Under the Commonwealth-State Housing Agreement, signed by the Dunstan Government in 1978 and operational until June 1981, the State Government is required to make an annual rent review and to ensure that rents are market-related. Recommendations from the trust on rental levels for Housing Trust accommodation were put to the former Minister of Housing before the State election in September, but no action was taken and these recommendations are still under consideration.

RURAL LAND

The Hon. J. R. CORNWALL: Can the Minister of Local Government, representing the Minister of Lands, say whether the Government intends to freehold leasehold agricultural and other rural properties? If so, does it intend to take up the Crown's share of the unearned increment in those properties? What classes of property will be affected? What formula will be used for arriving at the amount of unearned increment? What body or statutory device will be used to prevent subdivision into non-viable areas?

The Hon. C. M. HILL: I will refer those questions to the Minister of Lands and bring back a reply.

LOCAL GOVERNMENT FINANCE

The Hon. J. A. CARNIE: I seek leave to make a brief explanation before asking the Minister of Lands a question about local government financing.

Leave granted.

The Hon. J. A. CARNIE: An article in the Melbourne *Age* on 3 November stated:

> Ratepayers may soon be able to invest money with municipal councils. This follows a decision made recently by the Municipal Association. It wants to amend the Local Government Act so councils could raise money by issuing debentures and inscribed stock to investors. Association secretary Mr. Ian Pausley explained: "It means that instead of local residents depositing their cash in banks and other financial institutions, they can lend it to councils. Once the details are worked out, the proposition will be put to the State Government," he said.

Is it possible, under the South Australian Local Government Act, for councils to raise funds in this way in South Australia? If it is not, will the Minister investigate the possibility of amending the Local Government Act so that it can become law?

The Hon. C. M. HILL: It is possible in South Australia for this form of borrowing to occur by local government authorities. They actually have the power to do that by the issuing of debentures and obtaining finance in that way. To the best of my knowledge, local government in this State has not shown any interest in this form of financing. Local government has turned to the more traditional means of raising money through banks and other institutions. Unlike its counterpart in Victoria, it has the power to do it in South Australia. Therefore, there is no need to make any changes to the Act to give it that opportunity.

HOTEL EMPLOYEES

The Hon. G. L. BRUCE: I seek leave to make a brief explanation before asking the Minister of Community Welfare, representing the Minister of Industrial Affairs, a question about the Industrial Conciliation and Arbitration Act.

Leave granted.

The Hon. G. L. BRUCE: Earlier this year a case was conducted involving the Leg Trap Hotel and the Liquor Trades Employees' Union following the dismissal of five casual employees. As a result of the first hearing, the union members concerned were reinstated. However, following an appeal by the Leg Trap Hotel before the Industrial Commission, it was ruled that the court had no jurisdiction over casual employees as regards giving them protection under section 15 (1) *(e)* applying to harsh, unjust, or unreasonable dismissal. Will the Minister look into this matter and indicate whether he sees the need to legislate to amend section 15 (1) *(e)* to give protection to the large number of people employed as casuals (by casuals, I mean those employed on a continuous basis) who are not given protection against harsh, unjust or unreasonable dismissal as the Act now stands?

The Hon. J. C. BURDETT: I will refer the honourable member's question to my colleague and bring down a reply.

ETHNIC AFFAIRS

The Hon. R. C. DeGARIS: Will the Minister Assisting the Premier in Ethnic Affairs inform me of the policy the Government intends following in regard to its election promise to assist in the building of ethnic community centres in South Australia? What money has been budgeted this year for such projects and what priorities has the Government placed on providing these centres?

The Hon. C. M. HILL: I will have to get the figures from the Budget papers. As far as ethnic community centres are concerned, we are supporting the establishment of ethnic information and resource centres in various parts of the State and in some areas in the suburbs of Adelaide. The principal centre is the centre where the main branch personnel are housed.

The Hon. C. J. Sumner: You mean what is left of them. You booted five of them out of it.

The Hon. C. M. HILL: The main branch is working splendidly and better than it ever did previously. There will be a continuing need for expanding centres in order to satisfy the problems and needs of ethnic people, especially those in the rural areas of the State. Attention will be given, wherever the demand exists, to allocating ample resources for those purposes.

DAIRYSOFT

The Hon. J. E. DUNFORD: Will the Minister of Consumer Affairs investigate the extraordinary rise in the price of Dairysoft in South Australia since it came on to the market in 1978? The original recommended price to the consumer was 60c, and currently Dairysoft is selling at 85c. Will the Minister bring back a report to the Council on this matter?

The Hon. J. C. BURDETT: Yes.

B.Y.O. LICENCES

The Hon. J. A. CARNIE: Has the Minister of Community Welfare a further reply to my recent question about b.y.o. licences?

The Hon. J. C. BURDETT: I have made inquiries into the matters raised by the honourable member and have found no evidence of officers of the Licensed Premises Division of the Department of Public and Consumer Affairs having obstructed or discouraged applicants for limited restaurant licences. In carrying out their duties, these officers are required to have regard to the requirements of the Licensing Court, the standards of premises required and the provisions of the Licensing Act. This means they are called upon to examine and sometimes criticise plans of proposed premises and alterations to premises when assisting intending applicants. The procedures for making an application for a limited restaurant licence are the same as those for a restaurant and most other licences and are set out in sections 40 and 41 of the Licensing Act.

HOME FOR INCURABLES

The Hon. R. C. DeGARIS: I direct my question to the Minister representing the Minister of Health. Publicity was recently given to the fact that at the Home for Incurables one part of the hospital containing 200 beds was not occupied, even though over 600 patients were awaiting admission to the hospital. Will the Minister representing the Minister of Health say, first, whether there are any other hospitals in South Australia with accommodation not being occupied and, if so, which hospitals and what number of beds are not being utilised? Secondly, has the Minister any plans to utilise this unused capacity? Thirdly, was it planned, at the time of construction, that the beds being provided would not be utilised?

The Hon. J. C. BURDETT: I will refer the question to my colleague and bring back a reply.

CEREAL STORAGE

The Hon. BARBARA WIESE: I seek leave to make a brief statement before asking a question of the Minister of Community Welfare, representing the Minister of Agriculture.

Leave granted.

The Hon. BARBARA WIESE: A number of wheat farmers in the State have expressed concern that the anticipated record harvest of cereals will be stored completely in the bulk handling system operated by Co-operative Bulk Handling. Can the Minister say what the predicted harvest of cereals is likely to be? How much is expected to be delivered to C.B.H.? What storage is available? Are there likely to be storage problems in some localities? If so, has adequate provision been made for temporary storage in the open so that the wastage that occurred in Victoria last year does not occur in this State?

The Hon. J. C. BURDETT: I will refer the question to the Minister of Agriculture and get a reply for the honourable member.

ART GALLERY

The Hon. L. H. DAVIS: I seek leave to make a statement before asking the Minister of Arts a question about the Art Gallery.

Leave granted.

The Hon. L. H. DAVIS: I understand that in 1981 the Art Gallery will celebrate its centenary year. Obviously, this event will require planning and preparation in 1980, but I understand that the Chairman of the Art Gallery board will be overseas next year and that present legislation does not provide for a Deputy Chairman to act in his absence. Is the Minister aware of this problem and, if so, will he say what action has been taken or will be taken?

The Hon. C. M. HILL: The Chairman of the board brought this matter to my attention a few weeks ago, when he explained the predicament as he saw it and as has been mentioned by the honourable member. The Chairman will be absent on professional work for the following 12 months, and the board looks upon next year as an important year in the history of the Art Gallery, because of the planning for the activities for the 1981 centenary celebration. True, the Act does not provide for the office of Deputy Chairman. The Government has considered the matter raised by the Chairman and has agreed that amending legislation will be introduced to correct that situation. I hope that the Bill will be introduced before Christmas.

FOOTBALL PARK

The Hon. N. K. FOSTER: Some Minister on the front bench has had his department prepare a reply to a question I asked on Football Park catering, which includes grog.

The Hon. K. T. GRIFFIN: I have been advised by my colleague the Minister of Recreation and Sport that he understands that the South Australian National Football League has made arrangements for a private company to handle the catering at Football Park. However, he is not in a position to provide further information relating to the arrangement.

The Hon. N. K. FOSTER: Because of the reply, I wish to ask a supplementary question to seek information. I desire information as to the date on which the private company was set up to provide the catering for Football Park and what individuals associated with the Football League provided such catering services before such company was set up.

The Hon. K. T. GRIFFIN: I will have to refer that question to my colleague, and I will get a reply.

PUBLIC SERVICE TRANSFERS

The Hon. C. J. SUMNER: I seek leave to make a short statement before asking the Minister Assisting the Premier in Ethnic Affairs a question on the matter of staff transfers.

Leave granted.

The Hon. C. J. SUMNER: In the Ministerial statement that the Leader of the Government in this place gave to the Council before Question Time commenced today, he used what one could only describe as fairly intemperate language. One can only think that perhaps he and the Premier protesteth too much regarding what they did to the Public Service in the days immediately following the election. Perhaps you, Mr. President, may also allow me to say that I have never made the accusation that 100 public servants were involved in the transfers.

My quest in this Council (and I must admit that it has not been all that successful, particularly when I have asked questions of the Hon. Mr. Hill) has been to find out the truth about certain transfers and the reasons for certain transfers: nothing more or less than that. However, I now find, unfortunately, as a result of the statement made by the Leader of the Government that, rather than clear up the issue, it has now been more confused than ever, because whereas originally five people from the Ethnic Affairs Branch were transferred, now, according to the Minister's statement, there are only four.

It also may be of interest to the Council to note that the Minister refers to the Ethnic Affairs Branch in the Department of Community Development. When I was Minister, ethnic affairs was not a branch: it was a division in the Department of Public and Consumer Affairs. I suppose it takes a bright new Government several months to catch up with shifts that occurred in March. The statement that the Minister has made to the Council indicates now that four members of the Ethnic Affairs Branch, not five as stated originally by the Hon. Mr. Hill, were transferred and, further, that after one of them was removed for reasons of efficiency, he or she has now been transferred back to the branch.

Originally we had five transferred. Now according to the Minister's statement four were, and one of those four or five has been transferred back to the branch. If the Leader of the Government wanted to clarify the issue for the Council and give us useful information, he failed dismally. Were five persons transferred from the Ethnic Affairs Branch and, if so, what were the names of those persons and which person has been transferred back to the branch?

The Hon. C. M. HILL: The Leader gets terribly excited and jumps up and down in this Chamber as though the world is coming to an end or has come to an end. However, the matter is simple. As was reported in this Council, five persons were transferred. After a certain period, the activity in the branch has settled down under the new Government. The Acting Manager has now suggested that the work load is heavy and that a further person could be re-employed there.

The Hon. C. J. Sumner interjecting:

The Hon. C. M. HILL: The Leader is still jumping up and down and causing a stir in the Chamber over this matter. I said I would bring one back. That has been accomplished. There is nothing wrong with that. From memory, I think the names of those transferred were given in reply to a question.

The Hon. C. J. Sumner: Who has come back?

The Hon. C. M. HILL: The name of the person who has come back is Ms. Drapac.

CITRUS INDUSTRY

The Hon. C. W. CREEDON: I seek leave to make an explanation before asking a question of the Minister of Community Welfare, representing the Minister of Agriculture.

Leave granted.

The Hon. C. W. CREEDON: The citrus industry in this State has been somewhat turbulent over a number of years. A petition was organised to demand a poll on the future of the Citrus Organisation Committee and, when the poll was taken, a surprisingly high proportion of growers (about 40 per cent) voted to abolish C.O.C. in its present form. The South Australian Government then established an inquiry, under the chairmanship of Professor Murray McAskill. That inquiry was completed and the report issued for public comment about this time last year. Most industry groups expressed considerable enthusiasm for the recommendations of the report, and the member for Chaffey was particularly concerned that the report, in his words, "should not be pigeonholed". Can the Minister give an assurance that the member for Chaffey and Minister of Water Resources will be heeded and the report will not be pigeonholed but the necessary reforms to citrus marketing will be implemented?

The Hon. J. C. BURDETT: I will refer the question to my colleague and bring down a reply.

FIRE BRIGADE

The Hon. R. C. DeGARIS: Has the Attorney-General a reply to my question of 24 October about the fire brigade?

The Hon. K. T. GRIFFIN: The Government is aware of the position in other States in relation to the funding of fire brigades and the details are embodied in a report prepared by the committee of inquiry which recently completed an investigation on this matter. The Government is now giving careful consideration to the content and recommendations of that report.

DIRECTOR OF AGRICULTURE AND FISHERIES

The Hon. FRANK BLEVINS: I seek leave to make a brief statement before asking the Minister of Community Welfare, representing the Minister of Agriculture, a question about the Director of Agriculture and Fisheries.

Leave granted.

The Hon. FRANK BLEVINS: Last week the Minister of Agriculture appeared to mislead the House of Assembly in answer to a question by the member for Salisbury, who asked why the title of the Director of Agriculture and Fisheries had been upgraded to "Director-General" at the same time as the responsibilities of that permanent head were reduced by the removal of the Fisheries Division to a separate Fisheries Department. The Minister claimed, quite erroneously, that the permanent head of the Department of Agriculture and Fisheries had always been a Director-General. Will the Minister correct his mistake and explain why the title was upgraded simultaneously with the responsibility being downgraded?

The Hon. J. C. BURDETT: I will refer the honourable member's question to my colleague and bring down a reply.

STATE GRANTS COMMISSION

The Hon. R. C. DeGARIS: Has the Minister of Local Government a reply to my question of 30 October about the State Grants Commission?

The Hon. C. M. HILL: The reply is as follows:

1. The Local Government (Personal Income Tax Sharing) Act of 1976 stipulated a minimum of 30 per cent of the revenue-sharing funds be allocated on a population basis. All States have adopted a minimum varying from 30 per cent to 40 per cent, with the exception of Western Australia, which has adopted a weighted 80 per cent basis.

2. Under the South Australian Local Government Grants Commission Act, 1976, per capita grants are calculated for each council based on 30 per cent of the total funds available, and the remainder is distributed on an equalisation basis. The approach adopted for the "special grants", as defined in the Act, or equalising grants, is outlined fully in the reports of the Commonwealth Grants Commission prior to 1976, and in the annual reports of the State Grants Commission since. The broad principles for these equalisation grants are established in both the Federal and State Acts. Basically, the commission compares the revenue and expenditure characteristics of councils and estimates particular disabilities affecting individual councils. This procedure has been adopted since the State took over responsibility for recommending the distribution in 1976.

VOLUNTARY ORGANISATIONS

The Hon. ANNE LEVY: I seek leave to make a brief statement before asking the Minister of Community Welfare a question about grants to voluntary organisations.

Leave granted.

The Hon. ANNE LEVY: On 25 October I asked the Minister a question regarding the budgeted sum for grants to voluntary consumer organisations, which this year is stated to be $20 000. The Minister then explained why the allocation had been cut from $25 000 given by the Labor Government last year; the Minister's explanation was on the ground that at least one of the consumer organisations mentioned was expected to become self-sufficient. This cut is despite the Liberal Party's election promise that it would give every encouragement to voluntary consumer organisations. I presume that the organisation concerned, the Consumers' Association of South Australia, is not expected to become self-sufficient this financial year and that this is the ultimate aim only on the part of the Government and is not something to be imposed in one single hit. I am sure that the Minister realises that it is difficult for such organisations to draw up their budgets when they do not know what sum will be allocated to them by the Government. Questions about which staff have to be sacked and what economies have to be effected in other areas have to be planned and, without information as to the sum received, it is very difficult for such voluntary organisations to plan their activities adequately for the next year.

A number of other voluntary organisations not under the Minister of Community Welfare, but who receive money from the Health Commission, have already been told what sums they will receive in this financial year. Therefore, can the Minister say whether the determinations have yet been made about how the $20 000 allocated is to be divided between the various voluntary consumer organisations? If that is the case, what sum is to go to each voluntary consumer organisation and, if the sum has not yet been determined, how soon can it be determined so that the various organisations can plan their activities for next year?

The Hon. J. C. BURDETT: Only two voluntary organisations are involved—the Consumers Association of South Australia and the Tenants Association. The amount has been determined and communicated to those bodies, although I cannot remember the amounts.

The Hon. Anne Levy: It had not this morning.

The Hon. J. C. BURDETT: I do not think that is right. As far as I am aware, they have been told the total amounts which have been distributed between the two organisations. I will check on the matter and bring down a reply for the honourable member. It is fair to say that this is not really a cut: one of the reasons why the previous Government did fund for one year (and that was all that it promised) the two organisations for a total of $25 000 was so that there could be a permanent director and a permanent office, so that it would be possible to plan a membership drive. It was recognised that there was a sort of chicken and egg situation—that before one had a permanent home and a permanent director one could not effectively plan a membership drive. The idea was for the director and the office to be instrumental in planning a membership drive.

I certainly acknowledge what the honourable member has said, that we will not expect them to be self-sufficient in this year. I intend that there will be some grant made each year, particularly to CASA, which is the consumer body envisaged. The tenants association is related to the Residential Tenancies Act, which was directed equally at tenants and landlords, and we could receive applications from landlords' organisations.

The Hon. Anne Levy: Do they consume?

The Hon. J. C. BURDETT: I am referring to the Act passed by the previous Government and the residential tenancies organisation. As that Act is set up, it is directed as much toward landlords as to tenants and is used by landlords and by tenants. The body particularly concerned was CASA and I envisage that CASA would always have some support. As to how the $20 000 is to be divided, only two organisations are concerned. The determination has been made and I thought that CASA was aware of the division, but I will bring down a reply.

OVERSEAS TRAVEL

The Hon. B. A. CHATTERTON: I seek leave to make a brief statement before asking the Minister of Community Welfare, representing the Minister of Agriculture, a question about overseas travel.

Leave granted.

The Hon. B. A. CHATTERTON: In reply to a question on overseas travel relating to the Minister of Agriculture, the Minister of Community Welfare explained that $3 000 had been notionally allocated to cover outstanding expenses associated with my own mission, and that $500 had actually been needed.

In fact, $33 000 was on the Minister's line. Can the Minister explain what the additional $30 000 will be used for? Does the Minister of Agriculture at any time intend to travel overseas in 1979-80? Has the Minister merely deferred his plans because of adverse public reaction? In denying his own travel plans, the Minister further claimed that a large proportion of that $33 000 was to cover travel expenses of departmental officers. Therefore, which departmental officers are involved, where are they going, and why?

The Hon. J. C. BURDETT: I will refer the honourable member's question to my colleague and bring down a reply.

PUBLIC SERVICE TRANSFERS

The Hon. C. J. SUMNER: My questions are directed to the Attorney-General. Given that his colleague the Minister Assisting the Premier in Ethnic Affairs, the Hon. Mr. Hill, has admitted in this Council that staff transfers made within his jurisdiction were for political reasons, because those officers were indulging in politics (I will use his words), and that he obtained this information from Liberal Party supporters outside the Public Service and, further, that it is clear from answers given in this Council that certain bans have been placed on the employment of officers in certain departments within the Public Service, is the Attorney-General of the opinion that either the transfers, for the reasons specified, or the bans are contrary to the Public Service Act? Secondly, will the Attorney-General obtain a Crown Law opinion on both these issues and table that opinion in the Council?

The Hon. K. T. GRIFFIN: The Leader's premises upon which he bases his question are incorrect. The Hon. Mr. Hill has not admitted that the transfers were for political reasons and he has not indicated that his information was obtained from Party supporters outside the Public Service.

The Hon. C. J. Sumner: He did.

The Hon. K. T. GRIFFIN: I am answering the question.

Members interjecting:

The PRESIDENT: Order!

The Hon. K. T. GRIFFIN: I do not hold a view as to whether the transfers are contrary to the Public Service Act, except that on my interpretation of it, as I indicated in answer to a question last week, it did not appear to me that the transfers were contrary to the Public Service Act. There is nothing to indicate at this stage that I ought to obtain a Crown Law opinion.

OFF-ROAD VEHICLES

The Hon. J. R. CORNWALL: My questions are directed to the Minister of Community Welfare, representing the Minister of Environment.

1. Does the Government acknowledge that despite the fact that sales of off-road recreational vehicles have peaked, there are still at least 5 000 units sold annually?

2. Does it acknowledge that they are causing a serious and progressive degradation of the environment in many parts of the State?

3. Has it received the report on suitable off-road recreational vehicle sites throughout the State commissioned by the previous Government?

4. Has it received the report on special concessional registration and insurance for off-road recreational vehicles sought by the previous Government?

5. Will it proceed with the off-road recreational vehicle legislation which it promised so frequently when in Opposition?

6. Will the legislation be introduced in the autumn session?

The Hon. J. C. BURDETT: I will refer the honourable member's question to my colleague and bring down a reply.

PUBLIC SERVICE TRANSFERS

The Hon. C. J. SUMNER: My question is directed to the Attorney-General, representing the Premier. Will the Minister specify in each case what sections of the Public Service Act were used to effect the transfers referred to in answers to questions in this Chamber and in another place?

The Hon. K. T. GRIFFIN: I will refer the Leader's question to the Premier and bring down a reply. I move:

That Question Time be extended by five minutes.

Motion carried.

HOTEL EMPLOYEES

The Hon. G. L. BRUCE: I seek leave to make a brief statement before asking the Minister of Community Welfare, representing the Minister of Industrial Affairs, a question about long service leave.

Leave granted.

The Hon. G. L. BRUCE: Following the Leg Trap Hotel case relating to dismissals, the Australian Hotels Association sent a circular to its members advising them not to pay any long service leave to casual employees. The association felt that, as a result of the case dealing with the question of harsh and unjust dismissals, members need not pay casuals long service leave. I refer to the *Hotel Gazette of Australia* where, under the heading "Leave and casuals" the following article appears:

> Long service leave for casuals is a matter of interest to hotelkeepers.
>
> This issue has been highlighted of late by the "Leg Trap Case". Following that case, the Australian Hotels Association (S.A. branch) has received numerous queries.
>
> The Chief Executive Officer, Mr. W. F. Connelly, said the A.H.A. was seeking legal advice, and he adivsed hotelkeepers to refer any claims to the A.H.A. officer for advice until the situation was clarified.
>
> Hotelkeepers should be careful to ensure that they treat "bar" and "house" staff casual labor on an "engagement" basis—as the award specifies.
>
> If the services of a casual are no longer required, he or she should not be re-engaged or they should be re-engaged on a different basis.
>
> The operative word is "engage". A decision not to engage or re-engage a "bar" or "house" staff casual should not be treated as a "termination" or "dismissal" as may apply to a full-time or regular part-time employee.

In view of that explanation and the fact that thousands of people not only in the hotel industry but in other industries are consistently employed as casuals each week, can the Minister give an assurance that the Long Service Leave Act in its present form covers casual employees, and I mean those casuals consistently employed and not fly-by-night employees? If this assurance is not forthcoming, can the Minister indicate whether the Long Service Leave Act is to be amended to give force to what has been observed in industrial circles for the past several years, namely, the principle of consistently employed casuals qualifying for long service leave.

The Hon. J. C. BURDETT: I will refer the question to my colleague and bring down a reply.

RAILWAY GOODS SHEDS

The Hon. C. W. CREEDON: Does the Attorney-General have a reply to my question of 23 October about railway goods sheds?

The Hon. K. T. GRIFFIN: The State Transport Authority owns goods sheds in the metropolitan area located at the North Gawler, Gawler, Salisbury, Glanville, Edwardstown and Oaklands railway stations. The sheds are in a poor condition and are generally made use of for

storage purposes by the authority, the Australian National Railways Commission, and other bodies.

