HOUSE OF ASSEMBLY

Tuesday, November 4, 1975

The SPEAKER (Hon. E. Connelly) took the Chair at 2 p.m. and read prayers.

PETITION: SEFTON PARK TRAFFIC

Mr. COUMBE presented a petition signed by 224 electors of South Australia praying that the House would draw the attention of the Minister of Transport to the necessity of installing pedestrian traffic lights near Park Street and Third Avenue, Sefton Park.

Petition received.

PETITION: STRATHALBYN ROAD

Mr. WOTTON presented a petition signed by 365 citizens of South Australia praying that the House would request the Government to take action to realign and seal 15 kilometres of the Ashbourne to Strathalbyn Road.

Petition received.

PETITION: MOTOR CYCLE INSURANCE

Mr. DEAN BROWN presented a petition signed by 753 residents of South Australia praying that the House would cause the proposed premium for compulsory third party insurance for motor cycles with an engine capacity in excess of 250 cubic centimetres to be reduced to the same level as that for private motor cars.

Petition received.

QUESTIONS

The SPEAKER: I direct that the following written answers to questions be distributed and printed in *Hansard.*

JUVENILE OFFENDERS

Mr. BECKER (on notice):

1. What system is used for the assessment of juvenile offenders in correctional institutions?
2. What success has been achieved in the assessment method and is there a recurrence of similar crimes by offenders once they are discharged from the respective institutions?
3. Of the number of absconders during the past 12 months, how many have returned voluntarily and how many have had to be found and brought back?
4. Why does the Community Welfare Department use the word "abscond" instead of "escape" when referring to persons leaving institutions without permission?

The Hon. R. G. PAYNE: The replies are as follows:

1. The assessment system is initiated from court when a judge or magistrate requests an assessment report. This assessment is compiled at an assessment centre using specialists in various fields to build a composite picture of the youth, his family, his community in relation to his anti-social conduct and his needs. The youth's needs are described, and alternative means of meeting these are listed for consideration of the court. The alternative decided by the court is followed by the department unless there are unforeseen problems, at which time the department informs the Juvenile Court. The specialists involved in an assessment panel are residential care workers, community welfare workers, psychologists, teachers, educational guidance officers, psychiatrists and any other persons considered to have relative information. Assistance is regularly sought in the form of reports and consultations from other agencies, the major ones being the Education Department Guidance and Special Education Branch and the Mental Health Department Child Guidance Clinics.

2. The assessment method used in South Australia is successful for its purpose of making sure that the youths are helped according to their circumstances and individual needs. The system is unique in Australia and has received commendation from Australian and oversea visitors as well as the Adelaide Juvenile Court. With regard to the question relating to recurrences of similar crimes by offenders once they are discharged from the respective institutions, statistics are not available without intensive research to fully answer this question.

3. The numbers are 37 and 196, respectively.

4. "Abscond" is the term used in the Community Welfare Act, 1972-1975, passed by this House and the department uses this term to be consistent with the statutory requirements.

RATE REBATES

Mr. BECKER (on notice): Has the Government given consideration to amending the Local Government Act to enable councils to rebate rates for cottage homes and similar home organisations and, if not, will the Government consider the suggestion?

The Hon. G. T. VIRGO: Organisations owning homes for the aged are not eligible for rating concessions under the Government's pensioner rate reimbursement scheme, because the owners are not pensioners and the people domiciled in the homes, whilst they may be pensioners, are not ratepayers. Also, such pensioners receive a rental allowance in their pensions. However, the Government appreciates the difficulties which can be experienced by these worthwhile organisations. Because of this, the Valuer-General in assessing ratable properties assesses the total property in a single assessment rather than in assessments for each occupation. This results in benefits to the organisation in the rates payable, particularly when councils apply to properties the minimum amount payable by way of rates.

In addition to this, the Local Government Act is being amended this session to provide that councils may, if the Valuer-General certifies that he is unable to do so, divide single assessments into assessments for separate occupations. The Valuer-General will not issue a certificate in respect of such homes. Apart from this, the Local Government Act Amendment Bill referred to will enable councils to remit rates, or part thereof, to such organisations. Councils already have this power with respect to persons.

POSTERS

Mr. BECKER (on notice): What action does the Minister propose to take to prevent persons and/or organisations from placing posters promoting rock concerts, pop stars, protest meetings, etc., on bus shelters?

The Hon. G. T. VIRGO: Municipal Tramways Trust by-laws provide that:

No person unless authorised in writing by the General Manager shall post, stick, paint or write or cause to be posted, stuck, painted or written any placard, handbill, or advertisement, or other document or thing within or upon any vehicle, any tramway premises, or any post, pole, fence, gate or wall owned by the trust.

Trust inspectors in the normal course of their duties are required, as far as practicable, to see that this by-law is observed.

SALISBURY NORTH LAND

Mr. BECKER (on notice):

1. Who were the builders who purchased the 285 blocks of land situated at the corner of Diment Road and Bolivar Road. Salisbury North, and sold by the Land Commission?
2. How many blocks each did they purchase?

3. What was the purchase price paid for each block and what were the terms and conditions of the sale?

4. What price are the purchasers allowed to charge for resale of the blocks and are they permitted to sell the blocks to other builders and/or individuals?

5. Why was this subdivision not available to individuals?

6. Has the Housing Trust been offered any blocks from this subdivision and, if so, at what price and under what terms and conditions and, if not, why not?

7. What was the purchase price paid by the Land Commission for the subdivision?

8. What was the cost of development including roads, light and power, sewer and water and what commissions are payable and to whom?

9. How many similar subdivisions are proposed by the commission, where are they located, what is the proposed number of blocks, and when will they be released and at what price?

The Hon. J. D. CORCORAN: The replies are as follows:

1. The subdivision referred to comprises 283 serviced building allotments being subdivided in two stages, the first of which comprises 132 allotments, and the second 151 allotments. Of the first stage, the Hollandia group of companies has been allocated 99 allotments, and the balance of 33 allotments has been allocated to the South Australian Housing Trust. The allotments will be progressively sold under contract, dependent upon observance of performance criteria stipulated by the commission. The whole of stage II has been offered to the South Australian Housing Trust in response to a request from it to the commission for 200 allotments in the Salisbury North locality. In both cases, the allocations have been made to provide continuity in the house-building programmes of both organisations.

2. See 1.

3. The average price of allotments in stage 1 will be about $5 400 and the prices will be subject to approval by the Commissioner of Urban Land Price Control. Stage II prices will not be determined until final development costs are known; however, it is anticipated that they will be approximately the same as stage I. In all cases, the allotments will be sold subject to conditions providing that local government approval for building must be obtained within six months of the transaction and that substantial completion of the erection of a dwelling is undertaken within 12 months.

4. The commission requires that the price at which the allotments are included in the final price to the consumer will not exceed the price paid to the commission. No resale of the allotments in a vacant condition will be permitted.

5. The commission is developing simultaneously a further 332 allotments on the corner of Waterloo Corner Road and Whites Road, Salisbury North, and 157 allotments at Whites Road, Bolivar. These allotments will be available to individual purchasers. The allotments on the corner of Diment and Bolivar Roads were allocated to the two builders, having regard to the urgent nature of their requirements for a continuous home-building programme. The further allotments to be available soon will more than satisfy individual demands in the locality.