The sheds are constructed of timber and galvanised iron, with the exception of the Gawler shed, which is a stone-and-brick building, and are considered to be unsuitable for community purposes. While a considerable amount of money would be required to be spent on the building at Gawler, consideration will be given to any approach to the authority for its use for community purposes.

SMOKING

The Hon. BARBARA WIESE: Has the Attorney-General a reply to my recent question about smoking on public transport?

The Hon. K. T. GRIFFIN: The Government does not intend to lift the smoking restrictions that currently apply to public transport in South Australia.

YOUTH ACCOMMODATION

The Hon. ANNE LEVY: Has the Minister of Community Welfare a reply to my recent question about accommodation for teenagers?

The Hon. J. C. BURDETT: One programme which will provide accommodation for 20 homeless teenagers in four houses in the Noarlunga area has been approved. Two of these houses have been opened, and 10 young people have been accepted. Similar programmes submitted by organisations in the Enfield and Murray Bridge/Tailem Bend areas are being considered for funding. These latter programmes would cater for 20 and 10 homeless youths respectively.

The resident supervisors at Noarlunga have been chosen on the basis of their ability to relate to young people and to provide necessary oversight. They are not paid a salary, but are provided with rent-free accommodation. No formal academic qualifications are required. A Youth Accommodation Organiser with social work qualifications is employed to manage the programme. Similar arrangements are proposed for Enfield and Murray Bridge/Tailem Bend if those projects are funded.

This approach to the problem has been chosen to help meet the urgent need for low-cost supervised accommodation for homeless youths who do not need the long term therapeutic programmes offered by most of the existing shelters. This does not mean that I have any philosophical or other objections to existing children's shelters. I have already informed six Shelter Management Committees that I will enter into agreements with them which will involve continued funding in 1980.

EMISSION CONTROLS

The PRESIDENT: The Hon. Mr. Cornwall's question will be the last that can be asked, apart from Questions on Notice.

The Hon. J. R. CORNWALL: Has the Attorney-General a reply to the question I asked on 31 October regarding emission controls?

The Hon. K. T. GRIFFIN: The Government has taken a firm, conscious decision not to proceed with the third stage of ADR27A for at least two years after taking into account all the relevant facts, including those points raised by the honourable member.

AGRICULTURE

The Hon. FRANK BLEVINS: I seek leave to make a very brief explanation before asking a question of the Minister of Community Welfare, representing the Minister of Agriculture.

The PRESIDENT: Order! The time allotted for questions has expired. I said before the last question was asked that it would be the last question, apart from Questions on Notice.

CRIME

The Hon. C. J. SUMNER (on notice) asked the Attorney-General:

What specific legislative, administrative or other measures does the Government intend to take to fulfil its election promises to reduce the incidence of crime in South Australia, and when will such measures be taken?

The Hon. K. T. GRIFFIN: Many specific legislative, administrative and other measures are currently under review by the Government. They include extension of the Crown's rights of appeal on sentences, wider use by the Crown of the power to make submissions to courts on penalty, review of the Parole Board's guidelines, the unsworn statement, and increase in support for the police. It is not possible to nominate a date by which these measures will be implemented.

ENVIRONMENT DEPARTMENT TASK FORCE

The Hon. J. R. CORNWALL (on notice) asked the Minister of Community Welfare:

1. Has a task force been appointed within the Department for the Environment to define problem areas and, if so, what are the names of the persons who comprise the task force?
2. When was it formed?
3. Has it reported to the Minister?
4. Has a search conference initiated by the Permanent Head been held recently and, if so, where was it held and over what period?
5. Did the Minister support the search conference, did he participate and, if so, to what extent?
6. Does the Minister support a full industrial democracy programme?
7. Will the Minister outline fully the problem areas defined by the task force?

The Hon. J. C. BURDETT: The replies are as follows:

1. Yes. One task force was formed on 14 August 1979 comprising Ms. S. Briton-Jones, Mr. D. Ellis, Ms. A. Jensen, and Mr. A. Robinson.

A second task force replaced that group on 17 September 1979. It comprised Mr. B. Arnold, Mr. R. Ireland, Ms. A. Jensen, and Mr. K. Steinle.

2. Vide No. 1.
3. No. However, the Minister is aware of all the activities carried out.
4. Yes, at Grahams Castle, Goolwa. Two separate two-day sessions were held on 9 and 10 October and 11 and 12 October 1979.
5. Yes. The Minister attended the final morning session of each conference and listened to discussions.
6. No.
7. The task forces have not outlined problem areas.

BUDGET PAPERS

Adjourned debate on motion of Hon. K. T. Griffin:

That the Council take note of the papers relating to the Estimates of Expenditure, 1979-80, and the Loan Estimates, 1979-80.

(Continued from 1 November. Page 647.)

The Hon. K. T. GRIFFIN (Attorney-General): The Leader of the Opposition has made three specific criticisms to which I want to refer. First, he criticised the Federal Government's federalism policy and the part that the State plays in it. He alleged double taxation in applying the federalism policy, and spoke of the States and the Commonwealth needing to do things on a national basis. I suggest that the Leader's comments regarding the federalism policy indicate that he does not really understand its concept, which has been agreed to by the Commonwealth Government and the State Governments.

The concept of federalism must be seen in contrast to that of centralism. Federalism is a philosophical concept which relates to the decentralisation of power. One aspect of power is the funding available to a Government or instrumentality of government that is seeking to exercise that power. One has merely to cast one's mind back a short period to recognise the contrast between federalism and centralism during the Whitlam era. If one remembers, the States were relegated to a fairly lowly position. There was an increase in centralised power to Canberra, to the exclusion, of States' rights. There was a dramatic increase in emphasis on tied grants to the States and to local government. In fact, Canberra paid the piper and also called the tune. The power of the States generally was emasculated, and local government's status, far from being enhanced, was reduced.

In the Federal concept, federalism has five essential elements. It has, first, a permanent and guaranteed share of personal income tax collections to the States, something that has not existed previously. It requires a permanent and guaranteed share of income tax collections to local government. It requires the establishment of States Grants Commissions to determine the allocations within each State of local government's share of personal income tax. It also requires the reduction of the Commonwealth's centralist control over payments to the State, and the establishment of an Advisory Council for Inter-Governmental Relations, including representatives of the States, Commonwealth, local government, and the community.

Many things have been said federally about federalism and the philosophical base from which it derives. Although I could make a number of quotes, I shall refer to two only. The first one is from the Liberal Party's policy document published in September 1975. It indicates that federalism aims to prevent dangerous concentration of power in a few hands and, in so doing, provides a guarantee of political and individual freedom. The Prime Minister has reiterated these points but, in 1976, said the following more specifically:

> The drift towards centralism created its own inefficiencies, in particular, in the duplication of administrative agencies and the growth of a large central bureaucracy. However, this drift runs completely counter to the kind of society where a real decentralisation of power is required if people's needs are to be met in ways most sensitive to those needs . . . Federalism implicity rejects the view that there is one right solution for all circumstances, for all communities. The belief that a few people know how to solve all our problems and that they are justified in drastically truncating the capacities of other individuals and communities to achieve their goals is a dangerous one. Our founding fathers recognised this and created an institutional system in which the diversity required for the effective development of Australia would be protected . . .

As I have said, the essential ingredients of true federalism relate to the devolution of power, and one critical factor in that devolution is money, because whoever holds the purse strings dictates the policy.

The whole object of the Federal Government under Mr. Fraser has been to ensure that not only are those who spend money accountable for it but also that those to whom it is allocated make decisions regarding the expenditure of those funds and, by thus exercising that responsibility, demonstrate their priorities in Government. That is what we find is happening throughout Australia under federalism.

We have heard during the debate on this motion over the past week or two references to the Federal Government's federalism policy being concerned only with taxation matters. Although these aspects are an important part of it, I have indicated that they are not the only ingredients of the federalism policy. Other aspects are equally important. They include the emphasis that must be placed on the sovereignty of the States within a Federal constitution and the important part that local government plays in providing services to the community and meeting people's needs. Local government, by being given a guaranteed portion of Federal income-tax collections, and by being able to spend it as it sees fit, is enabled to exercise responsibility that it previously did not have.

So, I see federalism not just as a matter of taxation, surcharges or rebates of income tax but on a much broader basis. We have heard, also in the same context, some references to the surcharge (or rebate as the case may be, but particularly the surcharge) being an aspect of double taxation. The Hon. Mr. DeGaris and others have successfully debunked the proposition that this is double taxation.

It is not double taxation, and I will give a true instance of double taxation or what could in fact be called triple taxation, relating to the companies field. Those familiar with the Federal Income Tax Assessment Act will recognise that a company pays tax on its profits. In certain circumstances, where it is not a public company, it will also pay an undistributed profits tax, having already paid a tax on its profits. Thirdly, shareholders will pay tax on dividends declared and distributed to them. So, it is the same income and profit that is being taxed in three different ways. That is an indication of what true triple tax is or, if one wants to cut out one of the stages, that is what double taxation is.

The Federal Government's proposition in the second stage of its federalism policy is not double taxation: it is income taxation with the division of receipts between the two agencies of Government—the State and Federal Governments. Some comment has been made on the way in which the Government may or may not implement its promise. There has been some suggestion from the Opposition that we are not moving quickly enough. However, in just over seven weeks of Government I suggest to the Council that we are taking some quite dramatic steps in implementing the promises we made at the election.

The Hon. C. J. Sumner: Who said you weren't moving quickly enough?

The Hon. K. T. GRIFFIN: It was said during the course of the debate. It was also said that it would be interesting to see how far we had got in 12 months. I submit to the Council that there have been dramatic steps already taken to implement those policies. Other policies will not be

implemented so quickly. One has to remember that in Government there must be responsibility and that all matters cannot be implemented overnight. At least this Government has made a decisive start, which demonstrates our goodwill and good intentions.

There has been some criticism of the Government's proposal to abolish death duties. Notwithstanding that, there has been a recognition from both sides of the Council that the Government has a clear mandate for the abolition of those death duties. One has to recognise that if South Australia were to retain succession duties, either in their present form or in a form where further concessions were granted, it would still leave South Australia in an isolated position compared with the position of significant other States of the Commonwealth. It would not have the advantages that those States have. If we did not abolish succession duties we would be disadvantaged *vis-a-vis* the other States and Territories of the Commonwealth.

By abolishing succession duties, we are providing incentives for people to work hard if they so wish and to do their own thing—incentives which they have not previously had. By abolishing death duties, we will also retain (and hopefully regain) for South Australia some of the lost capital that has been departing this State. One only needs to speak to members of the legal and accounting professions and others in business to realise how much money has been going out of South Australia, not only because of the high death duty policy of the previous Government but also because of its other policies, both in the area of taxation and in other ways. I put to the Council, and support quite strongly, the policy of this Government in abolishing death duties in this State. As one of the component parts of a package that is coming before the Parliament with respect to reducing taxation, it will provide incentives and help restore confidence in this State.

Mention has been made of the gift duty abolition. One finds that somewhat surprising, because gift duty was originally proposed as a necessary complement to the death duties legislation but, even though the previous Government abolished death duties on property passing between spouses and putative spouses, it did not make any attempt to alleviate the gift duty burden. Therefore, we find that the gift duty legislation still provides that if gifts are made by any one person over a period of 18 months which aggregate more than $4 000 the gift or gifts in aggregate are subject to gift duty. That is anomalous when one considers the question of property passing between spouses.

One sees this in just one easy illustration that comes to mind the example of a husband who owns a house; he retires and buys a home-unit in joint names from the proceeds of the sale of that house. Unless he takes some steps to arrange his affairs by appropriate documentation to provide that half the purchase price of the unit is loaned by him to his wife, he will find that the purchase of the unit in joint names from the proceeds of the property in his own name constitutes a gift which is dutiable in his name. One found, in the legal and accounting professions, that because this was anomalous and created hardships, there were ways found and documentation which provided an opportunity to minimise the duty in those circumstances. That position is quite ridiculous and, taking it also in conjunction with the abolition of death duties, it is critical for the successful implementation of our policies that gift duty also be abolished.

There has been some criticism from the Opposition about the Government's election promise that it will restore confidence and create job opportunities in the private sector. The Hon. Miss Wiese indicated that we had said at the election that our taxation proposals alone would result in an increase of 7 000 job opportunities. I want to correct what has been said by her in that respect, because we did not say that. At the election we said that our overall policies, which included the taxation cuts and incentives and our other policies, would restore confidence in the community, would create job opportunities, which we firmly believe they will. It is not just a matter of giving incentives or providing tax concessions or reductions in taxation or abolition of duties. It is a matter of creating a climate of confidence and providing incentives and other benefits which go with building up the private sector and creating permanent job opportunities.

Mention has also been made of the abolition of the SURS programme and of spending some $50 000 000 on that programme in this State in the past five years, providing jobs for many people. I repeat that the Government is committed to the SURS scheme to the extent that, where projects have already been initiated by the previous Government, that commitment will be honoured. However, there is no evidence of any permanent job opportunities having been created by any of the money spent on that scheme. There are indeed a number of splendid monuments scattered around the countryside—monuments to the ineffectiveness of SURS in not creating permanent job opportunities.

The Hon. N. K. Foster: Can you name one?

The PRESIDENT: Order!

The Hon. K. T. GRIFFIN: My principal point is that there is no evidence (in fact, there is evidence to the contrary) that the SURS programme has created any permanent job opportunities. Our programme is designed to create permanent job opportunities. That is the only way in which we can begin to regain our former position in this State and give prosperity and opportunity to those who want jobs.

The Hon. N. K. Foster: You've never worked in your life. You're a damn professional.

The PRESIDENT: Order! The Hon. Mr. Foster is out of order.

The Hon. K. T. GRIFFIN: Without wanting to perpetuate that interjection, I say that all of us on this side have known what hard work is, and we all still undertake that responsibility in the community.

There have been references in the Budget debate to the restraints being applied on Government expenditure. The Treasurer referred in his Budget speech to the hard decisions which have had to be taken with the Budget allocations of a number of departments. He also referred to the Government's commitment to a policy of lower taxation and to the development of the State's natural resources.

In the financial situation faced by the Government, and with the uncertainties of the tax-sharing arrangements in future years, the Government has no option but to limit Government expenditure in some areas if it is to renew business and community confidence (by providing taxation concessions and incentives to industry) and to redirect resources into areas vital to the State's economy (such as development of natural resources and energy research).

The Government is applying restraint expenditure in a responsible manner in areas which will not adversely affect essential services to the community. While this may be viewed as having a restraining effect on the level of employment in the public sector, the additional investment of funds in private sector activity and the incentives to industry are expected to generate higher levels of employment overall.

The Leader of the Opposition had much to say about

the tax-sharing arrangements between the Commonwealth and the States and the danger of this State's stable financial base being eroded if the present guarantee arrangement is not extended beyond 1979-80. In particular, he sought comment from me on the Government's attitude to the imposition of a State surcharge on income tax. The Government has made it perfectly clear that it is committed to low levels of taxation and that it will stimulate the economy by reducing taxation levels to the extent that this is possible. This has already been demonstrated by the taxation concessions introduced in the present Budget. The question of a State surcharge on income tax is no more than an academic argument. I have indicated in the past few days that Government has no intention of imposing that surcharge.

References have been made by some speakers to the need to improve the information presented to Parliament with the Budget. In particular, comments have been made on the deficiencies of line item budgeting, the inflexibility of the budgetary process, and the need to set out loan allocations more clearly. The need to improve the present budgetary process is recognised and a new form of Government accounting, incorporating responsibility accounting and functional accounting, is being developed. This will place greater emphasis on individual responsibility and accountability as well as programme performance (I think that some people call it programme performance budgeting). Treasury is working on the detailed design and development of the first stage of that system. It is a major task, and the aim is for introduction in 1981.

There has been particular reference by the Hon. Miss Wiese to the fact that this is a high-tax Budget. She said that tax cuts amount to about $7 000 000 but the Government expects the total tax collections to rise by $16 600 000. The tax concessions are estimated to cost about $4 100 000 in 1979-80 and about $20 000 000 in a full year. In addition, from July 1980, land tax on the principal place of residence will be abolished at an annual cost of about $5 000 000.

The revenue receipt estimates show an $11 800 000 increase in pay-roll tax collections from 1978-79 to 1979-80. What they do not show is the offsetting provision of $2 000 000 for the special youth exemptions under "Pt. VIII—Minister of Industrial Affairs—Miscellaneous—Incentives to Industry—including Establishment Payments Scheme, Motor Vehicle Assistance Scheme, Schemes in the Riverland and rebate of pay-roll tax and land tax". The net increase in pay-roll tax collections from 1978-79 to 1979-80 is about 6·5 per cent, which is less than the expected rate of inflation. The full year cost of the special youth exemptions is expected to be about $3 000 000.

The revenue receipt estimates show an increase of $3 900 000 in stamp duties income. This is largely due to increased price levels which increase the tax base. In general, the increase in revenue from other areas of taxation, apart from those already mentioned, is minimal.

A number of members have made comparisons between expenditure by departments in 1978-79 and their estimates for 1979-80 and in some cases have observed that the increase for 1979-80 is less than the expected rate of inflation. A factor which has been overlooked in some of these comparisons is that, while the estimates for 1979-80 include the full-year effect of wage and price increases that occurred during 1978-79, in most cases they include no allowance for wage increases anticipated in 1979-80 and only a moderate allowance for anticipated price increases.

The revenue budget estimates include: *(a)* a round sum allowance of $56 000 000 for the possible cost of new salary and wage rate approvals which may become effective during the course of the year (including the June 1979 national wage increase); and *(b)* a round sum allowance of $5 000 000 for the possible cost of further increases during the year in prices of supplies and services. This was set out on page 10 of the Treasurer's Budget speech.

In making valid comparions between 1978-79 levels of expenditure and the estimates for 1979-80, members should include a share of those round sum allowances in addition to estimates shown against individual departments if they are to arrive at comparable figures in real terms.

The Hon. Mr. Dunford has referred to library services. During 1978-79, some $1 009 000 of the allocation for municipal libraries had not been claimed due to delays and modifications to the programme during that year. This unspent provision was paid into trust account for subsequent claims by councils during the 1979-80 programme. Taking this factor into consideration, moneys paid to municipal councils and the State Library will increase in real terms to a total of $8 297 000 during 1979-80. In addition, a concentrated effort is to be made to ensure that the services of State, school and college libraries are co-ordinated to ensure that maximum use is made of existing resources and to ensure services are not duplicated.

I wish to refer now to three aspects of community welfare. The Hon. Mr. Dunford has said that the overall allocation of funds to the portfolio of the Minister of Community Welfare shows an increase of only 6·2 per cent. A transfer of funds from sundry grants to Local Government Department ($330 000 below actual payments in 1978-79), a reduced contribution towards maintenance of Aboriginal housing due to accounting changes ($195 000), no inflation allowance on scale financial assistance payments (to be funded from the round sum allowances when increases are approved), and the funding of future wage increases from the round sum allowance provision when incurred need to be taken into account in making a comparison with actual expenditure in 1978-79.

The Hon. Mr. Dunford made a mistake when he suggested there was a reduced level of funding for aged care in 1979-80. In fact, he used this year's figure for last year's and, by so doing, has distorted the accuracy of the Budget papers. In fact, $250 341 was spent on operating expenses in 1978-79, together with $7 137 on the purchase of plant and equipment, a total expenditure of $257 478. There were non-recurring items of plant and equipment purchased last year, and the allocation of $261 300 for 1979-80 maintains the recent level of physical activity. The amount of $1 702 000 reflects the cost of staffing in 1979-80 at the same level as for 1978-79.

I wish to make one other comment with respect to community welfare funding, because the suggestion has been made by the Opposition that community welfare funding has been reduced from $964 995 in 1978-79 to $635 000 in 1979-80. A number of functions formerly undertaken by the Department for Community Welfare have been transferred, together with their funding requirements, to the Department of Local Government and, as such, grants and provision for community development have increased from zero in 1978-79 to $425 000 in 1979-80. When one considers the compilation of those two factors, one sees that from 1978-79, when the total sum was $964 995, in 1979-80 it has increased to $1 060 000, an increase of almost 10 per cent.

I thank honourable members who have made a contribution to this debate for the way in which they have debated the motion and for the way in which they have allowed the matter to be considered by the Council. There

were, as I indicated when moving the motion, some unusual circumstances that required us to deal with the matter in this way to enable it to be dealt with expeditiously. In fact, we have dealt with it expeditiously and I hope that this part of the session will not be unduly prolonged, which it otherwise would have been if we had had to wait for the Budget Bills to come to us from another place. I thank the honourable members for their assistance in enabling us to deal with it in this way, and I commend the motion to the Council.

Motion carried.

APPROPRIATION BILL (No. 2)

Second reading.

The Hon. K. T. GRIFFIN (Attorney-General): I move:

That this Bill be now read a second time.

This Bill, which is the main Appropriation Bill for 1979-80, provides for an appropriation of $1 099 667 000. The Treasurer has made a statement and has given a detailed explanation of the Bill in another place. That statement has been tabled in the debate on the motion to note the Budget papers and made available to honourable members.

Bill read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

PUBLIC PURPOSES LOAN BILL

Second reading.

The Hon. K. T. GRIFFIN (Attorney-General): I move:

That this Bill be now read a second time.

This Bill provides for an appropriation of $218 500 000. The Treasurer has made a statement and has given a detailed explanation of the Bill in another place. That statement has been tabled in the debate on the motion to note the Budget papers and made available to honourable members.

The Hon. C. J. SUMNER (Leader of the Opposition): I was not quick enough on my feet when dealing with the Appropriation Bill, but the Opposition has no objection to both these Bills proceeding into Committee without debate, as the debate on both of them has substantially occurred as a result of the motion to note the Budget papers, which was the procedure adopted in the Council on this occasion because it was getting late in the year and because we had an election that interrupted the proceedings. I previously made the point that normally we would expect the Budget Bills to be introduced and dealt with in the normal way. On this occasion we are happy to make an exception to the rule.

Bill read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

PAY-ROLL TAX ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 31 October. Page 545.)

The Hon. C. J. SUMNER (Leader of the Opposition): The Opposition supports this Bill, which was clearly a part of the Government's election promise and its package of tax cuts. The Bill has been described as being "central to the Government's strategy for stimulating employment in South Australia". Certainly, the Opposition hopes that the measure will prove effective in that respect.

There was some attempt in the Attorney-General's second reading explanation to indicate that somehow or other the Opposition was not interested in increasing levels of economic activity and profitability within the community, and the suggestion was that the Opposition rejected that course, and that we had now and in the past been intent upon reducing economic activity and reducing business profitability.

Nothing could be further from the truth, and for the Government to try to assert that it is the Opposition's aim to reduce activity, increase unemployment, and so on, hardly does it any credit. As I have said, this was part of the Government's election platform, the Premier having said in his major policy speech:

> This scheme could mean more than 7 000 new jobs for them—

that is, young people. I believe that in another place the Minister of Industrial Affairs, Mr. Brown, has now said that this figure could be 12 000 jobs. The Opposition will watch the performance of this measure very carefully over the next 12 months. I repeat that I certainly hope that it works to fulfil the Government's object to stimulate employment in South Australia.

I was a little surprised to hear the Leader of the Government, in his reply to the debate on the Budget, say that it was the general package of measures that was going to increase employment in South Australia; in other words, that it was going to be the general boost to confidence given by this Government that would increase employment in South Australia and produce the jobs it referred to during the election campaign (the 7 000 jobs for youth and the 10 000 jobs that I believe relate to mining ventures). The Leader was at pains to point out that it was not one particular measure that would produce any specific number of jobs. I suppose that is the position that the Government would like to adopt now that it is not in Opposition but in Government. I imagine that the Government, bit by bit, will try to water down the proposals it put forward during the election campaign. The Council should not be in any doubt that in relation to the pay-roll tax cuts the Premier in his policy speech said:

> We will make major pay-roll tax cuts to boost business and create new jobs for our young people. This bold initiative can mean more than 7 000 new jobs for them. I will tell you more about these proposals later.

Therefore, there is no question of it being the general package that would produce the 7 000 jobs. There was a specific commitment by the Premier in his election campaign speech that more than 7 000 jobs would be created by this particular proposal. We should not take too much notice of the Attorney-General's attempt to fudge that promise to a certain extent. The promise was specific and made up a major part of the Government's campaign, not only in the policy speech but also on television and in newspaper advertisements. This Council should have no part in the Attorney-General's attempt to fudge those promises and make out that the Government did not really mean what it said.

This proposal produces an opportunity to reflect on the stupidity of a tax on employment at a time of particularly high unemployment. It is worth while to look at the history of pay-roll tax in Australia and see how in some respects it has grown into something that it was not intended to be. Pay-roll tax was originally introduced in May 1941 as a war measure and provided for the imposition of a tax on wages accrued after 30 June 1941. The rate was set at 2½ per

cent. The scheme was part of a series of measures to raise money to pay for the war. At the time, it was regarded as a trade-off for the extension of taxation to lower incomes. This trade-off was made clear when the tax was announced and it was stated that pay-roll tax was intended to "provide additional revenue for the payment of cash allowances for the benefit of children". Those cash allowances, known as child endowment, began immediately at the rate of 5s.

The rate of pay-roll tax remained at 2½ per cent and was unchanged until 1971. A minimum level of salaries of $20 800 a year was introduced in 1957. In June 1971, at the Premier's Conference, a proposal was put to transfer the pay-roll tax raising powers to the States. The amounts raised were to be partly offset by reduced financial assistance grants paid to the States. This was done in response to the States' claim that they did not really have a growth tax and that this tax, which up until that time had been imposed by the Federal Government, would provide them with a growth tax that would assist their financial problems. The measure was therefore designed to alleviate the acute Budgetary problems being experienced by the States at that time. After the transfer was completed, the rate of pay-roll tax was raised by 3·5 per cent in all States.

Since 1971-72, the revenue raised by pay-roll tax has increased quite substantially until, at the present time, as a proportion of total State taxation, pay-roll tax has risen from 28·2 per cent in 1972-73 to almost 50 per cent in 1978-79. Therefore, it has indeed turned out to be a growth tax for the States. However, it is a growth tax that I do not believe is necessarily appropriate to the current situation where we see a period of very high unemployment in Australia as a whole. As I have said, it is unfortunate that there should be a tax on employment when we have such a high unemployment situation.

In 1977 there was an opportunity to abolish pay-roll tax when Mr. Whitlam, in his election campaign of that year, suggested a trade-off; the abolition of pay-roll tax in return for people foregoing the income tax cuts promised in the previous Budget by the Fraser Government. In some respects it is a pity that that proposal was not taken up, because the income tax cuts in the Budget of 1977 were effectively taken away shortly after the election when an income tax surcharge was imposed. Therefore, the tax cuts promised have really come to nothing over the last two years. At least the Whitlam Government proposal, although it was criticised by Liberal Party members at the time, was a proposal that would have done away with pay-roll tax. Members opposite did not take the opportunity then to do away with pay-roll tax, but they are now taking the opportunity to fiddle with it a little bit in this State.

The Hon. L. H. Davis: During the election you promised to do away with pay-roll tax.

The Hon. C. J. SUMNER: As I have said, in 1977 the Labor Party promised to do away with pay-roll tax and, as I recall, Liberal Party members opposite were very upset at that time. In fact, they put many advertisements in the paper saying that Mr. Whitlam was taking away people's tax cuts, but nine months later the Liberal Government reimposed that income tax. That is the position as the Hon. Mr. Davis well knows. The Labor Party presented an opportunity to remove this tax on incomes, but it was not taken up by the Liberal Party. Whatever honourable members opposite say, there is still a tax on employment in the form of pay-roll tax. The Government has not abolished it, but has merely offered some concessions.

It is clear that pay-roll tax could not be abolished completely in one State without Federal Government assistance. The State Government might well consider an approach to the Federal Government, which, after all, has the financial strength to look at any abolition of pay-roll tax. Of course, there would need to be some method of reimbursing the States if this tax was abolished.

The Hon. R. C. DeGaris: What tax would you recommend?

The Hon. C. J. SUMNER: I do not know. I do not intend to recommend any tax in this respect. I am merely saying that it could be considered. If it can be shown that the tax on employment is a disincentive to people taking on workers, and if it has resulted to some extent in increasing unemployment in this country, this option would be open to the Government. Obviously, much thought must be given to the issue before that could happen. However, if Government members do not want to hear sensible suggestions, I cannot be responsible for that. I doubt whether Government members would want to make such an approach, as it would be contrary to Liberal Party policy and philosophy.

This is another example where, if an approach was made, it could lead to national solutions being used to deal with national problems. Unemployment is a national problem, and pay-roll tax is imposed throughout the nation. The Commonwealth Government is the only Government that has the financial wherewithal to deal with any removal of pay-roll tax, and the State Government could approach it along those lines. However, it will not do so because it does not believe that that sort of financial power or taxing armoury should rest with the Federal Government. Opposition members do not have such a narrow commitment to State's rights: they believe that where initiatives can be taken they should be taken for the good of everyone in Australia.

Before dealing with some specific aspects of the Bill, I should like to clear up the terminology that I will use. There seem to be three aspects of the concessions being offered. I will refer to the first one as the general exemption from pay-roll tax, which will be lifted from $66 000 to $72 000 from 1 January 1980. I will call the second the youth exemption, relating to the wages of employees under 20 years of age who were engaged after 30 September 1979. The third is the youth rebate, which is a rebate of pay-roll tax for employers. In the case of one employee, it involves $11·54 a week and, in the case of two employees, $17·31 a week. The rebate of those amounts would be paid on an increase in total employment by one or two employees aged less than 20 years. So, we have a general exemption, a youth exemption and a youth rebate.

The Hon. R. C. DeGaris: Are you sure that your figures are correct?

The Hon. C. J. SUMNER: I understand that they are in the Minister's second reading explanation. The Hon. Mr. DeGaris will be given an opportunity to speak in the debate, and, if I have made some arithmetical error, he will undoubtedly correct me, because all members know how very good the honourable member is with figures.

I will raise a number of queries on which I should like to receive a reply from the Government in due course. The first is whether the Government can be sure that the 7 000 or 12 000 jobs, depending on which Government spokesman one listens to, can be created. I realise that the Government has not said that the jobs will be created within a year. Indeed it seems, on the calculations that I have before me, that these concessions, if they are fully taken up, may lead to some 3 000 jobs being created in the coming financial year. The Government certainly has not said that the 7 000 jobs will be created by the end of this financial year.

On the other hand, I make the point that a similar scheme has been in operation at the Federal level. I refer to the special youth employment training programme,

under which a grant of $45 was provided to firms employing young people for a period of four months. The subsidy under the Bill (involving the youth rebate scheme) is in many respects similar to the SYETP scheme, except that it involves $11·54 a week for one employee and $17·31 a week for two employees. The rebate under this scheme is much less than it is under the SYETP scheme, although it can last longer in certain circumstances, depending on the age at which the young person involved is employed. However, the SYETP scheme has not resulted in any great improvement in the employment position for young people. I ask whether these similar subsidies, albeit over a longer period, will result in any great improvement in the situation that was stimulated by the SYETP scheme.

My second query is whether the Minister can clarify the position regarding the age requirement. The youth exemption relates to pay-roll tax on wages of all persons under 20 years old who are employed in a full-time capacity and who were additions to the work force when the scheme came into operation, namely, 1 October this year. I assume, in relation to a person employed at the age of 19 years and 10 months, that an employer will obtain an exemption for two months, that is, the exemption would cut out when the youth reached 20 years of age. I suppose a young person could be put off from employment at the age of 20 years when the exemption cut out and that there would then be no way of ensuring that his employment continued.

My next query relates to what I call the youth rebate. Does this rebate cut out when the young employee reaches the age of 20 years? The Attorney-General used the phrase "over a full year" when talking about the effects of these exemptions and rebates. In relation to the youth rebate, does "over a full year" mean that a young person must be employed for the full 12 months? If such a person commences his employment at the age of 19 years and six months, is the employer entitled to the rebate? My query, which relates to both the youth exemption and the youth rebate, is whether the employment must persist for a full year, or whether it is available for any portion of the period that the person is employed under the age of 20 years. I assume that both of them cut out when the employee reaches 20 years of age.

Again, the problem arises regarding dismissal after an employee reaches the age of 20 years. Is it not possible for an employer to get the benefit of these taxation benefits and then to dismiss the employee after he has reached 20 years of age?

It raises the query as to the extent to which the legislation will provide a permanent increase in employment. May it not mean a transfer, and perhaps a temporary transfer, of unemployment from youth to aged and then back again, depending on how long the scheme operates and depending on whether or not employers dismiss their young employees when they reach the age of 20? The other query that needs to be raised is that in relation to seasonal factors. It is clear that, in November and December, there is an upsurge in employment, particularly in the retail trade, and that this increase in employment will occur anyhow. Will the youth exemption and the youth rebate be available to employers to employ young people seasonally over the next few months? In other words, it raises the previous query I put—what does "over the full year" mean? I take it to mean (and I would appreciate it if the Leader would correct me if necessary) that the rebate will not be available unless the young person is employed for the full 12 months but that the exemption will be available.

Even if it is only the youth exemption that will be available, there will clearly be a subsidy to employers that will not be related to any increase in employment that would not have occurred in any event. It raises the question again of whether this scheme will create permanent jobs. Will people not be put off once they reach the age of 20? What permanent jobs will be created, given that seasonal factors over the next few months are going to increase the number of young people in the work force in any event? Will they be kept on once the seasonal factors have passed? Members opposite have criticised the SURS scheme and said that all it has left around the place is a lot of unlovely monuments (I think they were the Attorney-General's words) and that it did not create any permanent employment. Will this scheme create permanent employment more effectively than the SURS scheme did?

The fourth query I raise is whether any assessment has been done of the effect of this scheme on permanent part-time work, particularly the position of women in the work force. Will not two permanent part-time people be converted to one young person employed to obtain the benefits of this legislation?

The Hon. R. C. DeGaris: That would mean a reduction in the number of employees.

The Hon. C. J. SUMNER: That is the query I raise. Will this be prohibited? Does an addition to the work force mean an addition to the full-time work force? That, in addition, raises the question of the policing of the scheme and how it will be done. I would like some answer to that from the Attorney-General. The other query I raise is this: what effect will this measure have on small businesses? Members opposite have said much over the last few years about what is happening to small businesses in this State. They made a lot of promises about boosting small businesses and their viability in this State. This legislation does absolutely nothing to assist small businesses. The Australian Bureau of Statistics figures for December 1978, which are quoted in the Liberal Party's costing document for their tax proposals prior to the election (and I am sure they are well known to the Attorney-General), indicate that the number of firms with one to four employees was 18 239 and that the number of firms with five to nine employees was 5 427, making a total of 23 666 out of a total number of businesses of 28 070. So, 70 per cent in this State are not covered by these exemptions as there is already exemption for most firms employing from one to nine employees.

If one looks at it in terms of employees, one sees that the total number of employees in firms that employ between one and nine employees is 75 505, out of the total number of employees in firms and businesses in South Australia of 301 705. In that case, there is about one-quarter of employees not covered by the exemption. One-quarter of the employees in this State are employed by small businesses that are not covered. The rebate is, in effect, the payment to business for providing additional employment. Could that payment not be extended to small businesses—to the 70 per cent of firms not covered by these exemptions?

The final query I wish to raise is one that I am absolutely sure the Hon. Mr. DeGaris will be very unhappy about. I know that he and most members opposite have in this Council consistently objected to the question of legislation by regulation. I would think that the Hon. Mr. DeGaris would be utterly horrified by clause 8. I am sure that he has read it and I am sure that during his speech he will comment on it because, concerning nearly every piece of legislation that the Labor Government introduced in this Council, Mr. DeGaris talked about the terrible situation whereby there was legislation by regulation and said that our Bills told this Council absolutely nothing.

The Hon. C. M. Hill: Are you going to oppose that now?

The Hon. C. J. SUMNER: I am just raising the query. Mr. DeGaris might have some amendments to clarify this issue. If the efforts of the Labor Government in connection with legislation by regulation were something to be critical of, I would think that clause 8 deserves the absolute and utter condemnation of members opposite. In fact, I have never ever seen such a vague, unspecified set of arrangements in legislation in all my life. That includes the legislation that was introduced by us prior to the last election. This is not general policy legislation: it is financial legislation. We are not talking about regulations relating to health standards or that sort of thing: we are talking about Government finance. We are dealing with taxation measures, but clause 8 does not say anything except:

> Where the Treasurer is satisfied—
>
> *(a)* that unemployment could be materially reduced by the exercise of powers conferred by this section; and
>
> *(b)* that it would be in the public interest to exercise the powers conferred by this section,
>
> the Governor may, by regulation, establish criteria under which—
>
> *(c)* an employer may qualify for a refund of pay-roll tax under this section; and
>
> *(d)* the extent of any such refund may be determined.

That is all there is to it. The Treasurer will decide a couple of things and then decide to introduce, we know not what, by regulation. In this case, we have been given some inkling about what it is, namely, a rebate scheme, but we will have no recourse in future should the Government wish to do away with the regulations and thereby effectively reimpose the tax on which it now says it is giving a concession. That could be done by regulation, and I am staggered to think that the Hon. Mr. DeGaris accepts it.

In other words, by withdrawing the regulation, which would not have to come before Parliament, a tax could be reimposed on businesses in this community. Members opposite, including the Hon. Mr. DeGaris, are silent on this issue. I should like him to comment on it, particularly in view of what he has said in the past. Does he believe that taxation ought to be imposed on the people of this State, without recourse to Parliament?

The Hon. K. T. Griffin: You tried to do it under the business franchise legislation.

The Hon. C. J. SUMNER: I admit that something similar has been done.

The PRESIDENT: Order! The Hon. Mr. Sumner has the floor. Other honourable members will have an opportunity to speak.

The Hon. C. J. SUMNER: I do not want to get into that argument. I have accepted at the beginning of my comments that this was done by the Labor Government when we introduced legislation that required detailed regulations. What I said was that this Bill reached new heights in that procedure. It can be distinguished from the franchise legislation, because there we were imposing a tax by regulation, as was suggested.

When we abolished the regulations without reference to Parliament, we would be doing away with the tax. However, this is the reverse procedure. Therefore, it goes a step further than Labor Governments have gone in the past. That is what I should like members opposite to speak about, particularly as they opposed legislation by regulation in the business franchise measure. This Bill takes the question of taxation by regulation a step further, despite the fact that six or eight weeks ago members opposite were protesting about our measures. I should like some rationalisation of clause 8. In summary, my questions are:

Do the new exemption and the new rebate cut out for all employees when they reach the age of 20?

Does the employment have to continue for a full 12 months to qualify for youth exemption and youth rebate?

What guarantee or means are in this Bill for permanent retention of employees after they reach 20 years?

What does "addition to the work force" mean, particularly in respect of permanent part-time employees?

Can some assistance by way of the rebate, which is virtually a hand-out, be given to small businesses that employ additional people?

Will the Attorney try to provide some explanation of why the Government has seen fit to adopt a new form of legislation by regulation and a new form of taxation by regulation?

The Hon. R. C. DeGARIS: It is rather sad when the Opposition, on a Bill of this kind, tends to criticise it on the basis of the promises made or the beliefs of the Liberal Party in relation to this measure during the election campaign. I and the Government firmly believe that this Bill is a practical means of making some impact on one of the major problems of our society, namely, unemployment. It was the only practical measure put to the people on that question during the election campaign.

Whilst the Liberal Party believes that about 7 000 jobs will be created as a result of this legislation, if one is to criticise the election beliefs, one can criticise all promises. One can go back as far as the great train robbery and ask where is the money that Mr. Dunstan is supposed to have got out of that. One could ask where is the $7 out of every $8 that the Commonwealth taxes. The Liberal Party believes that this Bill will create 7 000 jobs. I know that already employers have been telephoning, stating that, when the legislation has been passed, they will employ more youths.

The Hon. C. J. Sumner: I hope you're right.

The Hon. R. C. DeGARIS: It was an expression of belief and it was the only practical measure put before the electors that tackled this problem.

The Hon. C. J. Sumner: We are supporting the Bill.

The Hon. R. C. DeGARIS: You criticised the belief that the Liberal Party advertised during the campaign. It is not the first time you have criticised that statement: you have also done so at Question Time and in the Address in Reply debate. If you want to go on criticising electoral beliefs, let us debate that, because Labor Party promises are also a statement of belief and cannot be substantiated.

The Hon. C. J. Sumner: That's what you say the Liberal Party belief is, is it?

The Hon. R. C. DeGARIS: No, it is a statement of belief and it was the only practical promise made in the election campaign to improve youth unemployment. I should like now to record the actual formula that applies to pay-roll tax in South Australia and the changes that have taken place. The following sets out the history:

> September 1971 to December 1975—$20 800 p.a. exemption.
>
> January 1976 $41 600 p.a. flat exemption reducing $2 for $3 up to $72 800.
>
> 1977 $48 000 p.a. flat exemption reducing $2 for $3 up to $84 000.
>
> 1978 $60 000 p.a. flat exemption reducing $2 for $3 up to $109 500.
>
> 1979 $66 000 p.a. flat exemption reducing $2 for $3 up to $120 450.

The present proposal is for a $72 000 a year flat exemption reducing $2 for $3 up to $131 400, where the minimum exemption applies. The method of computing the

exemption and slide-scale exemption is known and has applied in this way since January 1976.

Taking a pay-roll of $100 000 a year, the exemption is applied of $72 000, which when deducted from that amount leaves $28 000. Two-thirds of $28 000 is $18 666, which is deducted from the original sum of $72 000 and leaves $53 333 as the exemption figure. This is deducted from $100 000, leaving a taxable amount of $46 666 on a $100 000 pay-roll. The tax on $46 666 is $2 333. At the figure of $131 400, applying that formula, one reaches the minimum exemption under the proposal of $32 400. The increase from $29 700 to $32 400 in the exemption goes further than the election promise. As I understand the position, the election promise kept the sliding scale $2 for $3 at the previous level, that is, a minimum of $29 700.

Perhaps there can be criticism of the Government for not fulfilling its election promises, but it is difficult to offer that criticism when the fulfilment goes further than that undertaking. The changes in the basic exemption and the sliding scale above the basic exemption are contained in clauses other than clause 4 and clause 8 of the Bill. Clauses 4 and 8 are the clauses that deal with the special provisions relating to youth employment. These clauses are in the Bill as a means of implementing the policy enumerated at the election that is both imaginative and practical. One of the major problems that we have in our society is the unemployment amongst young people.

I have always felt that the payment of adult wages at age 18 is one of the contributing factors to the unfortunate position in which young people seeking employment find themselves. I know there are arguments against this proposition, and I do not want to pursue it at this stage. If that is the case, then some incentives must be given to the private sector to employ people under the age of 20 or 21. The logical way to approach that question is through pay-roll tax concessions in that particular area of employment.

It may be argued, as the Hon. Mr. Sumner suggested, that an amount of pay-roll tax should have been set aside to pay subsidies to all employers who will employ young people. Although he did not say it that way, I think that was the direction he took.

The Hon. C. J. Sumner: For small businesses.

The Hon. R. C. DeGARIS: That is right. The only way that that could be implemented is by setting aside a certain amount of pay-roll tax and then making a reimbursement to all employers who employ young people. It may be argued that this approach is fairer to all concerned, large employers and small alike, but I point out that such an approach would almost require another department to administer that sort of scheme.

Also, there is direct assistance to youth employment available through certain Commonwealth schemes. Taking all things into consideration, I believe the approach of the Government is correct in granting, through taxation relief, incentives for the full-time employment of young people. It is clear that only the Liberal Party saw fit during the election to make any concrete proposals to assist the private sector to employ more young people, and I think that point was clearly recognised by the electorate as a whole.

The Hon. C. J. Sumner: You are right. I cannot agree more.

The Hon. R. C. DeGARIS: The honourable member should have consulted with me before the election. In the policy speech, expanded by the back-up papers, the policy clearly stated that a further rebate would be made available of $12 000 for one young employee so engaged, and $36 000 if two young employees were so engaged, provided they were in addition to the existing staff. I do not think that the regulating power in clause 4 can affect this question, but it is clear that probably the Government intends introducing this scheme under the regulation-making powers in clause 8. I support what the Hon. Mr. Sumner has said in relation to the question of the regulation-making powers in the Bill.

However, the regulation-making powers in clause 8 are extremely wide—in my opinion, wider than they should be. Clause 8 gives no clue at all to the policy the Government intends to follow. I believe that the base policy should be included in the principal Act or in this Bill, and the regulations should only be the explanations of how that policy is to be implemented.

Clause 8 is expanding the use of regulatory powers beyond that which the Parliament should agree to, without strong and compelling reasons for that approach.

The Hon. C. J. Sumner: It even goes further than the franchise Bill.

The Hon. R. C. DeGARIS: The honourable member has claimed that it goes further than the franchise Bill, and I would dispute that it does go further than that Bill, but it is a case in exactly the same mould. I took exception to that approach then, and I take exception to that approach now.

The Hon. C. J. Sumner: Does it not go further, in that the franchise Bill imposed taxation by regulation, whereas this Bill gives an exemption by regulation which can be done away with by regulation and thereby re-imposes a tax—

The Hon. R. C. DeGARIS: Perhaps the honourable member is correct, but I put them in exactly the same mould. This regulation, as such, particularly in a taxation measure, which is the point the Hon. Mr. Sumner made, is somewhat objectionable. One must realise that the Government, in bringing down a Bill to cover its election promise, has introduced it quickly, which is probably the reason why the Government has done it in this way.

The policy should be clearly stated in the Act, and the regulatory powers should be used only to dot the I's and cross the T's of that stated policy. Any person should be able to read the Act and have a reasonably clear picture of the rebates available under the Act. That cannot be done under the wide regulating powers of clause 8. Having said that, I would like to explain that in the implementation of the policy enunciated at the election there are some administrative difficulties and, because the Government wants to implement its election promises as quickly as possible, the unusual approach in clause 8 has been taken.

I understand that point. However, I ask the Government to include in clause 8 the basic policy the Government intends following in relation to its policy speech, and the regulatory powers should be used to fill in the necessary details of that policy. For example, I do not object to a regulatory power extending the age from say 20 to 21 for the application of any rebate. That is a fair and reasonable power to be left to regulation. The next step is also an important one for the Government to consider. I do not believe that all the necessary details and criteria can be established by regulation.

I cannot think of all the cases that may occur, but the Hon. Mr. Sumner has certainly dealt with some of them. I will now refer to some that I can think of. I believe there is a need to provide for the ability of the Treasurer to make administrative decisions. For example, as the Pay-roll Tax Act is drafted with a monthly repayment system, at the end of the year there is sometimes a need for adjustments. With the Government's policy as announced it could well be that, at the yearly adjustment, tax paid should be $300 with a rebate of $600. How this can be handled by regulation poses many problems. There is also the question of young people being employed under the scheme and the employee leaving after a short period.

There is the question of young people being employed and an older employee leaving and not being replaced for some weeks. These are just some of the complications that will be extremely difficult to cover, even with rather voluminous regulations. I could go on and give other examples, but I rest my case there.