6. See other answers.

7. The commission purchased the land in December, 1974, in an unsubdivided form for $275 416.

8. The estimated total development costs of stages I and II are $1 146 000. The commission does not anticipate paying any commissions. This estimated total development cost excludes holding costs such as rates and taxes, administrative overheads and maintenance.

9. The following subdivisions are in various stages of development:

Name	No. of allotments	Estimated date of completion	Estimated average price* $
Salisbury North	332	January, 1976	5 500
Morphett Vale	113	December, 1975	5 500
Bolivar	157	March, 1976	6 200
Hallett Cove	168	March, 1976	8 300
Modbury North	195	July, 1976	7 300
St. Agnes	200	July, 1976	8 000

*These prices are based on present estimates and are subject to increases in development costs beyond the control of the commission. They will also be subject to approval of the Commissioner of Urban Land Price Control.

DUNG ROLLER BEETLE

Mr. BECKER (on notice):

1. What is the outcome of investigations by the Agriculture and Fisheries Department and C.S.I.R.O. into the breeding of the dung roller beetle?

2. Has the beetle been successfully bred to adapt to South Australian conditions?

3. Into what areas of South Australia has the beetle been introduced, and has it proved successful?

4. What further developments are expected in the use of this beetle?

The Hon. J. D. CORCORAN: The replies are as follows:

1. To date five species of dung beetles have been released in South Australia, but so far they have not successfully established. This also applies throughout other southern Australian areas. In all, 10 different species have been released in various parts of Australia and the most successful to date, *Onthophagus gazella,* is well established in tropical and subtropical areas. There is some evidence that this has reduced the bush fly problem in the areas where it is successfully breeding.

2. The dung beetle programme does not aim at breeding special strains for South Australian conditions. However, collections are now being made in areas of similar climate in northern Africa hoping that species will be found which are better adapted to our conditions. Already, one of these species is being reared in Canberra and this may be released in some areas of South Australia this year or early next year. Another species, *Euoniticellus intermedins,* can survive in a much wider range of climatic conditions than the earlier releases and could be well adapted to the drier areas of South Australia. This species was released in South Australia at the beginning of this year, but it is too early to evaluate whether it has successfully established.

3. About 15 000 beetles have been released at 28 sites in South Australia. Details are as follows:

Onthophagus gazella—Kangaroo Island, Robe, Naracoorte, Tintinara, Bordertown, Jervois, Meadows, Clarendon, Kenton Valley, Port Lincoln.

Onthophagus binodus—Penola, Padthaway, Inman Valley, Wanilla, Ungarra.

Onitus alexis—Turretfield, Edillilie.

Euoniticellus africanus—Brimpton Lake.

Euoniticellus intermedium—Meningie (2), Currency Creek, Lyndoch, Hallett (2), Wanilla, Cummins, Lipson, Koppio.

4. Further developments with introduced dung beetles in South Australia will include releases, this year and next year, of *E. intermedium* in areas with an average annual rainfall of less than about 650 mm and it is probable that

introduction of the species *Onthophagus taurus,* collected from northern Africa will also take place. Priority for release sites is given to cattle areas or to areas where releases have not yet been made; and the C.S.I.R.O. will continue, where possible, to collect and screen species of dung beetles from northern Africa for release in southern Australia. To establish an efficient dung beetle fauna in the cattle areas of South Australia, a number of different species will most probably have to be introduced to cover the wide range of climate, soils and pasture types.

SOIL ANALYSIS SERVICE

Mr. WOTTON (on notice):

1. When will the proposed soil analysis service to be conducted by the Department of Agriculture and Fisheries begin to operate?

2. What is the expected cost per sample of each analysis?

3. How long is it anticipated that an analysis will take to complete?

4. What is the method of analysis?

5. What does the soil sample kit comprise, how will they be made available, and what will be the cost of each kit?

The Hon. J. D. CORCORAN: The replies are as follows:

1. The proposed soil analysis service will probably be launched early in the new year.

2. Costs of determining basic chemical constituents of each sample will be:

	$
Nitrogen	3.50
Phosphorus	7.50
Potassium	2.50
pH	2.50
Salinity	2.50

3. The service is planned so that farmers will receive their report in less than two weeks from the time their sample reaches the laboratory.

4. Nitrogen content of soil samples will be arrived at by the modified Kjeldahl process, phosphorus and potassium content will be extracted in sodium bicarbonate and measures on an auto-analyser, soil pH will be determined in a 1:5 soil-water suspension, and salinity by the conductivity of a 1:5 soil-water suspension.

5. Sampling kits will be available from Department of Agriculture and Fisheries officers throughout South Australia at a cost of approximately 40c. They will consist of an addressed P.M.G. No. 2 Jiffy Bag, sampling instructions and information sheet and plastic self-sealing soil bags.

TRAIN ACCIDENT

Mr. MILLHOUSE (on notice):

1. Did a railway train plunge off a bridge across Crystal Brook Creek on Friday, October 24, 1975, and if so:
   (*a*) what caused this to happen;
   (*b*) was anyone injured and, if so, who, and what are the injuries;
   (*c*) what damage was caused respectively to the bridge; the train; the track; goods being carried, and what is the estimated cost of making good such damage?

2. Did a pylon of this bridge sink and if so:
   (*a*) was this sinking foreseen and when and by whom;
   (*b*) what action, if any, was taken as a result of this sinking having been foreseen and, if no action was taken, why not?

3. Did the Indian Pacific Express pass over this bridge on Friday, October 24, 1975, and if so:
   (a) at what time;
   (*b*) did the driver of that Express report anything untoward when so doing and if so, what was reported and what action was taken as a result?

4. Is an inquiry to be made into this happening and if so, what kind of inquiry, when will it be held, and what are the terms of reference?

The Hon. G. T. VIRGO: The replies are as follows:

1. Yes.

(a) It appears that floodwaters undermined the central pier of the bridge.

(b) Yes, Mr. Bretislaw Hudec, Engineman of Peterborough. He is suffering from spinal injuries; his general condition is good and he is expected to make a good recovery.

(c) Bridge: The pier of the bridge settled and tilted. The two spans remained attached to the pier and abutments and remained suspended and were slightly damaged. The eastern abutment and wing walls were undermined and tilted towards the centre pier. It is not expected that any of the bridge components will be reused as such. The concrete work of the bridge did not fail except as a result of the derailment.

Train: Diesel electric locomotive No. 703 damage to bogies, underframe equipment and air ducts. Locomotive requires examination and repair at workshops. Locomotive 868 damage to bogies, underframe equipment and underframe and requires examination and repair at workshops. Diesel locomotive 874, severely damaged and requires rebuild in railway workshops. SCC.2 (cattle van), severe damage and may require scrapping. CB.759 (cattle van) damaged beyond mechanical repair. BDX.33593 (open wagon), severe damage and doubtful whether repairs can be economically effected. STZC.510 (oil tank car), superficial damage on underframe, tank and bogies. Minor repairs required. STZC.504 (oil tank car), severe damage to underframe, brakes and tank barrel and requires major repairs at railway workshops. BDX.33453 (open wagon), extensive damage and rebuild is doubtful. BDX.33533 (open wagon), beyond mechanical repair. BLX.285 (open wagon), beyond mechanical repair. SGX.79 (open wagon), beyond mechanical repair. SC.8 (cattle van), severe body repairs required in railway workshops. SGMX.41 (open wagon), severely damaged, partially buried and doubtful if repairs would be economical. STZC. (No. 507 or 508), still submerged in water and unable to assess condition of vehicle. STZC. (No. 507 or 508) (oil tank car), buried in creek rubble and condition unknown. STZC.509 (oil tank car), minor damage to draft gear, underframe and bogies.