I have been informed that the New South Wales Act includes proposals for assistance to youth employment, but the major part of that proposal is handled administratively. Some of the provisions in the New South Wales Act are as follows:

> The scheme provides for employers to receive a full rebate of the pay-roll tax on the wages paid to young people during their first year of full-time employment.
>
> Eligibility for rebates: Employers will be entitled to a rebate of pay-roll tax paid in N.S.W. in respect of employees who—
>
> have been away from full-time education for at least three months prior to the date of commencing full-time employment with the employer claiming the rebate;
>
> have not held a full-time job previously since finishing full-time education;
>
> commenced full-time work with the employer on or after 1 October 1977.
>
> The rebate will be payable for up to 12 months from the date of employment with the employer claiming the rebate. The rebate will not be payable for periods of employment of less than one week.

I believe that in the application of this legislation in New South Wales there are practically no regulations and no spelling out in the Act of what it all means, except for that very brief explanation I have referred to. It is handled administratively because of the problems involved. Therefore, I feel that in this clause we must be certain that the Government has administrative powers wide enough to cover those cases that cannot be thought of in the criteria in the regulations. I have heard from New South Wales that the application of its Act is not working extremely well; whether that is so, I do not know. There does not appear to be any real reason why the Act should not contain a fair outline of the policy to be followed, and I ask the Government to give serious consideration to that conclusion. Secondly, I believe the Act should contain an administrative power, because I do not believe that all the difficult cases that one can think about can be adequately covered by the regulation-making powers. The administrative powers of the Act are probably included in clause 8 (5), which provides:

> Where the Treasurer is satisfied that an employer is entitled to a refund of pay-roll tax in accordance with criteria for the time being in force under this section he may make such a refund accordingly.

I believe the word "may" is open to interpretation in that subclause. It should be spelt out very clearly that the Treasurer does have an administrative power to handle some of the problems that are inevitably going to arise with this sort of legislation.

The proposals made by the Government at the election were constructive and, in my opinion, a practical means of assisting the young to obtain employment. I express my reservations about the way in which the Bill is drafted. I trust that the Government will give serious consideration to the suggestions I have made and that it does strengthen its administrative power and spells out in clause 8 the actual policy that it intends following in relation to rebates that will be available for youth employment in South Australia. I support the second reading.

The Hon. G. L. BRUCE: I support the second reading, although I have some reservations in doing so, and I must answer some of the things that have been said by previous speakers. One of the things that has been overlooked by the Government in drafting this legislation is that most awards have a provision where there can only be one junior for every three or four adult employees under the award. That situation is already at its maximum in most industries. Where juniors can be offered a job most places have taken up that offer and have employed juniors. I would like to see jobs created for 7 000 juniors, but I have grave doubts about that happening. Under the headline "South Australian school leavers face job gloom again" the *Advertiser* of Saturday 3 November 1979 stated:

> The unemployment rate among 15 to 20 year olds is 23 per cent and rising.

That is a very depressing state of affairs. If the Government has some means where it can employ these people without expense to other members of the work force I would welcome it, but I cannot see it happening. The Hon. Mr. DeGaris referred to clause 8, and I would like to refer to it also. That clause leaves it completely wide open. People reading the Bill will be confused as to what they can do and as to exactly what rights they have. I suggest the Bill has been prepared in haste. I was curious to know what the Government would say. The Attorney-General said that a saving of $3 000 000 would give employers in the community an incentive to employ young people. That $3 000 000 is revenue lost to the Government, and that means we have to get it from somewhere else. If we do not raise that revenue elsewhere, we have to go on suffering those losses in Government departments and in various other areas which I cannot see the private sector taking up.

To cement my argument, I refer to another press report, which states that there are 200 vacant beds in the South Australian Home for Incurables, yet 600 patients are awaiting admission. There is no money available to cater for these people, and none will be available until next July. Funds of $1 700 000 are required to open those 200 beds for the remainder of this financial year, and $2 000 000 is required for a full year. It seems the Government is prepared to take $3 000 000 out of taxes we already have and give it back to the private sector in the expectation that 7 000 jobs will be created. If that were the case, I would fully support this legislation and, in fact, I am supporting it, but I do not believe that will happen in the context outlined by the Government.

Pay-roll taxation estimates of receipts for 1978-79 totalled $152 000 000. Out of that sum the Government received $150 747 365, which is not quite $1 300 000 less than it estimated. This year's estimate is $162 500 000, which is quite a large sum. I assume that inflation has pushed that figure up. Therefore, the Government is dependent on pay-roll tax to keep the public sector going. There is no way that I can see the private sector taking up those areas that the public sector should be looking at.

During the last 24 hours an increase has been awarded to the metal trades industries of varying amounts from $7 to $13. The immediate response from the employer group was that this would put technology further ahead. They said we must have technology to do away with labour. Immediately something happens that will give the workers a living wage, the private sector says that it must do away with the worker. Irrespective of what happens the private sector will do away with the worker. If it can put in a machine to do the job of 10 persons with only one person looking after the machine, it will do that. It is the Government's responsibility to see that anything that puts the worker out of work is taxed in a proper and responsible way that can create employment in the Government sector or in other fields funded by

Government moneys, thereby giving people jobs and a way of life and dignity in the community, rather than dole hand-outs.

We had the unfortunate situation recently of young people coming into Parliament and speaking to members about their problems. I was appalled to see that they were running seminars on how to live on cheap meals, on $45 a week, and so on. Those people have got into the mentality where they think that there are no jobs. We have created a race of unemployable unemployed, and this has become a way of life for those people.

One young lad of only 23 years of age has reached the stage where he may be about to get married and raise a family. That young man will possibly go through life without being employed, and will have to live on the Government. If the Government considers that this Bill will do the job for it, I can only say, "Good luck to it." However, I cannot see that happening.

I support the Bill, as we must keep in line with what is happening in other States. I realise that the Government was given a mandate to create employment. However, the Government's faith in the private sector is greater than mine. In supporting the Bill, I wish the Government well in this respect.

The Hon. K. L. MILNE: Reluctantly, I accept the amendments contained in the Bill. The more I hear this matter debated, the more I realise that the Bill has been prepared in a hurry, which is sad. The Bill solves only a part of the problem that has been created by the introduction of pay-roll tax. There is only one solution to the problem, namely, to remove pay-roll tax completely.

I know that pay-roll tax provides a large part of this State's revenue, but, whichever way one examines the matter, pay-roll tax is a tax on jobs. If we are to be genuine about this problem, we must realise that is does not matter what else we tax but we should not tax jobs. Pay-roll tax is indeed a strange tax. It is a tax not on income, profit or luxuries but on an enterprise and the people in it, whether the enterprise is making a profit or a loss. I have been connected with a company incurring a loss, and it is uncomfortable for one to have to pay pay-roll tax when something is going downhill.

As the Leader of the Opposition said, pay-roll tax was introduced in 1941 during the Second World War. It was relevant then, when there was full employment. Population increase was encouraged and employers were, on the whole, making huge fortunes out of the war. However, the circumstances are completely different now. I do not think that patching up the Act will be a solution. We will merely help some employers, although not always the right ones, a little. We will also make more and more teenagers scared stiff to have their twentieth birthday and probably fake their age.

Although I support the second reading, I wish that the Government would re-examine this matter and attend to it properly. This legislation will create many anomalies and problems and much litigation for the young people involved. I hope in any case that the Government will try to work out a scheme to get rid of pay-roll tax altogether.

The Whitlam scheme involved one of the best suggestions that have been made. However, pure selfishness and misunderstanding ruined it. Pay-roll tax could be, and indeed should have been, done away with. I ask the Government to try to find a solution to this problem and to dispense with pay-roll tax now.

The Hon. J. E. DUNFORD: Although the Opposition cannot oppose the Bill, I point out that in the Premier's main policy speech, under the heading "Jobs", he said that major pay-roll tax exemptions could mean more than 7 000 new jobs. Also, a Liberal Party election advertisement said that employment incentives would create 7 000 new jobs. Mr. Tonkin also went on to suggest that 10 000 more jobs would be created in the mining industry, making a total of 17 000 new jobs. However, no time has been given within which the jobs will be created.

In relation to pay-roll tax, I can recall the Labor Party's putting up a proposition in 1977. At that time, when it was said that it would be a gift of $35 000 to Broken Hill Proprietary Company Limited, B.H.P. was not putting on workers. In fact, it was running at about 60 per cent production. I therefore believe that today that industry and most other large industries would not contemplate putting on more unemployed persons solely because of the pay-roll tax relief. The money that they will receive from the pay-roll tax remission will go to profit.

It has been said in another place that the average small business man will receive relief of about $500 or less as a result of the introduction of the proposed scheme. That would not pay for a junior worker's wages or annual leave loading. So, it seems to me that this is a political ploy and a popular election promise for the South Australian public. True, the promise of the abolition of any tax (whether it relates to succession duties, pay-roll tax or gift duty) wins votes, and I believe that this was the idea behind the Liberal Party's promise.

I have been advised that the Economics Departments of both the Flinders and Adelaide Universities have come to no conclusion that pay-roll tax concessions are a means of stimulating employment. It seems to me that the Liberals must think that labour is grossly over-priced, as the concessions amount to a saving of only a few hundred dollars for each employee in a year. Firms are reluctant to hire staff because they do not see a market for their increased production. There is a lack of demand by the public, as a result of which a real problem is created. Pay-roll tax concessions will do nothing to solve the unemployment problem.

I also believe that the increased benefit that employers may receive as a result of employing additional youths is merely a square-off to the unemployed youth in this State and that the scheme will not be attractive to employers. The incentive to put on more workers relates to people under 20 years of age and, if this scheme works at all, it will possibly induce firms to hire teenagers instead of people over 20 years of age. Problems could be caused because of this: a single teenager could receive a job in preference to an adult who had many family commitments, such as a mortgage, bills, and so on. It seems to me that the Liberal Party intended to capture the teenage vote in this respect.

At least 19 000 out of the 28 000 South Australian enterprises do not pay pay-roll tax. The scheme seems to be irrelevant to them and to discriminate in favour of larger businesses. Also, the scheme may be open to employer abuse. It is noticeable that the provisions affecting the eligibility of employers to obtain the youth concessions are not detailed in the Bill; rather, they are to appear later in regulations. Until the regulations are examined, it is impossible for one to say how stringent the safeguards will be to prevent employers claiming for either staff that they do not have or staff that is not additional to their work force.

At the moment an employer merely has to detail the number of staff employed on his pay-roll tax form. In future he will have to detail those under 20 years of age who were hired after 1 October. How is this to be policed? Let us remember that the Government in its advertisements said that there would be less Government

interference and that there would be cuts in the Public Service. Once again, that is a question to be answered. How is this to policed?

What is to stop an employer reducing the number of staff on his October return, either artificially or by sacking 15 to 19-year-olds, and then rehiring them later to claim the concession? An alternative would be to sack two part-time employees for whom the concessions do not apply and rehire one of them full-time to obtain the concession. In this way, and if this did occur, the employment statistics definition would actually decrease as a result of the scheme. I am led to believe that no thorough check is made on the returns, and employers are only investigated if suspicion is aroused. In short, the present system depends on the honesty of the employer. In future, this honesty will be even more important, or the concessions will be paid to no purpose. To be reassured that this does not happen, it will be necessary to examine the regulations made under the Act very carefully. Perhaps policing measures will be increased, but this could be costly and may conflict, as I said previously, with the Government's other goals to cut Government cost and reduce the size of the Public Service. I think the attractiveness of this scheme, from the Government's point of view, is its great electoral appeal at the time of the election, and its cheapness.

The only revenue that the Government will definitely have to forgo is the cost of increasing the general exemption levels; the "use" section of the scheme will only cost money if it works. If no use of employed occurs under this scheme, no concession will be paid. The danger is that it will not work or that, if concessions are paid out, total employment will not increase because of the possibility of employer abuse.

In conclusion, I would like to refer to the editorial of the *Australian* of 21 November 1977. Commenting on Labor's 1977 scheme to abolish pay-roll tax, the *Australian* claimed that it would probably not result in increased employment. It called the plan a mere hopeful stab in the dark at part of the body of unemployment and stated that before employers hired more people they would need to see an increase in orders of their goods and services. The *Australian* editorial of 9 December 1977 had this to say:

> As the campaign wore on they became more strident, calling the scheme a gimmicky ploy to increase by giving money to big business. The idea may or may not create some new jobs.

The *Australian* of 1 December 1977 had this to say:

> In the course of the campaign, Mr. Fraser claimed that the scheme would fail. Speaking of the survey taken of employers, he said it had been found that not one company was prepared to take on an extra employee as a result of the scheme.

Around the same time, a Liberal election advertisement attacked the plan by saying, "Companies can only employ more staff if they sell more products," and this was one occasion on which I believed a statement made by the Liberals.

So, reluctantly, I support the proposition, only because I believe the Liberals have a mandate to introduce this legislation.

The Hon. FRANK BLEVINS: The deficiencies in the Bill have been pointed out by previous speakers, including the Hon. Mr. Dunford and the Hon. Mr. Bruce, and in great detail by the Hon. Mr. Sumner. Some of the loopholes pointed out include a possible reduction of permanent part-time workers and the statement that 70 per cent of small businesses will not be affected by this legislation, which means that 25 per cent of the work force will also be outside of the scope of the legislation. The object of the Bill is to create jobs for young people. I doubt very much whether that will happen, but I certainly hope it does because, as I outlined in my Budget speech, it is certainly one of the major problems that Australia faces today. If the jobs are not created, the problems that Australia will face will be horrendous. It is a pity that this Government, which says it desires to create jobs, should axe the only scheme that definitely created jobs, as well as economically creating some useful amenities for the community, that scheme having been implemented by the previous Government.

I support this Bill and, unlike some other speakers, I support it very strongly, because it goes some way to reducing this iniquitous and onerous pay-roll tax. I commend the Hon. Mr. Milne for his speech on this Bill. Pay-roll tax is a tax on employment. In this day and age one of the major problems Australia is facing is a lack of employment. To have a tax on employment is quite ridiculous. The tax falls heavily on the manufacturing and labour-intensive industries, such as B.H.P., which has a very large pay-roll, employing something like 55 000 workers. It is one of Australia's most prosperous companies, but it needs a great deal of labour to get that prosperity. B.H.P. is not one of the worst exploiters of labour in this country.

The Utah Development Company is the largest profit maker in Australia, and yet it employs fewer than 3 000 workers. Pay-roll tax does not hurt this company at all. It takes a little simple arithmetic to see the level of exploitation by Utah Development Company and also the oil companies to realise that taxes of this nature are of no consequence to them. I would prefer to see an increase in the rate of company taxation, or some such measure as that.

When looking at the list of speakers today, there was one noticeable absentee—the Hon. Mr. Laidlaw. I would have thought that if anybody should speak on this legislation it was the Hon. Mr. Laidlaw. He is a director (if not the owner) of many companies that employ large numbers of workers. He has direct experience of taxation such as this. I would have been interested to hear the Hon. Mr. Laidlaw on this measure. I cannot understand for the life of me why he is silent.

It should not be beyond the wit of the Premiers and the Prime Minister to devise a form of taxation to replace pay-roll tax. Given that unemployment is a tremendous problem, perhaps a tax on labour-saving machinery would be more rational than pay-roll tax. I appeal to the Government to take up with the Federal Government the possibility of removing the tax altogether and replacing it with something far more equitable and appropriate in these times of unemployment. Despite all the faults in this legislation, I support it strongly.

The Hon. K. T. GRIFFIN (Attorney-General): I want to reply briefly to some questions which have been raised. The Leader of the Opposition has been trying for some time to entice me to give some guarantees, but I am not prepared to be enticed on this occasion. He has said that he wants a guarantee about where 7 000 or 12 000 jobs are created by this initiative. I have said earlier today that it is the comprehensive policy of the Government that will create additional jobs, not any one particular initiative. Regarding the age limit, the Leader asked whether, for example, if a person aged 19 years 10 months was employed, the rebate would cut off at age 20. That is not the case. It will continue for a full period of 12 months, provided the criteria have been met, until he attains 20 years 10 months.

The Hon. C. J. Sumner: Which one is that?

The Hon. K. T. GRIFFIN: You asked about the age limit with respect to the rebate, and I understand that the answer applies equally to the question of exemption. One must remember that the exemptions and rebates apply over a full year. The Leader has also asked what is meant by full employment. I will make several comments on that, which relate also to additional employees. If one asks what constitutes additional employees, the answer is that it is an increase in the number of full-time positions filled in an employer's work force after 30 September each year. A bench mark will be established at 30 September each year and will be revised at 30 September each year during the currency of the policy.

Regarding what constitutes full-time employment, that is intended to extend to regular employment for 35 hours a week or more, including hours worked at penalty and overtime rates. I have already indicated the position when an additional employee attains the age of 20 years. In that case the rebate and exemptionwill continue for 12 months from the time of commencement of employment. The refund will be continued for additional employees in addition to those established by the bench mark at 30 September. The refund applies for another 12 months from date of engagement where an additional employee is engaged during the three months preceding 30 September 1980.

If the number of young 20-year-old persons is maintained in the work force, but the total number in the work force falls below the bench mark and they are not replaced within three weeks, the refund will no longer apply. If there are reductions in the number of under and over 20-year-old persons in the total work force, but replacements are made before the expiration of the period of three weeks, and the refund is payable on a quarterly basis, not an annual basis, the refund is payable as long as continuous employment is maintained.

The Leader also asked about permanent part-time positions. Where there are permanent part-time positions not exceeding 35 hours a week, they are excluded from the criteria for the refund. On the question of seasonal packages, provided that the criteria are met and the seasonal employment of a young person is for three months or more, the rebate will be available to employers for the seasonal employee.

The Hon. Frank Blevins: That's a hand-out to the retail trade.

The PRESIDENT: Order!

The Hon. K. T. GRIFFIN: There are many businesses in which there is seasonal employment.

The Hon. N. K. Foster: Is that with the one employer?

The Hon. K. T. GRIFFIN: Yes. That is an encouragement to have seasonal employment for that period. The question has been raised about what happens when someone attains the age of 20 years, or 20 years and 10 months, or any period within the time when the 12 months has been completed and the seasonal employment finishes. We, as a Government, have no control over that. One would expect that if, as a result of this, permanent employment oppportunities are created, there will not be a dismissal of the employee provided he is satisfactory and meeting the reasonable conditions of employment established by the employer.

The next question was about what would be the effect on small businesses. The policy was never intended to apply to small businesses that did not employ the number of employees required to attract the exemption or rebate. It is designed to assist in employment opportunities in those medium to large businesses that are hit at present by pay-roll tax. The only other comment that needs to be made is in relation to clause 8, where there has been reference by the Opposition to the imposition of the tax by regulation. The Hon. Mr. DeGaris has covered this extensively.

The PRESIDENT: Order! Continued audible conversation makes it extremely difficult for *Hansard*. If two honourable members want to discuss something, I suggest that they sit together.

The Hon K. T. GRIFFIN: There is not an imposition of taxation in clause 8. It establishes the basis on which a refund of pay-roll tax may be granted.

The Hon. C. J. Sumner: It's an imposition once you withdraw the regulation.

The Hon. K. T. GRIFFIN: No. In the Committee stage, when we are dealing with suggested amendments to clause 8, I will indicate that the Government recognises that it ought to avoid as much as possible the provision for government by regulation. There are two difficulties with this legislation.

The first is that there is inadequate time available to have before us in detail all that will be required to cover the exigencies that may be contemplated and all of the criteria to which the legislation will apply. The other is a more important factor; that is, that one cannot anticipate all of the exigencies that may have application to this piece of legislation, or the way in which the policy is to be applied.

Therefore, from an administrative point of view, consistent with the approach taken in other States and in other legislation, we believe that there ought to be a measure of administrative discretion which will be able to deal with anomalies and which we might not have been able to anticipate if we had been compelled to draft all of those criteria and provisions into the legislation. I remind the Council that those criteria will come before the Chamber as regulations and will be subject to scrutiny by the appropriate committee of Parliament and by members opposite and on this side and, if there is any matter causing concern, members will have the opportunity to refer to it at the appropriate time. There are a number of other matters to which I could refer, but they are not significant. I hope that the answers that I have given satisfy the Opposition.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Exemption from pay-roll tax."

The Hon. C. J. SUMNER: This clause deals with the youth exemption, which requires considerable regulation for the scheme to be fully spelt out. Is it the position that, if a person under 20 is employed and continues to be employed for a period of 12 months, the exemption will apply for that full 12 months, so that for a person employed at age 19 years and 11 months, the exemption will apply until he has reached age 20 years and 11 months?

The Hon. K. T. GRIFFIN: The answer is "Yes".

The Hon. C. J. SUMNER: To qualify for the exemption, will there have to be 12 months of employment, or will the employer obtain exemption if employment lasts for only two or three weeks?

The Hon. K. T. GRIFFIN: It is intended that there be quarterly returns required from employers. A period of two or three weeks will not be sufficient to qualify for the refund. It will be necessary for the employee to be employed for a minimum of three months but, if he is employed for a full 12 months, on each quarter when the return is required, there will be a qualification for the refund.

The Hon. C. J. SUMNER: Are those conditions similar to the conditions that will apply under clause 8? Will the rebate be paid on the basis of three months employment? To qualify for the rebate will there have to be employment over a 12-month period? I have called one the youth exemption scheme and the other the youth rebate scheme.

The Hon. K. T. GRIFFIN: It is on a monthly basis for seeking the exemption. The Pay-Roll Tax Office is not so much concerned with identifying who it is but with the fact that there is some qualification. The youth rebate, on the other hand, is the proposal that requires the quarterly returns and the continuous period of service by that employee in respect of whom it is claimed for the period of three months. On the one hand there is the exemption and on the other there is the rebate which is on a quarterly basis.

The Hon. C. J. SUMNER: Is this the position: on the question of the exemption of pay-roll tax (that is, the youth exemption), if someone under the age of 20 years is employed for just one or two weeks, the exemption can be claimed?

The Hon. K. T. GRIFFIN: I understand that that is the position.

The Hon. C. J. SUMNER: With the rebate, the employment must continue for a minimum of three months.

The Hon. K. T. GRIFFIN: That is correct. It will be an application for the refund that will have various questions asked to establish the criteria with respect to the refund. That is a correct representation of the position.

The Hon. K. L. Milne: What are the criteria?

The Hon. K. T. GRIFFIN: They are to be included in the regulations, which is what I indicated in the second reading debate. There are considerable difficulties in quickly drafting the regulations in the form that will cover all the exigencies in a situation. Because this scheme needs some flexibility, regulations are the appropriate way to deal with it. Although I have indicated the position in answering the Leader in the second reading debate about what some of those criteria are, it would merely be repetitious to do it again.

The Hon. N. K. FOSTER: I refer to new subsection (3) and I emphasise the words "under the terms of his employment".

I ask quite emphatically whether that provision applies to an individual as you, I or the average employee would understand it to apply, or does it apply under the false misrepresentation held by many traders in this city, particularly those in Rundle Mall, who recently said that 5 000 more jobs would be created? They said that more people were being employed, and that is true. More people are being employed because, for example, Mrs. Jones is coming in at 9 o'clock and getting the sack at 11 o'clock; Mrs. Brown is coming in at 11 o'clock and getting the sack at 2 o'clock; and Mrs. Green is coming in at 2 o'clock and getting the sack at 4 o'clock. Therefore, three people are employed, but they are working fewer hours, overall than if Mrs. Jones was employed from the start of business to when business closed that evening. Does the jargon in new subsection (3) allow for a benefit to the employer or a maximisation of his profits? Can the term "35 hours" under new subsection (3) be diluted under the terms of an individual's employment? Does it mean an individual and not a collective of a number of employees employed on, say, a Monday at Target or some other store?

The Hon. K. T. GRIFFIN: The clause means quite clearly what it says. That is, it relates to full-time positions filled in an employer's work force. The full-time positions are quite clearly stated in new subsection (3), as follows:

> . . . an employee shall be regarded as being employed on a full-time basis if he is, under the terms of his employment, ordinarily required to work for at least 35 hours per week.

He may work 40 hours per week, but he is still full-time. It is possible during the course of a year that that person occupying that full-time position may leave, and provided there is not a gap of more than three weeks between the time that person leaves and the time another person under 20 occupies that position on a full-time basis for the balance of that year, then that clause still applies.

The Hon. N. K. FOSTER: Does this clause apply where an employer has employed a person pursuant to your explanation? In other words, if an employee was working in excess of 35 hours a week, say 44 hours, would the benefit flow to the employer if he reduced the working time of that employee?

The Hon. K. T. GRIFFIN: I do not really understand the question.

The Hon. N. K. FOSTER: To take a hypothetical situation, if you work for a fellow in the Rundle Mall for up to 44 hours per week, as a result of this clause that employer can reduce your working time by nine hours to 35 hours per week. Therefore, can that employer reduce the number of hours he has to pay you for and still get the benefit of the Bill?

The Hon. K. T. GRIFFIN: Of course he can. I do not see what the difficulty is.

Clause passed.

Clauses 5 to 7 passed.

Clause 8—"Refund of pay-roll tax with a view to stimulating employment."

The Hon. K. T. GRIFFIN: I move the following suggested amendments:

> Page 4—
>
> Line 28—After "employer" insert ", who adds to the number of his employees by employing persons under the age of twenty years,"
>
> Line 32—Leave out "is entitled to" and insert "qualifies for".
>
> Lines 41 to 43—Leave out subsection (5) and insert subsections as follows:
>
> (5) Where the Treasurer is satisfied that an applicant qualifies for a refund of pay-roll tax in accordance with criteria for the time being in force under this section, he may make such a refund accordingly.
>
> (5a) The amount of a refund payable to an employer under this section shall not exceed in any one year—
>
> *(a)* Where the refund is payable in relation to the employment of one additional employee—six hundred dollars; or
>
> *(b)* Where the refund is payable in relation to the employment of two or more additional employees—eighteen hundred dollars.

In moving the amendments on file the Government intends to strengthen the Bill in two important respects. The first of these is to ensure that, with regard to the rebate system described in clause 8, the responsible Minister is empowered to exercise an administrative discretion. The second amendment more clearly brings the Bill into conformity with the well-established principle that matters of policy, especially taxation policy, should always be prescribed in statutory form and that only the administrative details of a policy proposal should be expressed in regulatory form. That is an amendment that will come later, but it is part of the one parcel.

In the matter of Ministerial discretion, the Government accepts that a reasonable latitude should be available to the Minister to deal effectively with unforeseen contingencies that may arise. In any legislative initiative of this kind, in which the concepts are novel and opportunities to revise

and refine them in the light of experience have not yet arisen, there is almost inevitably the possibility of abuse. The Government therefore believes that it would be wise to introduce an administrative discretion which would be exercised against an employer who may technically have established a qualification for the refund, but who has not acted within the spirit of the new legislation. The Government also believes that the statutory expression which seeks to confer such a discretion on the Minister should be clear and unambiguous. It might be argued that the discretion is already imported, by the use of the word "may" in subclause (5) of clause 8. However, notwithstanding the provision of the Acts Interpretation Act, courts have on occasion chosen to interpret that word as if it imposed a mandatory requirement. In view of this consideration, and in order to dispel all doubt, the Government proposes the change in line 32 as well as a new subclause (5) to provide that, before making a refund, the Treasurer must be satisfied that the employer genuinely qualifies for the refund. In practical terms this means that the Treasurer must be satisfied that the employer has acted within the spirt of the scheme and has in fact made a significant contribution to the solution of the problem of youth unemployment.

As to the second question, it is a moot point whether clause 8 of the Bill explicitly states the rebate policy announced at the last election. Certainly, when the Bill is read in conjunction with the second reading speech and the Government's other explicit assurances in relation to clause 8, there can be no doubt as to the details of policy and the limits of that policy. The Government accepts, however, that debate may arise as to whether clause 8, when read alone, contains an appropriate statement of policy, and will therefore move new subclause 5 *(a)*. I should explain that it is only on the basis of compelling advice to the Government that clause 8 was drawn in such a way as to delegate the details of specific criteria to the regulations. I have already indicated that any attempt to prescribe exhaustively in this Bill all the criteria that must be met by an employer in order to qualify for a refund—to take account, that is, of all possible contingencies—would be a drafting impossibility. That is the reason why the precise definitions of "continuous employment", "full-time employment", "additional employment" and so forth are to be left to regulation. The Government accepts, however, that the maximum refund payable to an employer can be expressed in statutory form, and accordingly this statement of policy is incorporated both in the amendment to line 28 and in new subclause 5 *(a)*. Finally, may I take this opportunity to place on record the Government's indebtedness to the Hon. Mr. DeGaris for his contribution to this policy proposal, he has had some involvement with these amendments and has made a significant contribution to this part of the policy proposal.

The Hon. C. J. SUMNER: I will run through what I have said previously to ensure that I have the issue clearly in my mind. Regarding the youth exemption and rebate, there is no problem about the scheme covering 12 months after the person is employed, provided that the person, at the time of employment, is under 20 years of age.

The Hon. K. T. Griffin: That is correct.

The Hon. C. J. SUMNER: The youth exemption applies, no matter what the length of employment is.

The Hon. K. T. Griffin: That is correct.

The Hon. C. J. SUMNER: The youth rebate applies, provided that there has been a period of employment of at least three months.

The Hon. K. T. Griffin: Yes.

The Hon. C. J. SUMNER: In both cases, the person employed must be employed in addition to the full-time work force.

The Hon. K. T. Griffin: Yes.

The Hon. C. J. SUMNER: Will it be possible for employers to convert, say, two part-time employees into one full-time employee under 20 years of age and still obtain the benefits of the youth exemption or rebate scheme?

The Hon. K. T. GRIFFIN: No, it will not, because in the forms that the Taxation Commissioner will require to be filled in employers will have to give details of the number of their full-time employees and part-time employees. I am advised that it will not be possible to convert two part-time jobs into one additional full-time position and thereby gain this advantage.

The Hon. C. J. SUMNER: I take it then that it is the Government's policy to allow the continuation of permanent part-time employment, that this Bill will not allow employers to make that conversion, and that, accordingly, the regulations will provide that this cannot be done.

The Hon. K. T. GRIFFIN: I do not know that that will be provided in the regulations, but that is certainly the Government's policy.

The Hon. N. K. FOSTER: The whole thing ought to be sent back for re-examination. What prohibition is there for an employer so to convert? If this is the Government's first attempt to implement a mandate that has been given to it, it should do a better job. This Bill has more holes in it than a wagon wheel.

The Hon. K. T. GRIFFIN: If the honourable member cared to read the second reading explanation and the other explanations that have been given, he would see what the scheme involved. I have indicated to the Leader that employers who are claiming the rebate must state specifically to the Commissioner of Taxation the number of full-time and part-time employees that they have. I am advised that, if an employer tries to convert part-time positions to a full-time position, he will not be able to claim the rebate.

The Hon. C. J. SUMNER: Will that also happen in relation to the exemption from pay-roll tax?

The Hon. K. T. GRIFFIN: I understand so, but I will check and let the honourable member know.

The Hon. C. J. SUMNER: My other query, which I raised during the second reading debate and which causes me some concern, relates to obtaining an assurance from employers that, when an employee reaches 20 years of age (he may be 20 years and 364 days old), his employment will be maintained. Is it the general thrust of the policy that, once people are employed under this incentive scheme, the employer will keep on the young employee, who will become a part of the business and virtually be a part of the full-time work force?

The Hon. K. T. GRIFFIN: There is no control after that period has expired.

The Hon. G. L. BRUCE: What will happen if an employee leaves normally? Will the employer be bound to employ someone, perhaps not a youth?

The Hon. K. T. GRIFFIN: He will not be compelled to put anyone on but, if he does so, he is entitled to decide whether it is someone under 20 years of age or someone of, say, 50 years of age.

The Hon. G. L. BRUCE: Does that not give him an incentive to get people to leave so that he can employ young people to take their places? Does that not leave the matter open to violation?

The Hon. K. T. GRIFFIN: I should have thought that if an employer sought to exert that sort of pressure the unions would become involved very quickly.

The Hon. R. C. DeGARIS: I raise the point of the

Government's administrative powers. Although Opposition members are advancing a number of cases that can occur, it strengthens my resolve that wide administrative powers should exist, as it would be impossible for all these issues to be resolved by regulation. As I said in the second reading debate, the New South Wales plan is administered purely by administrative act; no regulations are attached to it.

New section 56a is clear that there must be an increase in overall employment, and the Treasury, in applying this matter, must be satisfied that unemployment will be materially reduced by the exercise of powers conferred by the section. There is no question in my mind that a number of things that cannot be covered by regulation will arise in the implementation of this policy.

There is some doubt whether new section 56a (5) confers an administrative power on the Minister. Does the amendment increase the Treasurer's administrative powers in these matters? I still have doubts whether the Treasury is assuming sufficiently wide administrative powers to cover all the things that may arise. Also, can the Government by regulation change the age that applies in relation to the application of the rebate?

The Hon. K. T. GRIFFIN: In answering the second question, with the age specified in the Act, it is my view that the Government will not be able to change that by regulation. So far as the discretion is concerned, it is my view that the amendment to subclause (5) gives additional administrative power to the Commissioner of State Taxes. In addition to that, it is possible to draft the criteria in the regulations in such a way that the discretion will be reflected in those criteria and in the way that they are applied.

The Hon. R. C. DeGARIS: Will the Attorney-General say whether the Government believes that it may require a right by regulation to change the age to which the rebate applies? I do not mind if the Government does not want that power, but I believe that the Government may well desire that power in a Bill of this nature.

The Hon. K. T. GRIFFIN: The Government's view is that this has application for young people up to the age of 20. Whilst we would be prepared to exercise the power if we had it, the 20-year-old limit is a matter of policy which was presented to the electorate at the election. If we want to increase that to some other age or lower it, then we should come back to Parliament for an amendment to the legislation.

The Hon. N. K. FOSTER: New section 56a provides:

(1) Where the Treasurer is satisfied—

(a) that unemployment could be materially reduced by the exercise of powers conferred by this section; and

(b) that it would be in the public interest to exercise the powers conferred by this section,

the Governor may, by regulation, establish criteria under which—

(c) an employer may qualify for a refund of pay-roll tax under this section; and

(d) the extent of any such refund may be determined.

One is mindful of the fact that there are some measures by regulation coming before joint committees. I ask the Minister responsible for the passage of this legislation, when he deals with a regulation coming back to the Parliament (and I take it that he means coming back by way of debate and not being confined to a joint committee), to ensure that there is not a danger inherent in this clause that an employer can, if the guideline is laid down, sack two people whom he is paying about $5 000 a year and receive about four times that amount in the form of a rebate. Having received that rebate in part or in full, is there any requirement by the Government, or is the Government going to insist on any requirement, that he employ those people beyond the age of 20 years plus 364 days? Can he seek a rebate, get a rebate, not employ anybody, employ a lesser number than he has, pay them a lesser salary, or employ them for a lesser number of hours? There are a whole host of questions to be answered. The whole clause is pretty lousy. It leads to all sorts of conjecture from people on this side of the Council who have had some experience in this regard. To answer that by saying that the trade unions will not allow it is a lot of rubbish due to this Government's past attitude to unionism. The Government should bring back a Bill which embodies the promises it made at the last election.

The Hon. K. T. GRIFFIN: We are seeking to provide the framework in which people can take advantage of the rebate, refunds and exemptions. When employers take advantage of that, we have the specific objective of ensuring that they increase employment.

The Hon. N. K. Foster: What about my question of the rebate they get?

The Hon. K. T. GRIFFIN: They can get the rebate if they satisfy the criteria.

The Hon. N. K. Foster: They can sack people to get it and not re-employ them.

The Hon. K. T. GRIFFIN: They have to employ additional employees. I indicated before that there is a bench mark fixed at 30 September in each year for the number of full-time employees. If they do not maintain that number, however many young people they put on or sack, they will not get the benefits of it.

The Hon. G. L. BRUCE: When does the young employee go on to the permanent pay-roll? If they put him on and qualify to get the rebate and then sack him or he leaves, can they get another one, or how does it work?

The Hon. K. T. GRIFFIN: If a young person is engaged additional to the number of full-time employees at the bench mark of 30 September, for the employer to qualify for the rebate, that young employee must be kept on the pay-roll for a minimum of three months.

The Hon. G. L. Bruce: What if he leaves?

The Hon K. T. GRIFFIN: If he leaves, he may be replaced by another young person provided there is no greater space than three weeks between the time when the first one leaves and the second one is employed. If there is a greater period than three weeks, then that is it. If there is a lesser period than three weeks, the employer continues to qualify.

The Hon. G. L. BRUCE: Does that mean that, if somebody works from the age of 18 to 21, the employer can then sack him and get another one aged 16 and employ him until he is 20, and keep going like that?

The Hon. K. T. GRIFFIN: One has to take into account the bench mark of full-time employees. It is not a matter of being able to dump permanent employees and put on others to qualify, because the basic criteria of additional employees has to be satisfied—additional to those full-time employees at the bench mark in time.

The Hon. C. M. HILL: In answer to the Hon. Mr. Bruce, we are dealing with a net increase in the number of employees. If there is not a net increase, the practice outlined cannot be followed.

The Hon. K. T. GRIFFIN: The Leader asked a question on which I have had to seek advice. I am informed that the exemption may be claimed by an employer if a person under 20 years of age is employed in addition to the regular full-time staff employed at bench mark date. Apparently, consideration was given to the possibility that part-time positions might be merged to create additional full-time positions. I have already given the answer, namely, that employers would not be able to take

advantage of the provisions by dismissing part-time employees and putting on one full-time employee, except, I understand, in relation to youth exemption. The reasons for part-time employment would tend to act against such merging. With the youth exemption, it is possible for it to occur, although we believe it is unlikely. For the others, it is not possible.

The Hon. R. C. DeGARIS: I thank the Government for including new subsection (5a), which covers my major objection to the regulation-making powers. This includes the policy announced at the election. Anyone will be able to see in the Act what the rebate is if he or she employs additional employees under 20 years of age.

Suggested amendments carried; clause as amended passed.

Title passed.

Bill read a third time and passed.

JOINT COMMITTEE ON MEAT HYGIENE LEGISLATION

The House of Assembly transmitted the following resolution in which it requested the concurrence of the Legislative Council:

The House of Assembly informs the Legislative Council that it has passed the resolution transmitted herewith, and desires the concurrence of the Legislative Council thereto.

Resolution referred to:

That—

(a) pursuant to Joint Standing Order No. 1, the House of Assembly requests the concurrence of the Legislative Council in the appointment of a Joint Committee with power to adjourn from place to place and to inquire into and report on matters pertaining to the meat hygiene legislation as embodied in the Abattoirs and Pet Food Works Bill, 1978; the Abattoirs Act Amendment Bill, 1979; the Health Act Amendment Bill, 1979; the Local Government Act Amendment Bill, 1979; and the South Australian Meat Corporation Act Amendment Bill, 1979 with special reference to:

(i) the establishment of an Industry Consultative Committee to advise the Minister and the Chief Inspector;

(ii) the embodiment of hygiene relating to poultry processing in a separate Act, possibly the Poultry Processing Act; and

(iii) the regulation-making powers under the Health Act, 1911-1977, relating to the upgrading and maintenance of hygiene standards for country slaughterhouses outside proclaimed abattoir areas;

(b) in the event of the Joint Committee being appointed, the House of Assembly be represented thereon by three members, two of whom shall form a quorum of Assembly members necessary to be present at all sittings of the committee;

(c) Messrs. L. M. F. Arnold and Olsen and the Minister of Agriculture be the representatives of the Assembly on the said committee; and

(d) the said committee have power to invite specially qualified persons to attend any of its meetings in an advisory capacity.

[Sitting suspended from 6.15 to 7.45 p.m.]

STAMP DUTIES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 31 October. Page 547.)

The Hon. C. J. SUMNER (Leader of the Opposition): I will try to keep my contribution short. I had intended to do that, and I am sure that we could have finished this Bill before 6.30 p.m. had we decided to go on with it. As the Council would understand, in the evening after a reasonably convivial dinner with my colleagues it is not always so easy to keep the speeches as brief as one would like. Nevertheless, I will do my best not to keep the Council sitting until too late an hour, although I cannot guarantee it, whereas before the dinner adjournment I am sure that I would have been able to keep speeches to a reasonable length.

The Opposition is happy to support this Bill, which is part of the package of tax concessions that the then Opposition offered to the electorate as part of its election campaign prior to 15 September. It was offered to the electorate as part of its election campaign, and obviously we would not wish to oppose it for that reason if for no other. The Bill provides for the complete exemption of stamp duty for purchasers of a house to be constructed of a value of $30 000 or less and, where the value of the house exceeds $30 000, a reduction of $580 applies on the duty payable on the transfer of that house. In general, it applies to new house purchasers, but I will deal with that later.

The stated object is the stimulation of the housing industry. There is no question that between 1977-78 and going into the early part of this year, there has been a fairly great recession in the building industry in South Australia. That recession is mirrored to some extent throughout the country. It came about because in 1975-76, while the building industry in most other States was going through a great recession, for some reason in South Australia there was a boom in the housing industry and the building industry generally. I have not been able to explain why that boom occurred in South Australia when it was not occurring in other States, but it did occur and was undoubtedly one of the factors contributing to the situation where, in South Australia, we had the lowest rate of unemployment in the period leading up to mid-1977. It also had the adverse effect of resulting in an over-supply of houses after mid-1977. That over-supply contributed to the decline in the industry and the recession of the past 18 months.

Other factors, too, contributed to the unemployment situation in 1977-78, when the great fall occurred in South Australia. Some of those were seasonal factors such as drought, some included the Federal Government's policies, such as the proposal to close the Whyalla shipyards, and others involved the car manufacturing industry, where the markets for its vehicles were depressed in the Eastern States. There is no doubt that the building industry in the recent period, at least until the beginning of this year (and for the 18 months prior to the beginning of this year), did contribute to the down-turn in the employment situation in South Australia. This was caused by an over-supply of houses after the boom period. The reasons are difficult to explain, but they are the facts.

This concession is designed to stimulate the building industry, and the present situation is not all gloom in that industry. Certainly, during last year and the last part of 1977 there was a down-turn, but there is some evidence to suggest that in recent times, particularly in the most recent five months, there has been an up-turn in the house building industry in particular.

The Leader of the Opposition in another place gave

figures indicating that there was an up-turn on the way before the election and that, during the past five months, there have been 10 per cent more building approvals granted in South Australia than in the same months in 1978. Already there has been an improvement in the building industry. I hope this concession will give a significant kick to the industry, although the situation was not as bad as the Leader of the Government tried to paint it in his second reading explanation. As he has done on other occasions, he used incorrect statistics to try to create a situation of total gloom in the South Australian economy prior to 15 September.

The figures on building approvals that I have given, added to other statistics relating to the amount of overtime worked, and the sort of information that I gave to the Council during the Budget debate, indicate that the economy in South Australia before 15 September was on the up-turn after a serious if not a belated recession compared to the national situation in the period from mid-1977 until the beginning of 1979. I hope that this concession will provide some incentive to the industry but, if the figures are as bad or the situation is as bad as the Government would have us believe from its second reading explanation, then such a concession, as small as it is, is unlikely to help the industry greatly.

The Council and the Government must remember that in recent months there have been some encouraging signs in the economy, and one can only hope that the Government's policies will continue to boost the encouraging signs and the continuing up-turn in the economy. If that is not the position in 12 months the Government will have something to answer for, because questions will be asked about whether its strategy of tax concessions, the abolition of the SURS scheme and the proposals based on stimulating the private sector will have had some effect. It is too early to judge that, but clearly in about 12 months we will be able to make some assessment of that position.

As I said this afternoon, in my speech on the Pay-roll Tax Act Amendment Bill, the Opposition is concerned to see that business in this State improves and that there is an improvement in the employment position. The Opposition will do anything to assist that situation, contrary to what members opposite have said about our attitude to business and employment. In his second reading explanation, the Attorney-General referred to building costs in South Australia escalating dramatically. However, everyone knows that in the building of a home there is also the question of land costs, and it is interesting to note that they are not mentioned by the Attorney-General. Clearly, the question of land costs is relevant, and the Government shold note the situation in South Australia, where I believe that the introduction of the Land Commission has meant that unwarranted speculation on the development of land has been prevented and land costs have been reasonably well contained.

It may well be that the Government should reconsider its attitude towards the Land Commission, because it would be a great tragedy for home buyers if the Government was giving them a concession on stamp duty, which is fairly minor (about $580), on the one hand, but doing away with an initiative, the Land Commission, which has helped contain speculation, land costs and the overall costs of building a home in South Australia. I ask the Government not to give with one hand and take away with the other. By taking away, I mean the doing away with the benefits that have accrued from having a body such as the Land Commission, which has helped to damp down land speculation.

Another interesting factor in the second reading explanation is that while the Government has talked about the rapid increase (so it says) in building costs in South Australia compared to the other States, it says that wage rates in South Australia have not kept pace with the increase in building costs. That is an example of the Government using an argument in this context, which suits it, but rejecting it in another context. All members would be aware that during the period of the Labor Government one of the main complaints against the Labor Government was that South Australia had lost its cost advantage. However, in the second reading explanation the Government is justifying its attitude to this Bill by saying that wage rates in South Australia have increased at a much slower rate than they have in other States and, in fact, are below the rates in other States. Therefore, it seems to me that the Government is using, where it suits it, one argument when talking about this particular Bill and the question of wage rates not keeping up with building costs and, on the other hand, when it suits it, it talks about South Australia under a Labor Government pricing itself out of a national market. The Government cannot have it both ways and members must wonder about the integrity of the Government's argument on this matter.

As I have said, the Opposition supports this Bill. The Hon. Mr. Milne has drawn my attention to clause 4 and the restriction that any person who is an applicant for this exemption from stamp duty must not have held in the State an interest in a dwellinghouse or in a home-unit previously. The question is raised as to why the exemption should be restricted to people who have not previously owned a dwellinghouse. In other words, if the object is to stimulate the building industry, the exemption should apply to all new homes, irrespective of whether or not the person concerned has previously had an interest in an existing dwelling.

As an example, a bachelor aged 19 may have bought a small house when he had no other ambitions in life. At the age of 30 he may decide to take the plunge and get married and have a family, and he therefore needs a new house. He may then decide to move out of the inner suburbs to somewhere farther away from the city area where some of that good land is held by the Land Commission, deciding that he would like to build a house to accommodate his new-found spouse and impending family. Why should not the exemption apply to him? Indeed, one could take it further to a situation where an older retired couple who have lived in their house for many years now wish to build and move to a smaller house. If the object of this Bill is to stimulate the building industry then the exemption should apply across the board, provided it can be established that there is in fact a new home being constructed. I believe that is the criteria we should be looking at, and that is a question which perhaps the Attorney-General could answer; possibly it can be taken further in the Committee stage. I support the second reading.

The Hon. K. T. GRIFFIN (Attorney-General): I want to answer one question raised by the Leader in the latter stages of his eloquent address on this bill. The Leader missed the point with respect to the object of this Bill, because it implements a policy proposal that was designed to provide a benefit to those people acquiring or building their first principal place of residence. At no stage was it intended that it should extend to any home that was to be newly erected. It should be noted that the provisions of the Bill extend to either new homes under construction or homes that are already constructed. As I have said, it relates to the purchase or acquisition of the first principal place of residence.