Track: 230 metres of track was torn up—there may be some rail salvageable for siding work.

Damage and Loss—Goods and Livestock being carried:

	$
Livestock 14 bulls at $200 per head	2 800
2 bulls at $150 per head	300
	$3 100

Veterinary and holding costs will also have to be added; however these are not yet known.

Diesel oil:	$
80 tonnes at $62.50 per tonne (oil either lost or contaminated)	5 000
	$8 100

Zinc: 170 ingots, weight 199-979 tonnes at $640 per tonne. Total value $112 640 (approximately).

Lead: 4 032 ingots, weight 101.182 tonnes at $290 per tonne. Total value $29 500 (approximately).

Loss of product and retreatment costs are not yet known. Some of this material is in (temporarily) inaccessible places under water and silt which will protract the recovery exercise. It is hoped that eventually most of the product will be recovered. The estimated cost of making good the damage is made up of $250 000 for bridge and track reconstruction, $750 000 account repairs or replacement of rollingstock, and uncertain loss on goods and livestock as may be assessed from the above report. The foregoing costs do not include the work of constructing a temporary bypass track and signalling necessary to allow signal operation in the period of reconstruction of the bridge, nor the cost of recovery of the damaged vehicles. The total estimated cost of these requirements is $80 000.

2. Yes.

(*a*) No.

(*b*) Not applicable.

3. Yes.

(*a*) 2.58 p.m.

(*b*) On arrival at Port Pirie the engineman reported to train control rough track and water lapping track between Warnertown and Port Pirie, but nothing untoward at Crystal Brook. As a result, Train Control advised the District Foreman, Gladstone, who immediately left by Fairmont track inspection vehicle in the company of the Special Ganger and Ganger, both of Gladstone, and inspected the track between Gladstone and Port Pirie sighting and inspecting the bridge at 6 p.m. at the mileage where the accident occurred but found nothing out of order.

4. A departmental inquiry involving Traffic, Mechanical and Civil Branches was held at Peterborough on 30th October, 1975 and I expect shortly to have the findings of the inquiry.

Mr. MILLHOUSE (on notice):

1. Do the foundations of the bridge carrying the standard gauge railway over Crystal Brook Creek go down to base rock and, if not, upon what do they rest and how far below ground level?

2. What were the specifications for the construction of this bridge?

3. When was it constructed and who was the contractor?

4. What material was used in its construction?

5. Was gravel amongst these materials and, if so, what type of gravel and from where did it come?

The Hon. G. T. VIRGO: The replies are as follows:

1. No. They rested upon a gravel base at approximately one metre below minimum stream bed level.

2. I have a copy of the specifications which are copious, but they can be made available for examination by any honourable member.

3. Between 2nd October, 1967 and 31st May, 1968, by Kev. Rohrlach Constructions Pty. Ltd. of Angaston.

4. Reinforced concrete piers and abutments, steel beams with pre-stressed post-tension concrete deck.

5. Gravel, in the sense of creek gravel, was not used. Concrete used consisted of crushed stone, sand and cement in ratios to achieve the concrete strength specified.

COAST PROTECTION ACT

Dr. EASTICK (on notice):

1. Has the Government noted the criticism of the South Australian Coast Protection Act contained in clauses 3.3, 3.4 and 3.82 of the Australian Advisory Committee on the Environment Report No. 5?

2. Has the Government sought to present a case to either the committee or the Australian Minister relative to the criticism, and, if not, is it its intention to do so?

3. If the criticism contained in the report is valid, is it intended to present amending legislation to this session of Parliament?

The Hon. D. W. SIMMONS: The replies are as follows:

1. The remarks about the South Australian Coast Protection Act made in the Australian Advisory Committee on the Environment Report No. 5, "Coastal Land", have already been noted. Dealing specifically with the particular clauses in that report referred to by the honourable member, the following answers are given:

Clause 3. 3 :

(*a*) An amendment to the Coast Protection Act which is currently before this House, is designed to permit the Coast Protection Board to acquire land for purposes other than the execution of works. This amendment was previously introduced into Parliament before the report in question was released.

(*b*) This argument in the report is considered to be unsound. The provision in the original Act for the definition of the "coast" meets the need to allow the declaration of land which is further inland than 100 metres from high water mark by regulation and so ensures a necessary and desirable flexibility of definition.

Clause 3. 4:

This statement in the report is incorrect.

There is no amendment, past or intended, to widen the present definition of "coast" nor has the Act been amended to confer any additional powers on the board. The provision in the original Act for both the definition of "coast" and the power given to the board is so far adequate, except in regard to the power to acquire land, which, as already explained, is the subject of the Bill currently before this Parliament.

The duties of the board in relation to the coast are far broader than simply to provide "protection from actual physical damage". Section 14 of the Coast Protection Act lists them as follows:

(*a*) to protect the coast from erosion, damage, deterioration, pollution and misuse;

(*b*) to restore any part of the coast that has been subjected to erosion, damage, deterioration, pollution or misuse;

(*c*) to develop any part of the coast for the purpose of aesthetic improvement, or for the purpose of rendering that part of the coast more appropriate for the use or enjoyment of those who may resort thereto;

(*d*) to report to the Minister upon any matters that the Minister may refer to the Board for advice;

(e) to carry out research, to cause research to be carried out, or to contribute towards research, into matters relating to the protection, restoration or development of the coast; and

(f) to carry out such other duties as are imposed upon the Board by or under this Act.

Clause 3.82:

This statement in the report is in large part inaccurate. The concept of retaining land for its visual qualities is being taken into account by the Board in the preparation of its coastal management plan. Passing of the current Bill to amend the Act would permit the Board to acquire land for public access and enjoyment.

2. A submission in respect to the undue criticism and erroneous comments is being prepared for forwarding to the appropriate authorities, who did not consult the South Australian Government, or the Coast Protection Board, in the preparation of the report.

3. All amendments considered necessary at this time are contained in the Bill currently before Parliament.

TEACHERS OF ENGLISH

Dr. EASTICK (on notice) :

1. What qualifications are required of persons presenting themselves as teachers of English to children from the various ethnic groups?

2. Is a curriculum available for teachers called on to teach English to these ethnic groups?

3. How proficient in the English language is a teacher required to be before appointment?

The Hon. D. J. HOPGOOD: The replies are as follows:

1. Teachers are required initially to be experienced and sufficiently qualified to meet registration requirements. That is, they are required to be usually experienced and qualified teachers in either primary or secondary schools.

Before taking up their specific duties as teachers of English as a second language to children from ethnic communities, they are required to undergo an intensive training course in linguistics, the methodology of second language teaching, and some sociology of ethnic communities.