As a Government, we believe that this Bill will have some impact on the building industry, but more particularly it will give young people who are looking at their first home an opportunity to acquire that home with the advantage of what the Government regards as a considerable concession if one translates the $580 maximum concession into weekly terms, which would then amount to about $10 a week. Most people buying their first home would welcome that concession.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—"Concessional rates of duty in respect of the purchase of a first home, etc."

The Hon. K. L. MILNE: I move:

To strike out new section 71c (1) *(b)* (i).

This provision is unnecessary, as it would not matter if the building of other dwellinghouses was stimulated. Indeed, the more building that occurs the better it will be. It is irrelevant whether previously one party or another has had an interest in a dwellinghouse. It would be best if the provision was deleted completely, as this would help older people who have retired and who can be as hard-up as young people building their first house.

The Hon. J. R. CORNWALL: It seems that the amendment has a good deal to commend it. I refer, for example, to the situation where say, three, four, or five young single people pool their resources fairly early in life. Each could perhaps put down $1 000 as a deposit on a cottage or unit and, five or 10 years later, those persons could take unto themselves a spouse. What would be their position in the event that they bought their first matrimonial home? I seriously question whether this was the intention behind the Bill and whether sufficient thought has been given to this sort of situation. I also wonder whether the Government unwittingly has made an error. In the event that it has done so, I hope that the Government will admit it, as it would not be appropriate for the Opposition to defeat this money Bill.

The Hon. K. T. GRIFFIN: No error has been made. This provision was inserted in the new section deliberately. If the group of five people to which the Hon. Mr. Cornwall referred pooled their resources to buy their first principal place of residence and satisfied the criteria that are laid down, they would qualify for the rebate of stamp duty. If for one reason or another before the operation of this Bill, or indeed after it came into effect, they did not satisfy the criteria, and in a year they sold the property and acquired individual houses, they would not qualify because they previously owned a principal place of residence. The Liberal Party made a clear policy commitment to the people of South Australia that this would apply to the acquisition of the first principal place of residence. The Bill is consistent with that commitment, by which the Government will stand.

If the Government was to accept the amendment, this benefit would be available to everyone involved in the thousands of transactions that take place relating to the transfer of dwellinghouses. If the Opposition adopts the attitude that this matter ought to be opened up clearly in conflict with and in contradiction to the Liberal Party's commitment, it would open up a Pandora's box, and would not have the consequence of stimulating the economy but rather would incur much cost for the Government. I certainly oppose the amendment.

The Hon. J. R. CORNWALL: It seems to me that the Government has had serious second thoughts about this matter some time after 15 September, or that this is a clear case of something that was grossly misrepresented to the people during the course of the election campaign. It was clearly implied in all the Liberal Party references to this matter during the election campaign that this benefit would accrue in relation to the first marital home. Now, there has been a doubling-back, and we find that the Government did not mean what it said.

The Hon. C. J. SUMNER: As the Attorney-General referred to my previous contribution, I do not have any choice but to enter the fray on this amendment. I have some sympathy with the position put by the Hon. Mr. Milne. Certainly, in the second reading speech which the Minister delivered to this Council, the first bracket of the argument in the first paragraph referred to the much needed stimulus to the housing industry in this State and to assisting those who are faced with acquiring and furnishing their first home. The first proposal in the second reading speech was the argument of stimulus to the housing industry. I must confess that that is the only legitimate rationale for the exemption. After all, the second proposal of the exemption could apply to anyone without any concept of needs or any underlying notion that there will be some economic benefit. It seems that the rationale for this concession ought to be the stimulation of the building industry and not just providing a concession for the sake of providing a concession. If that is the prime object of the Bill, surely the point that the Hon. Mr. Milne makes is legitimate; that it ought to apply to all purchases of homes where the construction of a new dwelling is involved. I would have thought that it was a matter that the Government could look at and perhaps in the future, if this clause passes in its present form, it could also look at the financial implications of extending the concession to that effect, particularly after the Government has allowed the matter some time to work, to see whether it has given a stimulus to the industry and, if it has not, to come back to the Parliament and say that we ought to extend the concession. I do not believe that we on this side can interfere with this measure as the Government has presented it to the Council tonight. True, the Bill does give effect to a fairly specific election promise that was made by the Liberal Party. I do not believe that the promise extended to the matter that has now quite rightly been raised by the Hon. Mr. Milne. The promise was:

> We will exempt from stamp duty the first $30 000 involved in the purchase of a first home.

I note that the word "first" is there. The promise continues:

> This will make a saving of $500 to $800—a lot of money to people struggling to buy a house. It will also help the housing industry.

The main problem with this is that it does not have any concept of needs in it. In other words, it may not stimulate the housing industry. It may just be a straight-out concession for someone who does not need it at all. That seems to be the problem that the Government has not come to grips with. As this was a specific election promise, I do not believe that this Council should interfere with it. This is primarily a money measure. Whether this clause is specifically a money clause or not, I do not feel the need to go into at the moment. However, the Council should be careful about interfering with measures that deal with the financial revenue of the State. For that reason, although there is considerable merit in what the Hon. Mr. Milne has said about the issue, on this occasion the Bill ought to have the right of passage in accordance with a specific election promise.

The Hon. C. M. HILL: Not only did our Treasury policy, as just enumerated by the Leader of the Opposition, make it quite clear that this Bill carries out the election policy and promise in regard to the Treasury aspect but so also did our housing policy which we took to

the people. That housing policy reads as follows:

> Initiatives such as the rebates of stamp duty on first purchase and the removal of land tax on the principal place or residence are provided in the Liberal Party Treasury policy.

I point out, principally for the Hon. Mr. Milne's information, that no matter what members opposite say, there is nothing misleading or vague about this measure at all. Both the Treasury policy, as quoted by the Leader of the Opposition, and the housing policy, from which I have just read, point out that the matter was put to the people. It is proper that the Council should endorse the policy on those grounds.

The Hon. ANNE LEVY: It appears that there is a loophole in the Bill whether or not new section 71c (1) *(b)* (i) is included or left out. Quite clearly the indication from the policy speech is that it is a first home on which such a rebate is to apply. Let us imagine a situation where a young couple marry, buy a home and put the home in the husband's name, thereby benefiting by the rebate. Ten years later their family increases and their home is too small so they wish to sell it and purchase another one. This time they do so, putting the second house in the wife's name. She will not have received the benefit of the rebate before and will be eligible for the rebate in buying the second home. Seeing that gift duty is about to be abolished, once the transaction has occurred and the benefit of the rebate has been reaped, the house can then be put in joint names, effectively making the gift of half the house to the other spouse, which is what they may have intended in the first place. However, in that way they will benefit twice from the rebate.

The Hon. K. T. GRIFFIN: The Hon. Miss Levy has overlooked the fact the there will be stamp duty on the transfer from the name of the wife to joint names of her husband and herself,

The Hon. Anne Levy: Only half.

The Hon. K. T. GRIFFIN: That can be substantial. It is possible, if the wife had not gone the further step of transferring it to joint names, to find this loophole. However, we do not believe that that will be of great concern to the Government or that people will want to avoid the duty in that way, because of the additional consequence that when the house is put into joint names, there will be stamp duty on half the value.

The Hon. ANNE LEVY: If the final stage was not undertaken, the couple could benefit from the rebate twice and, as succession duty is being abolished, one spouse could leave the property to the other without duty being paid. This couple would receive the rebate twice in their lifetime.

The Hon. K. T. GRIFFIN: That is possible but the combination of facts will be rare. I suggest that the honourable member has interposed a period of 10 years and the illustration is somewhat far-fetched. I have conceded that, in the remote possibility that there is that combination, the rebate will be paid twice.

The Hon. FRANK BLEVINS: There is no need-based concept in this. Someone buying a house in North Adelaide worth $250 000 will get the $580 rebate, and this is improper. The money provided for this is coming from the abolition of SURS, under which employment was being created. It seems to me that this is a pay-off for the people who supported the Liberal Party at the election.

It is another example of the policies of the Liberal Party in the three or four weeks of the election campaign, because it was inconceivable that that Party could win. We will not divide on the matter but, doubtless, the Hon. Mr. Milne has raised a good point and, if the Government had any honesty, it would say that this was one promise that ought to broken because it was not in the interests of the State. If it did that, it would be applauded for saying it would give hand-outs not to people who did not need them but to people who needed them, so creating employment.

The Hon. R. J. RITSON: I rise to point out the two opposite arguments raised. The Hon. Dr. Cornwall has argued in favour of the benefit applying to all transactions, while the Hon. Mr. Blevins has complained that there is no needs-based element in the Bill.

The Government never intended that the benefit apply to help people like me to move from Dernancourt to Beaumont cheaply. There is a needs-based concept, in that the Government has rightly assumed that it is the young marrieds who need help most, and it has set a ceiling based on an average cost of a middle-class house, rather than set a percentage rebate. As the Attorney-General has said, the Bill will broadly and generally achieve this aim of helping young marrieds. I do not want to be here for 100 hours nit-picking. The Bill will broadly and generally achieve its aim of helping young marrieds, and that is all I want to say.

The Hon. J. R. CORNWALL: It is now apparent that this policy was ill conceived, sleight of hand, or perhaps a little of both. It was perceived by a large majority of the electorate to be an initiative that would do one of three things, or perhaps all of them. First, it was implied that it would stimulate the building industry. Secondly, 99 per cent of the people perceived it to be an initiative for couples acquiring their first marital home. Yet if any applicant for the first marital home has had any interest in that first dwelling, that person is disqualified from participating in this scheme.

If that was the Government's intention, it has presented the case dishonestly. If not, it ought to withdraw this measure and bring it back in an acceptable form that will fulfil the implied terms. The third matter implied was that this would operate on some sort of needs basis. That was not spelt out clearly but, because of the $30 000 mentioned, it was implied that it was being done according to need. If it is not according to need, then it is immoral, unjust, has nothing to do with social justice or equity—

The Hon. C. J. Sumner: Or stimulating the building industry.

The Hon. J. R. CORNWALL: Yes. The Government has to make up its mind one way or the other. Was this policy ill-conceived? Was it conceived in haste? Was the Bill ill-conceived and not thought through, or did the Government indulge in a straight confidence trick in the election campaign and is this Bill the result of it? The Government must answer that question one way or the other.

The Hon. K. T. GRIFFIN: It was neither ill conceived in haste nor was it an exercise in deceit. The Opposition loses sight of the fact that for $580 it suggests that we establish a true means-tested benefit and a bureaucracy to match anything that the Commonwealth Government has got.

The Hon. J. R. Cornwall: It's a dreadful Bill.

The Hon. K. T. GRIFFIN: There is nothing wrong with the Bill. The Opposition still thinks of the bureaucracy exercising such control. We are making it as simple as possible and applying in the broadest way so that we do not have to establish a bureaucracy to determine needs and inspect properties and qualifications.

The Hon. Mr. Hill made the point that the policy proposal provided that it should apply to the first home acquired. It was certainly directed to the younger people where the need is greatest, but we recognised that it would have a much broader application than that: not only would it help to stimulate the building industry but it would also help people who are in need.

If the Opposition has lost touch with the fact that there are so many young people in the community who are building houses, buying new houses or buying older houses and renovating them, then there is no hope for it. This provision means something to those people. It has to apply to a broad base because we do not want to establish a bureaucracy which would take more money from ordinary people in taxes, resulting in less value for their dollar.

The Hon. G. L. BRUCE: This Bill has been misrepresented. In his financial statement the Premier stated that he recognised:

> . . . the present depressed state of the building and construction industry and the need to support that industry to the greatest extent practicable.

This Bill should help young people with their first house and help the building industry get on its feet by ensuring that the benefits apply to people building a new house, but it applies to a person buying a house of any age. Certainly, there is no incentive to build a new house. It will not create employment but will create more work for land agents. As 99 per cent of the public thought that this measure would provide an incentive to build new houses and help young people, this Bill is dishonest to that extent.

The Hon. J. R. CORNWALL: Obviously, a high percentage of young married couples will not be entitled to this exemption. That fact should be given the widest possible publicity, because there is no doubt that the community at large expects the exemption to apply on the first marital house. Much confusion exists about the type of houses involved.

The Hon. R. C. DeGaris: There is no confusion.

The Hon. J. R. CORNWALL: There is, and people should know that they cannot be reliant on the $580 rebate on the first marital house because, for a large percentage of them they will not get it. This is a great confidence trick.

The Hon. R. C. DeGARIS: The Bill clearly represents the policy enunciated at the election. The Hon. Mr. Cornwall claimed that 99 per cent of people inferred things from the advertisments, but the only person who could have inferred that was the Hon. Mr. Cornwall himself. The policy was clear and specific—it applied to the first principal place of residence. I point out to the Hon. Mr. Milne that an Upper House should always, if it feels the Government is going beyond or not living up to an election promise made, have the right to interfere with a money Bill, but this Bill is clearly the implementation of a policy enunciated.

The Hon. J. R. Cornwall: Do you believe that we have the right to interfere with a money Bill?

The Hon. R. C. DeGARIS: Certainly; it is constitutionally provided.

Members interjecting:

The CHAIRMAN: Order! There is too much audible conversation. We had to go through this matter this afternoon. If honourable members wish to talk to each other, they should sit close and keep the volume down.

The Hon. R. C. DeGARIS: With his amendment the Hon. Mr. Milne will take a financial Bill beyond the promise made at the election. If the amendment is carried, that will be its outcome, and it should not have been moved on that basis in this Chamber. This Bill clearly interprets the election promise. If the amendment is passed and applies to the purchase of any house, whether or not a person has previously owned a house, it goes well beyond the election promise and, if carried, would lead to the defeat of the Bill. If carried, the amendment is beyond the Government's capacity to carry it.

The Hon. B. A. CHATTERTON: The Attorney-General implied that to apply some form of means test to this benefit would require a huge bureaucracy. It would be quite simple to devise a formula whereby the exemption was applicable to a dwellinghouse of $10 000 or $70 000 or any figure where it could cut out; or, a sliding scale could be imposed to ensure that it did not apply to people on large incomes. It would not require a large bureaucracy or an inspection of dwellinghouses, and the suggestion concerning a large bureaucracy and a large investigation of people's private affairs is unjustified. It would be simple to devise a method of doing this without any such bureaucracy.

The Hon. J. R. CORNWALL: The Opposition is unable to support the amendment moved by the Hon. Lance Milne because, as several speakers have said, this is a money Bill. However, it should be clearly placed on the record that I believe, and I am sure my colleagues believe, that this is an honest man's honest amendment to what I consider to be a dishonest Bill.

Amendment negatived; clause passed.

Title passed.

Bill read a third time and passed.

SUCCESSION DUTIES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 31 October. Page 546.)

The Hon. J. R. CORNWALL: The Opposition in this Chamber does not intend to oppose the second reading of this Bill for two reasons. First, the Government has a clear mandate for its introduction, and the Opposition certainly does not dispute that. Secondly, it is a money Bill, and that means it would be wrong for us to oppose it in this Chamber. The Opposition's views on this Bill have already been expressed very clearly by several of my colleagues in another place and I do not wish to be repetitious in my remarks. However, there are several points regarding the Bill that I wish to make, particularly in view of the opinions that I have constantly expressed in this Chamber concerning succession duties in the last 4½ years. With gift duty, succession duties were the only significant State tax left which were not regressive in application and incidence. I concede that, with the passing of time and particularly with the high rate of inflation, anomalies have arisen. On the other hand, the previous Government has moved and was continuing to move to correct these anomalies.

Succession duties between spouses were abolished some years ago and rebates on rural properties had been introduced. The Labor Party has given firm commitments to further significantly exempt family successors in its policy speech prior to the last election. In the event, the electorate did not consider these amounts or these actions went far enough *vis-a-vis* the promises of the Liberal Party. In the world of real politics, that is understandable. Everybody enjoys some degree of service from the State but nobody enjoys paying taxes, no matter what form they take. I must be honest and reasonable, as is my normal form, and include myself in that category.

Rightly or wrongly succession duties were seen as a tax on antecedents and successors, rather than a tax on the estate of the deceased. It was also explained and perceived, quite wrongly, as a heavy impost on the estates of people of quite modest means, rather than a wealth tax. These were attitudes which we failed to counter. I freely concede that the succession duties formulae were too complex, too difficult to understand or to explain. Certainly, we should have moved earlier to simplify them. It was because of this complexity that the Liberal Party was able to exploit the situation. Its arguments were at

once both simplistic and devious. They were simplistic because they claimed that the incidence of death duties fell with equal weight, pro rata, on the estates of people of modest means and the rich. They were serpentine and devious because they concentrated almost exclusively on the minority of anomalies, rather than the general application of the tax.

They scrupulously avoided mentioning that two thirds of all estates attracted no succession duties at all. They deliberately failed to point out that, ever since their introduction last century, duties had been assessed on individual amounts left to different legatees. The Liberals' task was to ensure that the top 5 per cent retained the great majority of accumulated wealth. They have done it well.

The Hon. M. B. Cameron: Is that what Wran has done?

The Hon J. R. CORNWALL: If you can contain yourself I will tell you what Mr. Wran has done later. Mr. Wran has acted far more intelligently than the Tonkin Government. As you well know, he has not done the same thing, but is phasing out succession duties at a rate that he and his Government can handle. That is not what this Government is doing; it is phasing them out as a one-off operation, which is quite foolish. This Government is giving up succession duties in one fell swoop and as an administration this Government will live to rue that day.

Statistically on the latest figures available (1976) there were 5 943 estates processed for succession duties. I point out that 44 of these, or 0·74 per cent exceeded $200 000; six of these, or one in every thousand, exceeded $400 000; 83·6 per cent of all estates were less than $50 000. This gives the clearest possible indication of the inequitable distribution of wealth in this State. This situation will be exacerbated by the Bill before us.

As I said in my opening remarks, the Government has a mandate to abolish succession duties. I have no wish to cavil or carp about that or to live in the past like some Government members, particularly the Hon. Mr. Cameron. However, I would like briefly to rebut some of the stranger claims which have been made, the first being the failure to attract capital investment to South Australia. As the Leader of the Opposition has already pointed out in the House of Assembly, it is nonsense to link retirement capital with investment in this State.

The PRESIDENT: Order! Honourable members have been sitting talking at my side for a half an hour, and I cannot hear the speech because of their conversation. Those honourable members will please be seated or be quiet.

The Hon. J. R. CORNWALL: Mr. President, I thank you for that. The Hon. Mr. Dawkins is well known for his lack of manners. The figures show quite clearly that the vast majority of investment in modern economies is financed not by retirement capital but by public companies and retained profits.

The Hon. Mr. Laidlaw would know that better than anyone else in the Chamber. Secondly, it made extravagant claims regarding the flight of succession duty refugees to North Queensland. However, the figures on this matter simply do not stand up. If people had migrated in anything like the numbers claimed (I believe that the member for Flinders in another place suggested at one stage that in the Federal electorate of McPherson in North Queensland more than 1 000 people a week were registering on the electoral roll), obviously Mr. Bjelke-Petersen would have been forced to establish refugee and resettlement camps.

Thirdly, it has been consistently claimed that succession duty was a double taxation. The Hon. Mr. DeGaris has repeated that so frequently that he has come sincerely to believe it. Of course, that is nonsense, especially when applied to estates over $100 000. The major portion of the amount over $100 000 in most cases represents capital or windfall gains on which no tax has ever been paid.

I will give the Council a clear example. I am sure that the Hon. Mr. DeGaris would be an expert in this field. For many years the Federal Government encouraged business and professional people who were not *bona fide* primary producers to avoid income tax on their primary source of income by investing in farm development schemes. They paid no income tax on the development costs. The rationale of these schemes was to provide positive incentives to develop rural properties. This went on extensively, as the Hon. Mr. DeGaris knows, particularly during the 1960's. At the time it was always pointed out, in defence of the scheme, that our North Terrace farmers would pay tax, a single tax, on their estates. Now, there will be no tax at all. Apparently, that is this Government's idea of equity and justice in the taxation system.Certainly, I believe that it is the Hon. Mr. Hill's idea of equity and justice in the taxation system.

The Hon. C. M. Hill: What evidence have you got to support that?

The Hon. J. R. CORNWALL: The Hon. Mr. Hill has supported that wholeheartedly. He is a great man for capital gain, and he does not believe that there should be a wealth tax or succession duty. As far as I am concerned, that is fair evidence. I wonder what evidence the Hon. Mr. Hill has to refute the claim. I should be happy to hear from him during the course of the debate, since the honourable member has taken the unprecedented step today of assisting his Leader. So, he has his chance to refute those allegations.

There are still innumerable examples of tax evasion schemes and tax havens. Again, people using them, and their heirs and successors, will never pay a cent in tax. So much for social justice.

Fourthly, it was consistently alleged that farmers were selling up and moving out in droves. No-one (not even the extremists in the Liberal Party) ever seriously suggested that they were taking their land with them. So, it is worth while looking briefly at the price of broad acres in this State. Prices for agricultural land in South Australia are as high as, and in many cases very considerably higher than, prices for land of comparable productivity anywhere in Australia.

It has been suggested that neighbours are paying anything up to 60 per cent above the true and reasonable price, based on production, to acquire adjoining blocks. No extensive survey has been conducted on this, but there is a strong suggestion that land in South Australia is being agglomerated into unnecessarily large holdings not by combines and corporations but by adjoining landholders. This situation requires urgent investigation, because certainly the abolition of succession duties will cause the situation to worsen rapidly.

A significant factor, apparently never considered by members of the Liberal Party, is the very poor bargaining position into which they have put themselves for the next round of tax-sharing arrangements with the Federal Government. This State Government inherited a small surplus because of good management by the previous Administration. It has immediately, quite voluntarily (indeed enthusiastically) relinquished about 5 per cent of the net income from State taxes. That hardly puts it in an ideal position to ask Mr. Fraser and Mr. Howard for more money.

The abolition of succession duties means an irrevocable loss of income to the State and the irreversible loss of a wealth tax. If it was necessary or desirable to abolish them

(I have previously conceded that once other States began to move it was increasingly difficult for us not to follow in some degree), surely they should have been phased out. We had plenty of examples that we could have followed. Both Victoria and New South Wales, which are more affluent and populous States than South Australia, have had to adopt this course. This Government, however, has seen fit to go for the grand slam. I said earlier that it would live to rue the day. I should be interested to look at next year's Budget to see how the Government balances the books.

In these circumstances, it is deeply disturbing that at the very time that this Bill is before the Parliament the Government claims that it is unable to service 200 beds at the Home for Incurables. These patients are not just statistics: they are people in desperate need. Nor is this a capital works programme which cannot be undertaken. The building, wards and beds already exist, but this Government says that there is no money with which to service them.

There seems to be an attitude abroad that the Minister of Health Mrs. Adamson, should not be criticised because she is relatively new to the job. According to her supporters she is a lady who is trying to do her best. I would make clear that I would be the first to praise Mrs. Adamson if her best was good enough. In the climate of the difficult times in which we live, I am happy to co-operate with the Government whenever I feel it is acting reasonably. I am already trying, despite some obvious difficulties, to foster a consensus approach with my successor in the Department for the Environment. But this can hardly be extended to the health area when 200 existing beds are denied at the Home for Incurables with a waiting list of 600 persons. Any Government that extends total tax amnesty to the rich and denies accommodation for the incurably sick and dying stands totally and utterly condemned. The Hon. Mr. Hill smirks. He finds that amusing. Again, this is an indication of the morals of the man.

It is this Cabinet and the present Minister who have taken the decision. Their only response has been to suggest that the waiting list will have to be reviewed to reallocate priorities. That is hardly the act of a concerned, caring Administration. It is disgraceful. Surely in this case the Minister is showing all the comprehension and compassion of a latter day Marie Antoinette, who was, I believe, the lady who when told that the peasants had no bread, said, "Let them eat cake."

With the abolition of succession duties, we have become the last Western-style democracy without some form of wealth tax. Despite all the empty rhetoric of "small government" and the cosmetics of sunset legislation, the Government now faces four options.

First, it may elect to run down health, education, welfare and all the other services that the State Government traditionally supplies. Secondly, it may opt for an income tax surcharge. Thirdly, it can indulge in a series of one-off operations, running down and selling off the assets of the State, such as South Australian Oil and Gas or the Pipelines Authority. Finally, it can elect to impose a variety of increased flat rate State taxes, the most regressive and unfair taxes of them all.

For these reasons I fear the next three years will hold little joy for South Australians. The imposition of some form of wealth tax has always been perceived throughout democratic nations of the world as a (small "l") liberal initiative. Only the more paranoid or demented practitioners in politics would interpret it as some form of socialist plot.

Indeed, the action of the Government in wiping out succession duties in one stroke gives the lie to its propaganda that advancement of the individual should be through initiative and diligence in a free enterprise climate. Actions like this make it increasingly difficult for talented, diligent and honest entrepreneurs to become successful "self-made" men or women. Abolition of wealth or inheritance taxes takes us back almost 100 years. Inherited wealth will once again be the yardstick, the desirable prerequisite, for a successful business venture.

Finally, let us put the loss of this revenue in perspective. The member for Eyre, Mr. Gunn, has said in the house of Assembly that we were quibbling about $20 000 000 in a total budget of $1 377 000 000. I suggest that that attitude is characteristic, if somewhat less than responsible. The amount lost is approximately the total budget for the Departments of Lands and Environment. Perhaps the 1 400 people employed in those two departments, or any other 1 400 public servants, would not share his view. I reluctantly support the second reading.

The Hon. R. C. DeGARIS: It is extremely difficult to understand why A.L.P. members in South Australia have objected to the abolition of death duties in this State when all other States in Australia have either abolished or are in the process of abolishing this iniquituous form of taxation. Indeed, it becomes even more puzzling—

The Hon. J. R. Cornwall: You didn't listen to my speech.

The Hon. R. C. DeGARIS: Yes, I did. I also listened to the Hon. Anne Levy.

Members interjecting:

The PRESIDENT: Order! Honourable members have had their opportunity to speak. The Hon. Mr. DeGaris.

The Hon. R. C. DeGARIS: Indeed, it becomes more puzzling when two of the Governments in Australia, namely, New South Wales and Tasmania, are in the process of abolishing death duties and those Governments are A.L.P. Governments. The reason given so far by A.L.P. members who have spoken, not necessarily in this debate, on their opposition to the abolition of death duties is that the Liberal Party in implementing this policy is pandering to the demands of the wealthy in the community. The simple reason why this State has to abolish death duties is that it would be impossible to encourage economic recovery or to stimulate development in South Australia if we were the only State in Australia inflicting taxes on the lottery of death.

Capital is a shy bird. It has to be wooed, and wooed carefully. If we are the only State in Australia inflicting this sort of tax, there is no hope for any Government, be it A.L.P. or Liberal, to restimulate economic development in this State. The attraction of capital to this State and the retention of people's investments in South Australia is crucial to this Government's plans for changing that economic climate. That is the simple reason why this State has to abolish death duties. It is the same simple reason that Tasmania and New South Wales, with A.L.P. Governments, have had to do the same thing. We know very well that Queensland took the first step, I think some four or five years ago. Since that time every State has had to follow suit.

I take the argument slightly further than that simple explanation. Over the last 10 years in this Parliament members of the Liberal Party have waged a fairly relentless campaign against death duties. The first real battle came in 1966 soon after the election of the Walsh Government in this State. I well remember the elaborate publicity given to that Bill which was finally defeated in the Legislative Council, and, if I may say so, rightly so. The Bill did not implement the promises that were made at

the election. The publicity headline was that, under the proposal of the Walsh Government, the wealthy would pay more and the ordinary estate, the small or medium estates, would get substantial relief from the proposal. However, the Walsh Government, in presenting that Bill, anticipated a considerable increase in duty collection.

The trap in that, as most informed people would know, is that, if one decreases revenue collection on the so-called small or medium estates, it is not possible to increase the total collection, no matter how heavily one taxes the remainder, because there are so few large estates in South Australia. The figures given by the Hon. Mr. Cornwall are interesting: ·1 per cent of the estates in South Australia last year exceeded $400 000; six out of 6 000, or thereabouts, exceeded $400 000, whilst 86·6 per cent of the estates were 50 000 or under that paid death duties. The simple fact remains that, if anyone is going to collect large sums of money from death duties, one cannot relieve the burden on the small and medium size estates. I agree with the figures given by the Hon. Mr. Cornwall. One only has to go to that small handbook put out by the Bureau of Statistics to see that what I say is correct. The bulk of death duty collection in this State comes from the small and medium estates—

The Hon. Anne Levy: Two-thirds of the State pay nothing.

The Hon. R. C. DeGARIS: We know that two-thirds of the State pay nothing, but in those States that pay death duties the major part of the income to the State Treasury comes from the small and medium estates.

The Hon. Frank Blevins: Tell us the figure.

The Hon. R. C. DeGARIS: One can see the figures given by the Hon. Mr. Cornwall. He said that 86·6 per cent of the estates in South Australia paying death duties are $50 000 and under and ·1 per cent are over $400 000. Indeed I think he said that ·74 per cent are over $100 000. Less than 1 per cent of the estates in South Australia exceed $100 000. If one is going to relieve the small and medium estates as the Walsh Government proposal was going to do in 1966 and also at the same time increase the collection, there is only one thing that can be said: the Bill is crook, and it was crook. The Council rightly defeated that legislation.

The Hon. Anne Levy: Are you saying that two-thirds of estates that pay no duty are not the small ones?

The Hon. R. C. DeGARIS: Yes, but it depends on who the inheritors are. It is useless talking about large and small estates in the way that the Hon. Miss Levy talks about them, because it depends on the inheritors and the number of inheritors. The simple fact is that if one is going to wage a campaign on a lottery of death for tax collection, one cannot remove the burden on the small and medium size estates, because one will collect nothing.

The people who own their own house, an insurance policy, a few shares and a motor car, and who have a superannuation policy are the people in this State who over the years have paid the bulk of death duties to the State Treasury. The two-thirds of the people who pay no duties have nothing to do with the argument.

The second real attempt that the Labor Government made to increase the Government's take-off from death duties came in 1971, under the Dunstan Government. Once again, we had exactly the same sort of publicity, namely, that it would relieve the burden on small and medium estates and tax the wealthy. That Bill passed both Houses following important amendments made by the Council at a conference that lasted for about 12 hours. The legislation removed the benefits for joint tenancy, which were important in regard to the marital home. It also changed the statutory exemption that had applied to a proportionate rebate of duty, which was a clever innovation. To the uninitiated, it looked like an improvement in the exemptions available but in reality it was a change for the worse as far as estates were concerned, whether large, medium or small.

The old exemption system was dispensed with and the Government claimed an increase in exemptions, but in reality the exemptions were reduced, because they no longer were exemptions. They were a proportionate rebate of duty. The Government anticipated then that it would take off an extra $2 000 000 to $3 000 000. On the work done by this Council, it was shown that the increase in revenue would be about $5 000 000, and this place rightly amended the Bill to put the amount back to what the Government had said it intended to collect. If members check, they will see that in the next year the Council's amendments were spot-on. The Bill enabled the Government to collect what it wanted, but the measure was misleading when the Act was changed to provide for a proportionate rebate of duty instead of an exemption.

It would take a long time to deal with the changes that have occurred since then, but I point out that always in making amendments in this Council to succession duty legislation the Labor Party's policy on what the Bill has contained has never been fulfilled. If it had not been for the good research work done here, the death duties legislation on the Statute Book would have been far more vicious than the provisions we have now. About eight years ago a Select Committee of the Legislative Council investigated the impact of all forms of capital taxation in South Australia. The committee's report was an important one, and I recommend that honourable members read it. A major part dealt with the impact of death duties.

The Select Committee was appointed because of the tragic circumstances surrounding the impact of those duties on certain estates. I could give details of cases that were given to that committee and cases that I handled. One concerns the death, in the late 1960's, of a soldier settler in the South-East. He left a farm to his widow and the son was to take it over when he turned 21 years. When the son took over, he had to pay the widow the basic wage for the rest of her life. I knew the family well, and both the husband and wife had worked hard.

The estate was valued at $97 000 and the tax payable through death duty was $17 000. The estate had liabilities to the Lands Department, banks, and stock agents of $32 000. When death duty had been paid, the overdraft was about $50 000. By the time the son turned 21 and was to take over the property, the land and stock prices had fallen and the son took over the property, valued at $65 000, with debts of $55 000. Out of that, he had to run the farm and pay the widow the basic wage for the rest of her life, which was impossible.

About 20 years of hard work by that family was wiped out. The widow realised that it was impossible for the son to operate the property and rear a family on it with that over his head, and she forgave the son the basic wage that he was to pay her. She went to work in a motel in a town in the South-East, but the gift duty authorities said that she was making a gift to her son and had to pay $5 000 to forgive payment of the basic wage for the rest of her life.

The Hon. Anne Levy: That's irrelevant.

The Hon. R. C. DeGARIS: It is absolutely relevant, and there are many such cases. If that case does not touch the heart of the Hon. Anne Levy, she is hard-hearted. That is a tragic application of gift and succession duties.

The Hon. Anne Levy: There is no duty now as between spouses.

The Hon. R. C. DeGARIS: This happened in 1960. I was dealing with the impact of death duties to the present time.

I have stated how the impact of that sort of thing has had shocking results, particularly in the rural sector. Another example was where the principal asset comprised a cattle station in south-western Queensland, although the deceased person lived in South Australia. The gross estate was worth $296 000, comprising stock, station, and plant worth $185 000 and other assets worth $111 000. Liabilities were $3 000. The estate duties were: South Australia $15 000, Queensland $59 000, and other $7 000, making a total of $81 000, and Federal Estate duty was estimated at about $50 000.

Except for a mortgage of $16 000 which could not be collected, all the assets except the station, stock and plant had to be sold and the estate, which consisted of assets valued at $185 000 and the mortgage of $16 000, had to find a further $50 000 for Federal duty. The property, at time of the death, was drought stricken and even if a purchaser had been found it is doubtful whether a price comparable with the probate value could have been obtained. In the end, the whole property was sold and the people who should have inherited it were left without a property to work.

In 1969 a survey of woolgrowing properties was undertaken by Mr. N. J. Thompson of Adelaide University. That survey revealed that the actual incidence of death duties fell more heavily on the medium size farm, which he gave as between $100 000 and $150 000 in value. This of course was never the intention of the legislation. I do not doubt that the Hon. Anne Levy would say that a farm of $100 000 or $150 000 is not a small or medium farm.

The Hon. Anne Levy: It is more than I will ever get.

The Hon. R. C. DeGARIS: The honourable member would be much better off staying where she is than trying to run such a farm. The owners of larger estates are often able to avoid duty by divesting themselves of assets before death, but the owner of a small or medium size holding could not afford to do this, because the business would immediately reduce to an uneconomic level. Also, the accident of the date of death can make a very great difference to the total tax liability, because of different valuations at different times. With the steep fluctuations in the market value of both real and personal property from time to time, it is obvious that gross inequities must flow from this type of legislation. The problem is of course intensified by the fact that the rates of tax vary with the assessed value of an estate, what some A.L.P. members claim to be a progressive tax.

The age at which a person dies is also significant. Those who live to an advanced age have the opportunity of defeating the intention of the legislation. When an early death or successive deaths occur in a short time beneficiaries are either heavily burdened with death duties or are forced to relinquish their inheritance. In the survey conducted by Mr. Thompson, he showed that about 66 per cent of the farms he examined had insufficient non-farm assets to meet the cost of death. Thus, the duties could be met only be sale of portion of the farm or its assets, or by uneconomic borrowings.

The forced sale of land to meet these obligations must be considered in conjunction with the indivisible nature of farms of marginal size. It inevitably leads to fragmentation and smaller uneconomic holdings or the immediate loss of a farm. Let me put to the Council the hypothetical case, although cases very similar to this can be found, when three deaths take place in a family in a span of 12 years. When that happens there are three raids made by the State upon the capital investment in that family business. This sort of case illustrates the reason why I have always chosen the phrase that this sort of taxation is taxation through the lottery of death.

No family business can stand that sort of tragedy. What I have been trying to point out is that death duties are an extremely unfair and unjust way to impose a tax on capital if such a tax is warranted at all. I have handled many cases during my time as a member of Parliament where the unfairness of the tax imposed would, I am sure, draw sharp criticism from even such strong advocates of the retention of death duties as the Hon. Anne Levy. Particulary in the rural sector I have seen, because of a series of circumstances, some of which I have described, family farming units virtually wiped out, with a life time of work—hard work—of those who should have inherited going with it.

Turning to the last point, during the comments made by certain A.L.P. members in the Address in Reply and Budget debates the claim has been made that the abolition of death duties will allow the wealthy to become wealthier and according to these pundits, the poor will become poorer. The presence of people in the community of great wealth does not necessarily mean that others are poorer because of that wealth. On the other hand, we cannot allow the aggregation of wealth and privilege and power into fewer and fewer hands—

The Hon. Anne Levy: Hear, hear!

The Hon. R. C. DeGARIS: The Hon. Anne Levy drew attention to the situation in the Philippines, and I agree with her.

The Hon. Anne Levy: I did not.

The Hon. G. L. Bruce: I did.

The Hon. R. C. DeGARIS: It must have been the Hon. Mr. Bruce in a falsetto voice who drew attention to the situation in the Philippines. No-one wants the sort of situation where there are excessively rich people and people living in squalor and slums, and with human degradation existing alongside.

In evidence that came before the Select Committee to which I referred some of the witnesses dealt with this point and said that if there is to be some form of capital taxation it should be a tax on wealth, as such, not a tax that had its impact so haphazardly applied to the lottery of death. In other words, the evidence that came before that Select Committee totally opposed almost entirely the impost of death duties but did admit that there may have to be some form of tax on wealth. Some advocated a capital gains tax to replace death duties, and others advocated a net wealth tax as a replacement.

I think it is true to say that we have built in this State a relatively equalitarian society of which we should be proud. I agree with those who say that we should not allow gross inequalities to exist. Nevertheless, we must encourage initiative, we must encourage capital investment, we must ensure that those who wish to invest should feel secure in this State in the investments that are made. It may well be the case that at some time in the future we will have to look at some other form of capital taxation, a more equitable form than the most obnoxious and frustrating form we have at the moment; that is, death duties. Already we impose a large range of property taxes or taxes and charges based upon property values and at some stage in the future we may well have to consider this particular question.

As I have pointed out before, some of these forms of tax-raising leave much to be desired. If it is found necessary to impose a more equitable form of taxation on capital let it be so, but the present imposition based on the lottery of death is indefensible, and I am delighted that this iniquitous form of taxation is to be dispensed with. However, if such a tax is to be ever applied it appears to be more likely to be imposed federally, because, unless there

is agreement between the States on its imposition, it is extremely doubtful whether any one State could, in the practical sense, inflict such a tax alone. The impact on local investment would be quite disastrous. I direct a question to those who are advocating retention of death duties in South Australia. Does the A.L.P. intend reintroducing death duties if it is returned to the Treasury benches in the future? Finally, I should like to quote some of the things that the Hon. Anne Levy said in her speech on the debate on the Budget papers, as follows:

> First, I wish to make some remarks about the abolition of succession duties, which is indicated in the Budget and evidenced by the Bill introduced in this Council today. I regard this as a backward step, and one with many implications that we will live to regret.
>
> On a financial level it is obvious that this measure will have little effect this year. Last year about $16 000 000 was raised and the amount raised this year is expected to be only $1 000 000 or $2 000 000 less than last year, because the abolition of that duty will not take place until half-way through the financial year, and it can take even longer than six months to settle most estates after death.
>
> I agree that the Government mentioned the abolition of succession duties in its policy, but I am personally opposed to that policy in principle, both on theoretical and practical grounds. On a theoretical level I still maintain that equality of opportunities between individuals is impossible if one has large inherited wealth. A basic definition of democracy provides that every person, every citizen, is of equal worth and should have equal importance in the community.
>
> This is impossible if a certain proportion benefit from large inheritances. It is anomalous to me that many people do not oppose the principle of income tax, yet they oppose inheritance taxation.
>
> Income tax applies to all workers in the community, whereas inheritance tax applies only to those with considerable assets. In any case, inheritance taxes have started at a much higher level than income taxes, and their abolition will be of great benefit only to a small wealthy section of the community. I have mentioned some of these facts in a previous debate in Parliament, but they are so important that it is worth repeating them.

I do not believe I have ever heard more rubbish talked about taxation than in those few words I have read from the Hon. Anne Levy's speech. She does not understand, and obviously has never understood, the tremendous impact that death duties have on many families. As you know, Mr. President, and as all those who have worked in the rural areas understand, there have been people who have worked hard all their lives with their families, only to find that, with two deaths in a row, their assets have been totally eroded and the family has had to start again in order to save their property. I am delighted that this iniquitous form of taxation is being abolished. I am delighted that we are falling into line with the other States in relation to this legislation. If the Labor Party is ever returned to office, I hope that it will not consider reintroducing such an iniquitous form of taxation in this State.

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

CONSUMER TRANSACTIONS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 1 November. Page 633.)

The Hon. C. J. SUMNER: I support this Bill, but I want to raise some queries about the drafting of it. I shall be asking the Minister of Consumer Affairs to consider an amendment and the remarks that I will make about the drafting of this Bill, possibly with a view to further discussions between us to come to some concensus on its drafting. In principle, the Opposition supports the Bill, which arises out of problems that have been brought to the attention of the Government primarily by the South Australian Chamber of Commerce and Industry. That organisation, among others, represents secondhand motor vehicle dealers in this State, and I understand that it also represents about 1 000 of the 1 200 licensed motor vehicle dealers in this State.

Representations were made to me, as Minister of Prices and Consumer Affairs, about the problem which in part is covered by this Bill. I arranged for a report to be prepared by the Department of Public and Consumer Affairs, covering the problems brought to my attention. This Bill implements one of the recommendations of that departmental report. In essence, the problem is that some dealers allege an increase in the number of fraudulent conversions occurring by the owner of a motor vehicle that is subject to a consumer mortgage. That mortgage is usually as a result of money provided by a finance company. The owner then sells that vehicle to a second-hand motor vehicle dealer without informing the dealer that there is a consumer mortgage on the vehicle. The dealer then unwittingly, without knowing of the encumbrance, sells the vehicle to one of his customers.

Under section 36 of the Act, the purchaser from the dealer obtains good title to the motor vehicle and cannot have the motor vehicle repossessed by the finance company, despite the fact that the original owner who sold the vehicle to the dealer has not accounted to the finance company. The finance company cannot repossess the vehicle from the person who purchased it in good faith from the dealer. The finance company has a remedy against the original owner who was responsible for the conversion, but who may have disappeared or be a man of straw.

Alternatively, the finance company the credit provider or, indeed, an insurer (because there is a system of title insurance in operation whereby credit providers can insure against this sort of eventuality) can then take the much easier course, not of claiming against the person originally responsible for the conversion but of claiming against the dealer, because the protection given to a *bona fide* purchaser under section 36 does not apply to dealers. The dealer usually has the means to pay. Therefore it is much more attractive to make a claim against the dealer rather than against the original purchaser responsible for the conversion, who may have little means or, indeed, may have disappeared.

When the South Australian Automobile Chamber approached me, it alleged that problems in South Australia were as a result of the consumer protection laws in South Australia, and particularly section 36 of the Consumer Transactions Act, which gives protection to a *bona fide* purchaser. However, I do not believe that the allegation the chamber made has any substance.

There seems to have been an increase in the number of fraudulent conversions in other States that do not have provisions similar to our section 36. In South Australia, the claim against the dealer is made by the finance company or the insurancy company, whereas in other States the finance company reposseses the car from the innocent purchaser, leaving him to claim from the dealer. Therefore, the dealer is still placed under threat in this State by the credit provider or the insurer of the title, whereas in other States he is placed under threat by the innocent purchaser. At least in this State, because of the

enactment of the Consumer Transactions Act, the purchaser is not subject to the risk that exists in other States, as borne out in the considerable publicity in other States of repossesions without any notice at all. In those situations the purchaser buys a motor vehicle from a second-hand motor vehicle dealer, not knowing there is an encumbrance on it. The finance company then decides that it wants to realise on the car, and it can then seize it from the innocent purchaser without any notice. That great evil existed in this State before 1972, but it has now been done away with and quite rightly so, by the Consumer Transactions Act.

South Australia is now the only State that gives that protection, even to the innocent purchaser. It is certainly an important protection for consumers. The important point is that South Australian used car dealers are in no worse position by reason of section 36 and the innocent purchaser provisions than are dealers in other States: it is just that the identity of the claimants against them has changed. In this State, it is the finance company, credit provider or the title insurer; in other States, it is the innocent purchaser.

There is evidence to suggest that the incidence of fraudulent conversion in other States is certainly no less than it is in South Australia. I refer to this matter because there has recently been much criticism of South Australia's consumer laws as an unwarranted fetter on business activity. Much of this criticism was ill-founded, as the Hon. Mr. Burdett will discover.

This is one example where emotionalism about an issue (certainly, the dealers have problems) clouded the fact that there was a considerable benefit to consumers that really did not inflict any additional problems on dealers. I have no doubt that a problem exists for dealers in this State. The Labor Government, by the preparation of this report, took steps to resolve this matter when it was in office. I emphasise that the problem is no greater in South Australia by virtue of our consumer protection laws than it is in other States. South Australia's law, which is well in advance of that in other States, protects the innocent person who purchases and pays for goods from having his goods repossessed. I should like an assurance from the Minister that the Government does not intend to interfere with this principle, which is contained in the Consumer Transactions Act.

I know that the Government, as a result of the departmental report that I requested, now has before it a number of proposals for providing dealers with adequate protection, including the matter that was canvassed with me when I was Minister, namely, the possibility of a system of registration of security interests on motor vehicles through the Motor Registration Division so that dealers can have access to information before purchasing a motor vehicle. No doubt the Government will consider and decide on these matters in due course.

In the meantime, we have this proposal, which tightens up the criminal sanctions relating to the fraudulent sale or disposal of goods subject to mortgage or lease, to deter those who may be disposed to sell mortgaged or leased goods, pocket the proceeds, and then default on their credit contracts. At present, section 35 makes it a criminal offence for a person to defraud or attempt to defraud the supplier or mortgagee, which would be the case where a person sells an encumbered vehicle to a dealer without disclosing the encumbrance, and then does not account to the credit provider for the proceeds.

However, as the Minister has pointed out, the section requires the prosecution to prove an intention to defraud at the time of the sale by the person to the dealer. This poses considerable difficulties of proof, as the person selling the vehicle to the dealer may intend to keep up the payments to the credit provider at the time that the sale is made, but subsequently defaults. When that occurs, it is difficult to prove the offence currently created by section 35.

The amendment creats an absolute offence prohibiting the sale or attempted sale without the consent of the lessor or mortgagee (that is, the credit provider) unless the person did not know and could not reasonably have found out that the goods were subject to a consumer lease or consumer mortgage. This provision should at least ensure that the criminal law is effective in preventing deliberate attempts to defraud, and should go a considerable way to destroy this practice.