In 1970, this course was of 4 weeks duration, in 1973 the course was lengthened to 7 weeks, and in 1976 the initial intensive course will be 10 weeks long, with additional subjects available on a part-time study basis. A course over 4 terms will cover the following topics:

1. General Linguistics I and II;
2. Teaching Methods in English Language I and II;
3. Social Psychology and Sociolinguistics of Migrant Children; and
4. Sociology of Migrant Groups.

Teachers must complete Teaching Methods I, General Linguistics I and Social Psychology and Sociolinguistics of Migrant Children before beginning work as teachers of English as a second language. The course will be offered at the Sturt College of Advanced Education.

2. In 1970-73, a curriculum was used based on the Commonwealth Government publication "Situational English". This was supplemented by a locally produced series of books called "Learning to Speak English". The curriculum was centred around the carefully graded introduction of English structures, using the Australian situational method.

This curriculum was particularly useful with non-English speakers, but since the migration programme has ceased the number of non-speakers has decreased significantly. Children requiring assistance now do so mainly in the writing of English and reading comprehension. Children who possess considerable verbal fluency demonstrate many difficulties in writing and the comprehension of text material. These so-called "second phase" learners require individual diagnosis, and special exercises have to be devised for them. A set and common curriculum is no longer adequate.

Thus, although there is a curriculum which remains appropriate for the non-speaker and assists the child in attaining verbal fluency, it is quite inadequate for second phase learners.

Instead, we rely upon the linguistic skills of teachers to diagnose difficulties and devise measures to overcome them. Hence, the need for a lengthened training course, and a greater depth of knowledge and skill.

In addition, a number of curricula are available commercially. One such course used by some teachers is the Penguin publication *Success With English.*

3. Initially, the teacher should be as competent as any other qualified teacher in the system. However, the intensive training course equips the child migrant teacher with skills and knowledge certainly not possessed by the average teacher. For instance, the General Linguistics I and II course deals with the following topics, among others:

the functions of language;
language and the human mind;
basic concepts and terminology of linguistics;
phonology in relation to orthography;
introduction to study or morphology and syntax;
theories of language acquisition;
studies in language development in children;
the nature of meaning;
vocabulary development; and
semantic change, anomaly and ambiguity.

RACING INDUSTRY

Mr. RODDA (on notice):

1. Who are the members of the Racecourses Development Board?

2. What is the amount of funds available for the board to disburse to racing clubs?

3. What is the total disbursement paid to respective racing clubs to September 30, 1975?

The Hon. R. G. PAYNE: The replies are as follows:

1. Members of the Racecourses Development Board:

Mr. W. F. Isbell (Chairman)
Mr. R. A. Lee
Mr. A. Richards (representing the interests of horse racing, other than trotting)
Mr. R. J. Phillips
Mr. E. Hambour (representing the interests of trotting)
Mr. P. J. L. McCarron
Mr. B. J. Johnstone (representing the interests of dog racing).

2. Amount of funds available for the board to disburse to racing clubs:—

Revenue received by the Board from the deduction of 1 per cent from the amount invested on totalizator multiple betting in 1974-75:

	$
Horse-racing grounds development fund	203 176
Trotting grounds development fund . . .	81 917
Dog-racing grounds development fund .	51 557
Estimated revenue for 1975-76:	
Horse-racing grounds development fund	240 000
Trotting grounds development fund . . .	103 000
Dog-racing grounds development fund .	73 000

In addition the board has borrowed the amount of $500 000—as follows:

$320 000—for the South Australian Jockey Club.
$30 000—for the Murray Bridge Racing Club.
$30 000—for the Kapunda Trotting Club.
$120 000—for the Adelaide Greyhound Racing Club.

3. Summary of Payments of Loans made by the Board as at September 30, 1975.

	$
Horse Racing (other than Trotting):	
South Australian Jockey Club (for three metropolitan tracks)	503 973
Onkaparinga Racing Club	12 000
Balaklava Racing Club	8 045
Clare Racing Club	2 000
Jamestown Racing Club	500
Mindarie/Halidon Racing Club	500
Mount Gambier Racing Club	24 200
Murray Bridge Racing Club	50 991
Naracoorte Racing Club	7 755
Penola Racing Club	4 700
Port Augusta Racing Club	6 000
Port Lincoln Racing Club	7 725
Riverland Racing Club	5 705
Strathalbyn Racing Club	15 030
Tumby Bay Racing Club	500
Whyalla Racing Club	1 000
Kangaroo Island Racing Club	500
Trotting:	
South Australian Trotting Club	72 000
Gawler Trotting Club	14 290
Kapunda Trotting Club	32 700
Mount Gambier Trotting Club	6 770
Port Augusta Trotting Club	5 000
Victor Harbor Trotting Club	6 385
Whyalla Trotting Club	4 800
Dog-Racing:	
Adelaide Greyhound Racing Club Inc.	154 000
South Australian Greyhound Racing Club Inc.	27 950
Southern Greyhound Raceway Inc.	6 400
Port Pirie and Districts Greyhound Club Inc.	6 500
Whyalla Greyhound Racing Club Inc.	8 730

CONTROL CLOCKS

Mr. VENNING (on notice): Will the Minister take whatever action is necessary to ensure that the Electricity Trust of South Australia adjusts control clocks which it owns on rural properties to conform to new times subsequent to the introduction of daylight saving?

The Hon. HUGH HUDSON: The alteration of time clocks to daylight saving times would require two visits (one at the beginning and one at the end of the period) to each clock location. In country areas these are widely scattered and would require many miles of travelling. Apart from any cost consideration, it would be impracticable to do the amount of work involved within a reasonable period. The trust therefore does not alter time clock settings for daylight saving.

ATTORNEY-GENERAL'S DEPARTMENT

Mr. MILLHOUSE (on notice): What action, if any, is it proposed to take concerning the letter of October 23, 1975, to the honourable Attorney-General from David G. Macpherson and the accompanying two statutory declarations?

The Hon. PETER DUNCAN: Police have charged David G. Macpherson with the following offences:

1. Being unlawfully on the premises;
2. Assault occasioning actual bodily harm;
3. Assaulting a police officer in the execution of his duty;
4. Resisting arrest;
5. Using an offensive weapon, namely a motor-cycle helmet;

and accordingly the matter is presently before the court. In the circumstances, I do not propose to take any action pending the outcome of the court hearings. The court is the proper body to deal with matters of this nature and, as already stated, it is not proposed to take any further action in this matter pending the outcome of these hearings.

SPELD

Mr. MILLHOUSE (on notice):

1. What assistance does the Government give to the organisation known as SPELD?

2. What further assistance, if any, does it propose to give this organisation?

The Hon. D. J. HOPGOOD: The replies are as follows:

1. The 1975/76 grant will be $5 000, not $500 as quoted in the press.

2. The grant has been assessed according to the considered value of the organisation's educational programme. No additional assistance is intended on the circumstances as submitted by the organisation. Offers of accommodation have been made to SPELD which have been refused.

FESTIVAL THEATRE

Dr. TONKIN (on notice):

1. What is the nature of the works being carried out on the surface of the Festival Theatre plaza?

2. Have defects appeared in the pebble paving and, if so:
   (a) what is the cause of the defects; and
   (b) what is the cost of the repair work?

3. How long has the pebble paving been installed?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. The pebble paving of the Festival Theatre plaza is a wearing surface covering a waterproof membrane on the concrete structure. Some leaks have developed in the waterproof membrane and the paving surface is presently being cut in selected locations to gain access to the waterproof membrane so that it may be repaired. The waterproof membrane is guaranteed against leaks for 20 years.

2. (a) The pebble paving is laid loose in large slabs on top of the waterproof membrane and can move independently with thermal expansion and contraction. There are some minor cracks only in the pebble paving and the joints will be caulked.

(b) The cost of the repair work to the pebble paving will be minor and it is anticipated that all repairs to the waterproof membrane will be carried out under the 20-year guarantee.

3. The paving to that part of the plaza constructed within the Festival Theatre contract was laid in 1973-74.

JAWS

In reply to Mrs. BYRNE (October 16).

The Hon. D. W. SIMMONS: The South Australian Tourist Bureau is doing its best to secure maximum useful publicity from the film *Jaws,* whilst ensuring that such publicity is not counter-productive as the film depicts the danger to the tourist industry of an island off the United States coast due to the presence of a great white shark. Reports in the American press indicate that, after the release of the film, tourist beaches were crowded but few people ventured into the water. Nevertheless, oversea publicity has been sought through the Australian Tourist Commission. Already one American firm, Sea and See Travel Service Inc., San Francisco, is selling an Australian white shark tour to Port Lincoln from January 31 to February 14, 1976. The price is high, at about $US6 000 a person, but the agency reports that there are many inquiries. A front page story on the tour has appeared in the *Advertiser* of October 13, 1975. It should be noted that the scenic and other attractions of Port Lincoln are not shown in the film. Underwater sequences shot off Port Lincoln and featuring live white sharks have been spliced into the movie.

MOUNT COMPASS WATER SUPPLY

In reply to Mr. CHAPMAN (October 16).

The Hon. J. D. CORCORAN: The Mines Department has drilled a bore to a depth of 112.5 metres, adjacent to the Mount Compass township. This bore has been developed and testing of its output is now in progress. Early results indicate that there is sufficient water of suitable quality to provide a water supply for Mount Compass. When the testing programme is completed and the output of the bore confirmed, details of the scheme will be finalised so that further consideration can then be given to the proposal, which would include the siting of storage tanks, etc.

BEEF PRODUCERS

In reply to Mr. VANDEPEER (October 9).

The Hon. J. D. CORCORAN: The Minister of Agriculture has advised me that the proposal to increase the amount of "cheap" money available to beef producers was one of a number of recommendations made by the Industries Assistance Commission. The report is being studied and representations will be made to the Australian Minister for Agriculture in due course. While press reports have suggested large sums being made available to producers (the I.A.C. suggests $70 000 000 in a full year) the Commission also states:

It must be stressed, however, that these figures are indicative. The Commission has no way of anticipating the number of eligible producers in this category who will apply for assistance. For this reason, and to ensure that these funds are neither inadequate nor too liberal, the Commission is of the opinion that funds already allocated to the State rural reconstruction authorities should be supplemented when, but only when, there has been a demonstrated need for them.

The Agriculture and Fisheries Department is currently carrying out a survey in the South-East to study the need for funds.

MARGARINE

In reply to Mr. GUNN (September 18).

The Hon. J. D. CORCORAN: The total tonnage of table margarine permitted to be manufactured under quota in South Australia in 1975 is 2 546.5 tonnes. The Margarine Act was amended in November 1956, when table margarine quotas were increased from 468 tons to 528 tons a year. At present four factories are licensed to produce margarine and all four have been allocated table margarine quotas. Before November, 1974, three margarine factories were licensed but only two held table margarine permit allocations. Before 1974 State quotas for table margarine were fixed by agreement between States at meetings of the Australian Agricultural Council. The Margarine Act Amendment Act passed by Parliament in 1974 increased quotas on table margarine in South Australia, as from April 1, 1975, to the equivalent of 2 100 tonnes per annum, and a further amendment in 1975 raised the quota by 50 per cent to 3 150 tonnes per annum, based on interstate per capita consumption figures.

FOOTBALL POOLS

In reply to Mr. BECKER (September 16).

The Hon. D. A. DUNSTAN: The Government has received requests from the promoters of football pools, seeking their introduction in this State. However, it has been considered that the introduction of these pools would probably be at the expense of existing lotteries. The present position is that both Victorian and New South Wales pools are controlled by Vernons of England, and there is only one prize pool for both States. Information from Victoria indicates that investments with Tattslotto have not been adversely affected by football pools. The New South Wales pool has only recently commenced and it is too early to gauge the effect on existing lotteries in that State. Information has been received that there are no immediate plans to introduce football pools in Queensland and Western Australia. Whilst the State has the facilities to operate football pools, it is considered prudent to observe their operation in other States before making any final decision as to their introduction or otherwise in South Australia.

COMPANIES ACT

In reply to Mr. WOTTON (September 9).

The Hon. PETER DUNCAN: The South Australian Government does not intend to join the Interstate Corporate Affairs Commission. The Government's view is that the only satisfactory and effective way to establish uniform company law and administration in this country is the enactment of a National Companies Act. Experience since 1962 has shown the extreme difficulty of achieving uniform company law and administration on any other basis.

PREFABRICATED HOUSE

In reply to Mr. WARDLE (October 15).

The Hon. HUGH HUDSON: The honourable member wished to know whether the construction techniques used by B.P.A. of Sweden have been examined by Housing Trust officers. I wish to advise him that this organisation is well known to the South Australian Housing Trust and two of its officers, including an architect, visited them in 1974. Since then, the trust has had considerable negotiations with the company both direct and through an Adelaide representative. The building system they have adopted is, according to the architect, a good one but, after considerable negotiation, it was found that the price of the houses was far beyond an acceptable cost level. I should add that, while the company is as large as that indicated by the honourable member in his question, only a relatively small part is devoted to the building and sale of prefabricated houses.

HOLDEN HILL BUILDING

In reply to Mrs. BYRNE (October 15).

The Hon. R. G. PAYNE: The property at 645 Main North-East Road, Gilles Plains, which was previously used by the South Australian Youth Clubs, has been offered to the Community Welfare Department on lease for use in some form of community-based project. The department proposes to accept this offer and, subject to approval by the State Planning Authority and evaluation of the property by the Public Buildings Department, will use it as a community residential unit for boys under its care. These youths range in age from about 12 to 15 years and for behavioural, family or educational reasons are unable to live at home and attend their local school. Depending on internal structural alterations, there will be accommodation for six to nine boys. Consideration is also being given to the possibility of providing emergency accommodation for occasional homeless youths who are not formally under the care of the department.

MINISTERIAL STATEMENT: MURRAY RIVER

The Hon. J. D. CORCORAN (Minister of Works): I seek leave to make a statement.

Leave granted.