Although I support the second reading, I raise a query regarding new section 35 (2), which provides for a defence if the defendant proves that he did not know, and could not by the exercise of reasonable diligence have ascertained, that the goods to which the charge related were subject to a consumer lease or consumer mortgage. The words with which I have trouble are those contained in the second leg of the defence. There is an absolute offence if one sells a vehicle or any goods subject to a consumer lease or consumer mortgage without the mortgagee's consent. To establish a defence, one must prove to the court that one did not know that the goods were subject to a mortgage, and that, by the exercise of reasonable diligence, one could not have ascertained that the goods to which the charge relates were subject to a consumer lease or a consumer mortgage. So, to establish a defence, one must prove those two things: that one did not know and that one could not have found out by the exercise of reasonable diligence.

It seems to me that it is too onerous to have those preconditions for a defence. In other words, a person could buy from a dealer a motor vehicle that is subject to a mortgage, keep it for a certain time, and then sell it to another dealer. That person could have no idea that the vehicle was encumbered, could have no reason to suspect this, and could be acting in a *bona fide* manner throughout the transaction. However, he could sell the vehicle with an encumbrance on it. He could do so not knowing, and not having been put on notice, that there was an encumbrance on the vehicle. He did not therefore make inquiries regarding whether there was an encumbrance. Indeed, he could not make inquiries, so that he could not exercise reasonable diligence to ascertain that the goods were subject to a mortgage.

The Hon. R. J. Ritson: Has he any protection under the provision that enables him to get good title to the vehicle?

The Hon. C. J. SUMNER: He would have got good title to it, but he would still have committed a criminal offence by selling the vehicle, even though he did not know that it was encumbered. Not only did he not know but also he did not make any attempt to find out. That is the danger in this two-pronged offence.

I do not know that a person in this situation should be placed on notice to ascertain whether the vehicle was subject to a mortgage. I am not sure whether it is fair to impose on every vehicle purchaser in this State an obligation to exercise reasonable diligence to ascertain before he sells his vehicle whether there is a consumer mortgage on it.

I do not see that that is a fair onus to place on people. Most people would not know about it, and it may well be that they will be committing a criminal offence and will not have the defence available to them because they did not realise that they had to make inquiries before they sold the vehicle as to whether or not there was a consumer mortgage on it. That is my concern about the matter, and I

am wondering whether we could reach some agreement on a better provision. I have not formulated any specific amendment on this matter yet, but I would like the Hon. Mr. Burdett to take some account of the comments I have made and see whether or not there is any validity in them and, if so, whether we can co-operate to produce an amendment which will satisfy the doubts that I have about the defence provided in new section 35 (2). I support the second reading and will further support the Bill in Committee.

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

APPROPRIATION BILL (No. 2)

Adjourned debate in Committee (resumed on motion).

(Continued from page 680.)

Clause 2 passed.

Clause 3—"Appropriation of General Revenue".

The Hon. C. J. SUMNER: I raise a number of matters in relation to clause 3 and the purposes for which the money is being appropriated. The first matter is one I raise with the Leader of the Government concerning a matter recently brought to the attention of Federal Parliament. I refer to a report prepared in the Commonwealth Parliament dealing with the Department of the House of Representatives and some comments that have been made in relation to this report in the press recently. The position has always seemed to be somewhat anomalous. The Parliament, as the Leader will know, is one branch of the administration of the Government of the State. The Judiciary and the Executive are the other two branches, and there is a separation of powers between the Judiciary and the Executive. There is no interference with the judicial functions of judges, although Parliament does set their salaries. The salaries are not laid down by the Executive in the same way as they are for the Public Service. In other words, the Judiciary have judicial and financial independence, in that their funds and salaries are provided by a special Act of Parliament that guarantees that independence. While the Judiciary is independent, it seems an odd situation that the Parliament, which is supposed to be the supreme body in the community in terms of law making, is not independent from the Executive. We know that, in the Westminster system that we operate, the Executive is a part of the Parliament. It is not like the American system where the Executive, the President, is separate from the Parliament or Congress. We have a situation where the Executive virtually controls the financial expenditure of Parliament. The point which has been raised in Canberra and which I understand is being supported by the Leader's colleague the Hon. Bill Snedden is that the Budget for the Parliament ought to be controlled by the officers of the Parliament and not the Government. Recently I approached the President of this Council for extra secretarial assistance. He said that it was not a matter for him; it was a matter for the Government. I would have thought that, if secretarial assistance was being provided to members of Parliament, it should be a matter within the province of the President. If one looks at the situation with respect to other matters relating to Parliament, for example, furniture and other expenditure needed for Parliament, this ought to be a matter within the control of the Parliamentary officers. There seems to be a situation where the Executive has control over the funding of the Parliament. I would have thought some consideration could be given by the Government to the proposition that is being put in Canberra. Will the Government look into the question of a report prepared on behalf of the House of Representatives and consider whether or not there ought to be some means of financing the Parliament which makes it clear that the Parliament is independent of the Executive, at least in the day-to-day work of Parliament? Has the Leader of the Government considered this issue and what are his thoughts upon it?

The Hon. K. T. GRIFFIN: I have not given any consideration to the matter to which the Leader refers. In fact, I have not had an opportunity to consider the report on the Department of the House of Representatives. It is a matter which can be considered in due course once we have had a chance to settle into Government. I make some points about the general principle. The Leader has referred to questions to the President about secretarial assistance. If his argument is pursued, one could see that the matter of electorate officers for members of the House of Assembly could be drawn into that proposition as well.

I wonder whether he will extend his argument to all facilities available to members or whether he wants to limit it to the facilities provided in this building. There is specific provision for the Legislative Council, the House of Assembly, the Parliamentary Library and the Joint House Committee under the heading "Legislature" in the Budget papers. Those matters must come before Parliament for appropriation. Parliament has an overriding responsibility to impose taxation, and to collect and appropriate revenue. At the moment, I see no reason why we ought to change from the present procedure, although I am prepared to consider the matter.

The Hon. C. J. SUMNER: One could say that the office of the Parliamentary Counsel ought to be attached to Parliament and available to all members, not seen as primarily something for the Government.

The Hon. R. C. DeGaris: Is there any case for the Opposition to have drafting assistance available separately?

The Hon. C. J. SUMNER: If Parliamentary Counsel were attached to Parliament, there may not be any need for that. I have never had any complaint about Parliamentary Counsel, who to date have served me efficiently. Perhaps, in purist terms, Parliamentary Counsel could be attached to Parliament rather than to the Government. There may be something in what the Hon. Mr. DeGaris has said, but I have not had any problems. I am sure that they will continue the good assistance they have given me.

Clause passed.

Remaining clauses (4 to 9) passed.

Schedule.

The Hon. C. J. SUMNER: My query relates to the Equal Opportunities Division and the allocation for the Commissioner and clerical and general staff. Payments last year were $45 279, and this year $49 337 is proposed. There is not a large increase this year, but the previous Government had a proposal, which it announced during the election campaign, to implement the Bright committee report on the rights of the handicapped, recommending that matters of discrimination against handicapped persons be brought under the Equal Opportunities Division. It was also suggested that complaints about racial discrimination could be brought under the division.

The report envisaged increases for the division because its role would be expanded to govern not merely matters of sex discrimination but also those affecting handicapped people. Earlier, the Attorney said that the Government was committed to implementing the Bright committee recommendation. Is there not to be an additional allocation for the Equal Opportunities Division to cover that eventuality, or does the Government not intend to

proceed with the recommendations of the report?

The Hon. J. C. BURDETT: The matter is still being considered and, because of that, no substantial provision has been made. The Government and the department are considering the report to which the Leader has referred. There were three points, namely, sex discrimination, race discrimination, and discrimination against the handicapped. The Leader will recall that the report suggested that there should be separate Acts and separate boards.

One matter being considered is why there should be separate boards and whether all could be provided for in one Act, as in New South Wales, with separate appropriate provisions in three areas and the matters dealt with by one board. It is not the case that the Government does not intend to implement the recommendations. It is considering them actively, and it is considering alternative ways of implementing them.

The Hon. C. J. SUMNER: I refer to the appropriation for the Commissioner for Standards. Last session the trade standards legislation was passed, and I understand it has not been proclaimed because the department has been awaiting additional staff allocations.

Before the election additional staff had been secured so that the Act could be proclaimed. Does the appropriation include salaries for the additional officers needed to proclaim the Trade Standards Act, and when is it likely that it will be proclaimed?

The Hon. J. C. BURDETT: The Government is considering the proclamation of the Trade Standards Act, and I anticipate that it would be proclaimed early in the new year. There are provisions for the requisite number of officers who will come through the Public Service Board with the necessary funding.

The Hon. ANNE LEVY: I refer the Minister of Community Welfare to page 90 of the Estimates and the items under the heading "Financial Assistance". Last year $9 821 500 was voted and $10 645 863 was spent yet this year $9 237 000 is proposed, which is roughly a 13 per cent reduction on the sum spent last year. Despite the difficulties in making comparisons it is not likely that financial assistance on account of hardship due to unemployment, deserted wives, single mothers, wives of prisoners and sole support parents is likely to decrease. Such payments are extremely necessary in the community. Why has the Government budgeted for a reduction in the financial assistance provided for such items this year in comparison with last year's expenditure?

The Hon. J. C. BURDETT: I refer to the items of financial assistance separately. Referring first to "*(a)* Emergency assistance and assistance on account of hardship due to unemployment," in respect of the voted 1978-79 payments, this covers payments to people and families in crisis situations to provide food or pay overdue electricity accounts etc. Expenditure for 1978-79 recorded under "Financial Assistance—Other" relates to assisting the unemployed pending receipt of reguar Commonwealth payments, which expenditure was lower than expected. Commonwealth funds were used for some payments under the Homemakers Scheme. These savings were offset by increased payments of "Special Assistance" to people in crisis situations. Regarding the actual proposed 1979-80 vote, a separate line is proposed in 1979-80 to segregate costs. Following considerable negotiation between Department of Community Welfare and Treasury, which involved the transfer of $86 000 from the salaries and wages provision, funds have been provided to maintain approximately the same level of expenditure as in 1978-79.

In regard to "*(b)* Financial assistance to deserted wives, single mothers and wives of prisoners," the 1978-79 payment covers payments at rates equal to Commonwealth pension rates during the six-month qualifying period before acceptance by the Commonwealth. Expenditure for 1978-79 recorded under "Financial Assistance to sole supporting parents" involves an increase due to increase in rates to maintain parity with Commonwealth pension rates. Owing to the economic situation, there was a considerable increase in the number of clients assisted.

Separate lines are proposed in 1979-80 to segregate costs, and to facilitate claims on the Commonwealth who reimburse 50 per cent of expenditure in this area under the State Grants (Deserted Wives) Act. The increase is due to a full year's operation of rate and client increases.

In regard to "*(c)* Financial assistance to other sole supporting parents", in 1978-79 this covers payments as in *(b)* above for deserted husbands and single fathers. These payments do not qualify for the 50 per cent reimbursement from the Commonwealth under the State Grants (Deserted Wives) Act. As regards expenditure for 1978-79 recorded under "Financial assistance to sole supporting parents," as in *(b)* above, increase is due to rate and client increases. A separate line is proposed in 1979-80 to segregate costs. The increase is due to the full year's effect of rate and client increase. Regarding "*(d)* Funeral expenses, rate remissions and miscellaneous assistance, etc.," this covers payments to people who need help in paying council rates, etc. the cost of burials of people with limited resources, and the payment of Christmas grants to financial assistance recipients. Regarding expenditure for 1978-79 recorded under "Financial Assistance—Other", the increase is due to a large increase in applications for rates remissions and increases in the number and costs for burials of people with limited resources. A separate line is proposed in 1979-80 to segregate costs. Funds have been provided at the same level of expenditure as for 1978-79.

The Hon. ANNE LEVY: I cannot understand from the Minister's answer why 13 per cent less has been budgetted for financial assistance this year than was spent last year.

The Hon. C. J. SUMNER: I refer to the allocation for the Ethnic Affairs Branch. Actual payments in 1978-79 were $182 163, and the proposed expenditure for 1979-80 is $246 007. There has been some discussion previously about this particular figure, which represents a 35 per cent increase in the allocation for the Ethnic Affairs Branch, despite the fact that there has been some staff cuts in that branch. I understand that that $182 163, although it was for the full year, was not for the full staff complement in a full year, whereas the $246 007 is in fact for the full staff complement, as it was on 15 September, for a full financial year. The number of officers in that branch have been reduced by five. I understand that as at 15 September 1979 there were 20 officers in that branch, and that number has now been reduced by five. I now understand today, from statements made by members opposite, that one of those officers has been transferred back, presumably for reasons of efficiency and economy; therefore the reduction in staff is now four. On my calculations that should result in a reduction in expenditure for the branch of about $46 000. Therefore, I am a little intrigued to see that the allocation for 1979-80 is in fact at a figure which would have been for a full year with the staff requirements of the branch as at 15 September 1979.

The Hon. C. M. HILL: The honourable member is quite right when he says that the proposed amount includes a provision for a new position that was created and filled during the last financial year. The proposed figure is the same figure that the former Government expected would be outlaid. There have been some reductions in staff but I point out that the position is quite fluid in that branch. This is because, as I have stressed as much as possible, the

Government is determined that efficiency will be maintained at the very high level it has now reached. A further change that is mooted concerns the possibility of acquiring a full-time Vietnamese interpreter, because it does appear that there may be a need for an officer of that kind. In the relatively near future that proposal may be agreed to, along with other increases. Therefore, it does not necessarily mean that the figure we have proposed in the Budget will be met completely. In view of all the circumstances in this case it is quite prudent and proper for that figure to remain, and the situation will be watched carefully for the balance of this financial year.

Last week I also indicated that we hoped the Ethnic Affairs Commission would be established in the near future. If possible, that legislation will be introduced in the autumn session. There may be some appointments within this financial year relative to that commission's establishment. Therefore, these considerations have been borne in mind by the Government. Taking this total overview of the situation as we expect it to be for this financial year, the figure of $246 007 was accepted by the Government.

The Hon. C. J. SUMNER: The question has been raised by the Minister that on the establishment of the Ethnic Affairs Commission there may be additional positions that will be filled. Will those positions in the Ethnic Affairs Commission be similar to those that existed in the Ethnic Affairs Branch prior to 15 September?

The Hon. C. M. HILL: The exact staffing arrangements for the commission are uncertain at present, because this detail has not been fully decided in our deliberations on the planning for the commission. That not being certain at this stage, it is impossible to give an accurate description of how we perceive the exact staffing structure of the commission. However, at this stage it appears that more staff will be required than exists at the moment.

The Hon. C. J. Sumner: Including information officers?

The Hon. C. M. HILL: I cannot say with certainty whether that is the position in regard to information officers, because they, along with project officers, are a part of the staff structure that is coming under review as we fashion our plans for the commission. I cannot say with certainty whether or not there will be an increase in the number of information officers. Those plans will be looked at very carefully, and the ultimate aim is to provide an even better service than we provide at present to the ethnic communities in this State through the medium of this new proposed Ethnic Affairs Commission.

The Hon. FRANK BLEVINS: My question is to the Minister of Local Government. I refer to the policy speech of the Liberal Party in relation to libraries, as follows:

> Immediate steps will be taken to expand the free public library system.

However, at page 64 of the Estimates of Expenditure the grant for library services is actually reduced. Obviously there is some confusion when the Government in its policy speech says there will be immediate action to increase funds, yet there is an actual reduction in the amount budgeted. Can the Minister explain that apparent conflict?

The Hon. C. M. HILL: The difference seems to be, in the main, in the line "Subsidies to Local Government libraries" which is reduced from $2 707 000 last year to $2 507 000 proposed this financial year. That line provides for funds to be made available to local government to subsidise existing libraries, new library services proposed by councils and the establishment of advance book stocks.

Although there seems to be a reduction in funds being made available, about $1 000 000 is held in a trust fund at the Treasury to supplement this allocation. Therefore, the funds for 1979-80 will total about $3 500 000, which would still be a slight increase.

The Hon. FRANK BLEVINS: Was the $1 000 000 available in the trust fund last year, or is this something that the present Government has initiated? If it was available last year, my original argument that there has been a considerable reduction in the Estimates for libraries still holds.

The Hon. C. M. HILL: I do not know the history of the trust fund, which is intended to supplement the current application. However, I assume that it is a build-up that occurred during the term of the previous Government, as plans were put in train with considerable enthusiasm by the former Government to launch the Libraries Division and to provide for regional library services. The present Government intends to continue with that programme.

I also point out that, during 1978-79, $1 009 000 of the allocation for municipal libraries had not been claimed because of modifications to the programme during that year. This money is subsidised by local government in various areas, and it seems that local government itself was not prepared to spend funds. It therefore seems that the Government's allocation was put into the trust fund. Also, the unspent provision was put into the trust account for subsequent claims by councils during 1979-80.

If one takes into account this factor, one realises that money paid to municipal councils and the State Library will increase in dollar and real terms to a total of $8 297 000 during 1979-80. Also, a concentrated effort is being made to ensure that the services of State school and college libraries are co-ordinated to ensure that maximum use is made of existing resources, and that they are not duplicated. We must take into account the money which has not previously been absorbed but which was held in trust, as well as the other money involved with the State Library.

The honourable member will see that allocations have been made for the Libraries Division. Those allocations have increased from $3 800 000 to $3 900 000 this year. Therefore, if we take everything on balance, we see that there has been an increase in the current year.

The Hon. FRANK BLEVINS: Although I appreciate the Minister's reply, I am still not clear about the exact position. Given the late hour and the Minister's fairly recent appointment, will he undertake to obtain a breakdown of the funds allocated to library services this year, bearing in mind that over 80 areas in this State do not have municipal libraries, about which I know the Minister is concerned?

The Hon. C. M. HILL: Some of the areas which the honourable member said were not served by municipal libraries have the services of institute libraries. However, I will detail all the information the honourable member requests and forward it to him.

The Hon. ANNE LEVY: I think that the solution to the problem I raised with the Minister of Community Welfare has been determined. We were probably talking at cross purposes, using different sets of figures. Perhaps the Minister could explain.

The Hon. J. C. BURDETT: I think that the honourable member has now been satisfied. She was correctly reading from the printed Budget papers, whereas I was looking at page 90 of the departmental budget papers. The two figures agree, in so far as $9 237 000 is proposed for 1979-80. The difference was in the voted and actual payments in 1978-79. The reason for the difference is that $1 378 500 voted and $1 568 892 actually paid in 1978-79 were omitted from this portion of the departmental budget. This has been dealt with in a different place in the departmental budget. The figures which are actually accounted for and which were paid last year, as against the proposed $9 237 000, represent an increase in the

Estimates in what is proposed for 1979-80 of $337 007.

The Hon. J. E. DUNFORD: On page 7, I see that, in 1978-79, under "Electoral" the sum of $470 000 was voted, whereas actual payments amounted to $319 827. Bearing in mind the decrease in the sum spent last year of about $150 000, can the Attorney-General explain the reason for the increase to $1 210 000 proposed for 1979-80?

The Hon. K. T. GRIFFIN: There are two reasons. The principal one is the election that has just been held. A by-election was held earlier in the year that does not have any impact on the current year, but one must make some provision for contingencies.

The Hon. FRANK BLEVINS: On page 91, under "Department for Community Welfare" appears the notation "Now provided under Residential Care Centres". That suggests to me that the salaries for Aboriginal welfare, domestic and general staff are provided by the centre. Can the Minister say whether this refers to Aboriginal welfare officers in residential-care postions? Can he also explain where the allocation appears, since Aboriginal welfare officers, etc., are not referred to in Residential Care Services?

The Hon. J. C. BURDETT: The honourable member will be aware that Aboriginal Affairs has been transferred from Community Welfare to the new Department of Aboriginal Affairs. The Aboriginal welfare officers are still funded by Community Welfare. Other officers have been transferred. Honourable members will not find them in these lines.

The Hon. ANNE LEVY: I refer to the line "Grants to Women's Shelters" on page 91. Last year the amount budgeted was $361 000, and the amount actually expended was $480 847. The amount proposed for this year is $581 000, which is an increase of 21 per cent on the actual expenditure last year. Is this due to an increasing number of women's shelters being set up or to a greater contribution from the Federal Government towards women's shelters, or is the increase entirely from State finances?

The Hon. J. C. BURDETT: The amount provided in 1978-79 covered the funding of women's shelters in South Australia under the community health programme. The number of shelters supported in 1978-79 remained at 10. The increased payments in that year were due to higher levels of expenditure supported by the Commonwealth and matched by the State on a 75/25 basis for operating and a 50/50 basis for capital against the amount voted. The amount for 1979-80 is the amount supported by the Commonwealth and matched by the State to maintain the operation of the 10 shelters. The Commonwealth support is on the same basis as in 1978-79, and this recoups the amount claimed and credited to revenue based on actual expenditure. The main reason for the increase is that it is proposed to set up an eleventh shelter at Port Lincoln. That has been announced recently.

The Hon. J. R. CORNWALL: I refer to the line "Community Health Programme" on page 109. There has been a significant reduction in the net cost to South Australia of that programme both in money terms and in real terms. Even allowing for the increased Commonwealth contribution, there is still a substantial reduction in real terms, which seems rather strange, especially from a Government Minister who is always making public announcements about health programmes. Can the Minister say which areas are being cut, and state the rationale or reasons behind those cuts?

The CHAIRMAN: The honourable Minister need not go that far on the matter as it is not in the schedule.

The Hon. J. R. Cornwall: It is in the appendix. It is difficult to get information regarding the Health Commission otherwise.

The Hon. C. J. SUMNER: I refer to "Ethnic Affairs Commission—Preliminary expenses" which has been allocated $5 000. Will the Minister give us some indication as to what expenses will be incurred?

The Hon. C. M. HILL: I expected that there may have been a need for some consultancy services in regard to the work involved in the preparation of the plans and the legislation for the commission. The exact details of consultancy arrangements were not known at the time and I thought it was wise to establish an item so that there would not be any delays and that moneys being given to the area would be properly appropriated.

The Hon. C. J. Sumner: Consultancy fees for whom?

The Hon C. M. HILL: People we might call upon for advice in regard to the establishment of the commission. We do not have any firm in mind at present.

The Hon. J. R. CORNWALL: Under "Minister of Health—Miscellaneous" on page 97, $172 600 000 is involved yet only two lines are shown. The notation then states, "For details of payments and organisations assisted see appendices I and II respectively".

The CHAIRMAN: The honourable member is dealing with the appendix, not the schedule.

The Hon. C. J. SUMNER: The schedule refers to "Minister of Health—Miscellaneous", for which $172 600 000 is provided. More details are given in the lines on page 97 of the Budget papers. At the bottom there is an asterisk which refers to the details of payments and organisations assisted being given under appendices I and II. This was what the Hon. Mr. Cornwall was referring to. I think it was perfectly legitimate for him to refer to that and to ask for information.

The CHAIRMAN: Does the Hon. Mr. Cornwall want to ask a question with regard to the line under "Minister of Health—Miscellaneous"?

The Hon J. R. CORNWALL: Yes. I will simply reiterate what I said before—that it appears from the figures that are available that there is a decrease in the allocation which the Government is making for the community health programme, both in money terms and in real terms, and, even allowing for the Commonwealth contribution, there is a decrease in real terms. I ask why this has been done by a Government which has given superficial commitments to the community health programme. I ask what the Government intends in this area.

The Hon. J. C. BURDETT: I will obtain further details for the honourable member.

Progress reported; Committee to sit again.

ADJOURNMENT

At 10.55 p.m. the Council adjourned until Wednesday 7 November at 2.15 p.m.