The Hon. J. D. CORCORAN: Honourable members would be aware that a succession of storms over the past few weeks has resulted in heavy flooding of the Murray River in New South Wales and Victoria. The flood rains

resulted from a deep depression, which, having moved south from Central Australia, moved slowly across the southern tip of Australia into Bass Strait about a week ago. In the Hume catchment, it rained for 60 hours from midday on Thursday October 23 to midnight on Sunday October 25. The average depth over the catchment was about 80 mm (or 3.2in.), and ranged from 50 mm at Hume dam to 150 mm (6in.) at Cabramurra in the Snowy Mountains.

With saturated catchments from general rains a few days before that, all streams and rivers responded rapidly. The present situation is that the floods in the Murray and Goulburn have passed Yarrawonga and Shepparton respectively and, although the amount of flow in the Murrumbidgee is still uncertain, a reasonable assessment of the expected flooding in South Australia can now be made. The present prediction is that the river flow will be about 220 000 M*l* a day, and should reach a peak at Renmark at the beginning of the third week in December, at Morgan at the end of December, and at Murray Bridge at the beginning of the second week in January, 1976.

Any further rains in the catchment areas of the Murray and its tributaries may necessitate a revision of this estimate, but in any case the position will be reviewed as the peak moves downstream. It will not be possible to make a more precise estimate of the flood until the peak passes Wakool Junction in late November. Members should note that the floodwaters downstream of Yarrawonga weir in Victoria take two paths: one down the mainstream of the Murray and the other through the Edward River complex. They join up again at Wakool Junction, and it is not until the peak has passed this point that it is possible to make a confident prediction of the likely level in South Australia. However, the flood is expected to be greater than the 1931 flood (when the river flow was recorded at 210 160 M*l* a day), but will not approach the levels of the 1956 flood (when the flow was recorded at 341 300 M*l* a day).

Consequently, the coming flood is likely to be the second largest experienced in South Australia since river monitoring commenced at Morgan in 1886. Depending on the locality, the levels will be between .45 m and 1 m above the maximum levels recorded in the November, 1974, flood. The present anticipated level at Renmark is 19 m (.45 m above the 1974 flood and .81 m below the 1956 flood); at Morgan, 9.50 m (.90 m above 1974 and 1.87 m below 1956); and at Murray Bridge, 2.65 m (.65 m above 1974 and 1.3 m below 1956).

It will be necessary to carry out some work on the Renmark flood banks, and this should be effective in giving protection to the town, except for the crescent area of the Renmark Irrigation Trust district. From past experience, protective banks will be worth while, except in those areas where inundation would otherwise be shallow. Some groups, in the hope that adequate protection will be practicable, will attempt protective measures whether or not there is Government encouragement. But it must be kept in mind that seepage and salinity build-up in an embankment can cause more permanent damage than inundation. It is likely that planted areas of Gurra Gurra will be flooded, along with the Berri Flats, and large portions of the grazing lands in the Weigall and McIntosh Division of the Cobdogla irrigation area.

Many of the shack areas downstream of Morgan will once again go underwater, but a levy bank at Mannum should provide protection for the lower section of the town. Perhaps the most serious problem of all will occur in the reclaimed swamp areas in the down-river section. Embankments for the Government-controlled areas were generally designed to a height equal to the 1931 flood level, but not necessarily designed to hold a river at that level for a long period. Soil conditions are such that raising levee banks above the level for which they were designed without first broadening the levee's base would offer doubtful protection.

Experience from the 1956 floods showed that overtopping led to major breaches in the levee banks, and it was necessary to wait until the river returned to normal pool level before repairs could be effected. The pumping out of the swamps could not commence before the completion of the repairs. Therefore, if attempts to hold the flood by raising levees were to be unsuccessful, and the banks were breached, the swamps would be out of production and use for longer periods than would be the case if the river was held for a period and then flooded deliberately through the controlled opening of sluices. By this latter method, ridding swamps of floodwaters could commence without waiting for the river to return to pool level.

On the basis of information available to date, it would appear that most areas between Mannum and Murray Bridge and some areas downstream from Murray Bridge, would be inundated. Upstream of Murray Bridge, all ferries will be out of action, with the exception of Cadell, and downstream Goolwa and Naming ferries should not be affected, with the Wellington and Jervois ferries in the doubtful class. About 80 holdings, 66 of them in Government-controlled areas and involving 6 000 dairy cattle, would be included. If the flood level rises above the current prediction or a prolonged period of windy weather occurs near the peak of the flood, all reclaimed areas except Jervois could be seriously affected.

Honourable members will realise that the State is facing an emergency of an order not experienced here for almost 20 years. Accordingly, Cabinet has approved the expenditure under the Natural Disasters Relief Fund of $1 600 000 to:

(1) protect Government installations and assist local authorities to protect public facilities;

(2) raise low areas in embankments for Government-controlled reclaimed swamp land to reinstate them to, but not beyond, their design level;

(3) undertake deliberate and controlled flooding of Government swamps as occasion requires to avoid breaching levees; and

(4) assist pumping out Government and private swamps that become flooded, to provide technical advice and survey work to indicate likely flood levels, and to provide assistance to eligible landholders under the Primary Producers Emergency Assistance Act.

The Flood Liaison Committee appointed during the 1973-74 flood has been reconstituted, as I have indicated to the House previously, and is already visiting those areas likely to be affected to ascertain protection work likely to be required. The committee is consulting local government authorities and will advise the Government of action it considers necessary. I will keep honourable members fully informed of any significant changes to flood predictions and Government action over the next few weeks.

ANSTEY HILL WATER TREATMENT WORKS

The SPEAKER laid on the table the report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence, on Anstey Hill Water Treatment Works.

Ordered that report be printed.

QUESTIONS RESUMED

JUVENILE ABSCONDERS

Dr. TONKIN: Can the Premier say whether the Government will now institute a judicial inquiry into the treatment of young offenders in South Australia? The weekend has seen yet another group of abscondings from McNally Training Centre, with damage caused by those absconders. This is the latest in a whole series of abscondings, some of which are publicised and some of which are not. As in other instances, considerable damage to property was caused by the absconders on this occasion. South Australia is acknowledged to have led the world, both in the setting up of the Juvenile Court and in its legislation for the treatment of young offenders. As part of the rehabilitation programme, it is necessary that young offenders be given a degree of responsibility and freedom at a certain stage in their treatment. This stage can be determined only by close individual supervision and professional assessment. The unabated progression of abscondings now causes extreme concern in the community because the assessment and supervision facilities available to officers of the department are not adequate. The community is suffering and so are the young offenders. The Government has taken no action when inquiries have been called for before but, with its failure to protect society now assuming an increasing importance in relation to the treatment of young offenders, a judicial inquiry must now be held before the South Australian situation is changed from leading the world towards being among the worst in the world.

The Hon. D. A. DUNSTAN: The Leader of the Opposition is in an exaggerating mood. The Government will not appoint a judicial inquiry unless there are facts that require a judicial inquiry. There is nothing in this area which is unknown and which could be established by a judicial inquiry. If the Leader suggests there is some area in which a judicial inquiry would assist the public—

Dr. Tonkin: It would reassure the public, wouldn't it?

The Hon. D. A. DUNSTAN: What is there to reassure the public about? The Leader has criticised the Government previously for the expenditure which the Government has had on judicial inquiries. What is it now that a judicial inquiry will establish? In his explanation the Leader has pointed out the difficulties that face the Government in administering the treatment of juvenile offenders. We cannot run a maximum security prison for juvenile offenders and expect that it will be effectively rehabilitative. If we run an institution which is not a maximum security prison, in fact there are likely to be absconders from it from time to time.

Mr. Millhouse: That's the price.

The SPEAKER: Order!

The Hon. D. A. DUNSTAN: The honourable member can suggest what it is that we do not know about it that—

Mr. Millhouse: I'm not saying that; I'm saying that the present situation—

The SPEAKER: Order! The honourable member for Mitcham will have an opportunity to question the Premier at a later stage. The honourable Premier.

The Hon. D. A. DUNSTAN: If the honourable member or anyone else can suggest some other means of achieving a better balance between the needs of the community and the needs of treating juvenile offenders, perhaps he will be good enough to advance it. That is not what the Leader is asking for; he is asking for a judicial inquiry regarding a series of facts which, from his own explanation, we all know about.

Mr. GOLDSWORTHY: What steps are being taken to assess and overcome the present shortcomings in relation to the treatment of young offenders that have resulted in repeated abscondings? It must be obvious to the Government that there is much concern among the public and certain members of the Judiciary, who from time to time have made public statements about the operation of the Juvenile Court and the treatment of juvenile offenders. In reply to the Leader, the Premier stated that nothing not already known would be made known by an inquiry. The Government must be aware of the public concern about what is happening. I should therefore like to know (and I am sure the public would like to know), what action, if any, the Government contemplates.

The Hon. R. G. PAYNE: Regarding security at McNally, as the Premier pointed out in his reply, the methods and techniques used in the treatment of offenders is constantly under review. However, change occurs. Where openings used for abscondings are found, action is taken to make that form of exit more difficult. I am pleased that the Deputy Leader has asked this question, because it gives me an opportunity to correct a wrong impression that was given yesterday on the radio by the Leader when he referred to (and so there is no question about the accuracy of this statement, I point out that I stopped my car and noted exactly what the Leader said) "the ease with which these young people seem to be able to walk out". They are the words he used when referring to the abscondings. That statement is completely and absolutely wrong in relation to the absconding that occurred. The absconding occurred when a group of young people broke out of McNally. I am sure that the Leader (and he would have some experience in these matters)—

Members interjecting:

The Hon. R. G. PAYNE: If members want a reply to this question, I would thank them to allow me the courtesy of giving a reply, because I have some of the answers they are seeking. If members opposite do not want to hear the reply, the public may want to hear it. There is no known prison enclosure, stockade, or other similar area that can be made escape proof. To suggest that that is not so is laughable. The Premier has already pointed out that at McNally we are running a kind of training centre. I will not call it an institution because, as a department, we are trying to get away from that concept. There is a training centre to which juveniles can be sent on remand, for example, and at that time they may not even have been found guilty of an offence. This sort of aspect is never raised by members opposite. Therefore, the suggestion that some special kind of security could suddenly be instituted to prevent escapes is not a workable proposition. In fact, the extreme attitude taken by the Opposition is highly critical of the best efforts of departmental officers, who are doing a difficult job. I am sure members opposite would agree that it is not an easy job to try to rehabilitate young offenders. We have at the centre trained people who are doing their best to grapple with this situation, and it does not help them to hear ill-informed statements, such as that made by the Leader, when he referred to the ease with which inmates were able to walk out. The inmates did not walk out. The staff was doing its job, when a break-out occurred in the middle of the night. I should like to inform members opposite that the residential care workers at the centre are not equipped with machine guns, and they never will be equipped with them. We are not going to try to that extent to prevent people from getting away. Of course, it is just not possible to use such methods, and the Leader, being a member of a social welfare advisory committee which

recommended to the Government much of this programme and the treatment methods concerned, would know this. It does him little credit now to try and make political capital out of a situation such as this.

Members interjecting:

The SPEAKER: Order! There are far too many interjections from Opposition members. If the interjections continue, I will certainly take action against those concerned.

The Hon. R. G. PAYNE: I am sure that the Leader and Deputy Leader would agree that the Government has an important job in trying to rehabilitate young offenders, and that there is no suggestion from members opposite that these young people ought to be locked up and virtually thrown away. Surely it is the State's job to do the best it can to rehabilitate people who have gone astray. Looking opposite, I see that the Leader agrees with that. The Premier has pointed out the difficulties involved in operating this rehabilitative programme. I, and I am sure the Government, have every confidence in the staff at the centre. What I have said more than answers the point raised by the Deputy Leader.

Mr. BECKER: Can the Minister say how long the 10 juveniles who recently absconded from McNally had been at the centre, for what offences they had been sent there, whether they had been recently assessed as to progress and a programme of rehabilitation, and, if so, when they had been so assessed? I contacted the Minister's department this morning, to seek this information. I am concerned, and I understand that people involved in the programme of assessing these juveniles are also concerned, at the adverse publicity that has been given to abscondings from McNally, which publicity could be affecting the programme of assessment. I ask the Minister whether he has any information at present.

The Hon. R. G. PAYNE: I thank the honourable member for having given me prior notice of the question and also for the consideration he has shown in the way in which he has asked the question. The young offenders concerned were admitted on various dates between September 29 and October 31. Some of them were on remand, and the offences involved were larceny, breaking and entering and larceny, and illegal use. It was implicit in the question that the honourable member asked that he wanted to know whether any of the persons concerned were previous offenders, and some of them were. Regarding the matter of whether they had been assessed for any programme of rehabilitation or otherwise, of the nine concerned five had been assessed previously and four had not yet been assessed. In respect of the overall picture of the offenders concerned, eight were on remand and no programme (this is one of the points raised by the honourable member) had been prepared, pending decisions by the Juvenile Court. The honourable member and, I hope, most other honourable members will understand that the Juvenile Court, as well as the department, has a role to play in these matters, and decisions from that court were pending. One youth was to spend a period at McNally Training Centre, following which accommodation and suitable employment would be found for him. In other words, that was the programme contemplated for that youth.

HIGH SCHOOL FIRE

Mr. JENNINGS: Can the Minister of Education say whether he has any information about the disastrous and mischievous fire that occurred at the Gepps Cross High School over the weekend? When I went to the school yesterday, I had a look around with the charming headmistress and members of her staff. It is clear that it is fortunate that the damage was not much greater than it was.

The Hon. D. J. HOPGOOD: I have a good deal of information here, some of which I will give. On Sunday, November 2, fire destroyed a four-classroom timber-teaching block and all contents at Gepps Cross Girls High School, which block had until that time accommodated 100 students. The Director of Secondary Education (Mr. Forbes) and the Acting Superintendent of Secondary Education (Buildings) (Mr. Adams) attended the scene of the fire to initiate action, security and site clearance and to assess the replacement needs. The Principal (Miss Young) also attended and discussed emergency accommodation plans for the displaced students. The fire call was received at Gepps Cross fire station at 12.41 p.m., the appliances arrived at the school at 12.43 p.m., and the fire was extinguished at 1.7 p.m. The building was completely destroyed, and only the prompt action of the Fire Brigade saved adjacent buildings, one of which had been heated to ignition point. The replacement cost of the block and its contents has been estimated at $60 000. Electrical security was established, and arrangements for site clearance were made by officers of the Public Buildings Department. The site was cleared yesterday. Replacement needs were considered in relation to the falling enrolments of the school and, after consultation with the Principal, it was agreed that three rooms would be provided. Arrangements have been made for three timber rooms to be supplied by the beginning of the 1976 school year. Replacement furniture was delivered by the supply branch yesterday. Provision has been made to accommodate the displaced classes by rearrangement of grouping and by using specialist areas as home bases. The Principal has assured the Education Department that the inconvenience incurred will be minimal.

S.A. BARYTES LTD.

Mr. MILLHOUSE: Will the Attorney-General say what action, if any, he intends to take on the letter sent to him by Mr. Don Bowden concerning South Australian Barytes Limited? Mr. Bowden has sent me a copy of the letter, dated October 30, that he wrote to the Attorney about S.A. Barytes Limited, and particularly about the meeting of that company's shareholders which was held, I think, on October 27. This is, as the Attorney would realise, a long letter, running into more than four pages. I wish to quote only the following sentences from it to explain my question:

> The purpose of this letter is to provide you with information regarding the meeting which I believe should be brought to your attention. In my opinion, and I might add, most of the shareholders present at the meeting share my point of view, there are sufficient areas of doubt concerning the operations of this company in the early 70's and virtually right up until now that need full investigation and complete public disclosure.

He then sets out the various matters. I should remind you, Mr. Speaker, if it is necessary to do so, that the Government was guarantor for this company and that much public money has already been lost as a result of it. Towards the end of his letter, Mr. Bowden says:

> I am sure in the public interest, not only for Barytes shareholders but the investing public generally, this whole thing should be thoroughly investigated and complete results made known to everyone ... If truth and justice mean anything today, I appeal to you to step in positively and see this whole thing through to a logical conclusion.

That is sufficient to explain the letter. S.A. Barytes Limited has been a matter of concern, I have no doubt,

to the Government as well as to everyone else for a long time. There is much disquiet about it. In view of the letter, which the Attorney would have seen by now, I ask him what action the Government intends to take as a result of the request and the general situation regarding this company.

The Hon. PETER DUNCAN: Notwithstanding the honourable member's assumption that I would have seen that letter, in fact I have not yet seen it. It has not yet come across my desk; I can assure the honourable member of that. As soon as I see a copy of the letter I will bring down a report for him. I understand that the Government has files on this matter, and it may well be that officers of my department are obtaining those files so that I can have all the information before me. That may explain the slight delay that has occurred in my seeing the letter, and as soon as I see it I will bring down a report for the honourable member.

EX GRATIA PAYMENTS

Dr. EASTICK: Will the Premier say what constitutes "a moral or equitable obligation to pay" and by whom a decision on that matter is made? In a reply to a Question on Notice last Tuesday (page 1446 of *Hansard*) about *ex gratia* payments by the Government, the Premier stated:

> The Government has made *ex gratia* payments since assuming office in June, 1970, (*a*) an *ex gratia* payment is made in those instances where the Government has no legal obligation to make such a payment, but is of the opinion that it has a moral or equitable obligation to pay . . .

Then there is further comment. I ask the Premier who decides what is a moral or equitable obligation to pay, and on how many occasions in recent weeks such a payment has been made.

The Hon. D. A. DUNSTAN: The Government considers that it has a moral or equitable obligation to pay where, while the Government has no legal obligation, it considers that non-payment to the person concerned in fact creates an anomalous situation. I could give the honourable member several examples of this. In addition, where the Government has determined on a policy which affects people who can make claims on the Government, but has not effected the legislation, at times, in order to bring a certain number of people into line with others for whom legal provision has been made, we make *ex gratia* payments until the House authorises the legal payments. We do it in cases where non-payment to people creates an anomaly when their position is compared to that of people in a basically similar situation but who have some legal coverage. It is not possible for me to make a statement at large on this matter, because it is difficult to cover every case. The matter must be covered by discretion in examining each case where it is considered that there is some rightful claim on the Government. I cannot remember a large number of recent cases before Cabinet. There have been cases previously, but I cannot remember any in recent weeks. The Minister of Transport has just given me an example that, while in a number of cases the Highways Department is not legally bound to pay a half-share of the costs involved in a fence, in several cases we do make the payment, because we think that we have an obligation to the property owner involved. The same thing has happened regarding moiety payments on kerbing. The aim of the Government in making *ex gratia* payments is to cover situations which do not provide a legal obligation for the Government but in which we consider that, if we do not make a payment, the citizen concerned can rightly claim that he has been unfairly treated, compared to other people in the community.

Dr. Eastick: Is it always a Cabinet decision?

The Hon. D. A. DUNSTAN: It is always a Cabinet decision in principle. We may lay down cases in which payment should be made, and so we do not look at individual cases where we have covered a particular class of people, but where a class of people is not involved and there is a payment to be made, the matter always comes to Cabinet.

MEDIBANK

Mr. ALLISON: Will the Minister of Community Welfare ask the Minister of Health whether he has taken or will take any action, in collaboration with the Commonwealth Minister for Health, to obtain Medibank assistance for patients casually hospitalised in Glenside or other such hospitals on the ground of mental illness?

The Hon. R. G. PAYNE: I will bring the matter to my colleague's attention.

MURRAY RIVER FLOODING

Mr. VENNING: In the light of the Government's announcement that it will set aside an amount of money pending the flooding of the Murray River area, will the Premier say what moneys are available to district councils and individuals in the northern part of the State, which was subject to severe flooding about 10 or 12 days ago? Everyone would know (they would have read it in the newspapers) of the severe flooding in the northern part of the State, where about 260 millimetres of rain fell in two or three days in some places. Different councils have been put under pressure with regard to rehabilitating certain areas, and some individuals have had their fencing completely wiped out. In view of the statement that has been made with regard to the Murray River area, I ask the Premier what Government moneys will be available to these people in the North of the State.

The Hon. D. A. DUNSTAN: The sum of $1 600 000 is to be spent in trying to avoid the consequences of a flood and in protecting Government and local government properties, or properties under the management of the Government, from the consequences of the flood. It is a different situation from paying moneys in respect of flood rehabilitation. The honourable member will be aware that I have had some representations from councils in his district and in northern areas concerning recent flooding in the North. That matter is being examined, and I will try to bring back a full statement to the House about it.

Mr. WARDLE: If the Government is satisfied that the river levels in the forthcoming flood will reach at least 300 millimetres above the existing level of the banks, can the Minister of Works say whether the Government will not take any action with regard to raising the banks and whether departmental officers will be made available to advise private swampholders? I appreciate the statement made by the Minister earlier today, as I am satisfied that it is information for which many people along the river are looking, but it occurs to me on reading the explanation that, if the Government considers that the water level will rise beyond a reading of 35 metres (most of the bank levels are now at that height), I think the report states that it would be pointless starting out to raise the levels at all, because these levels have been proved over the years to be satisfactory for most normal high rivers. As the Minister has pointed out, to increase the height of the bank we must increase the width of the whole embankment. Will the Government advise private swampholders, and say whether it will not start to raise the banks unless it thinks that the levels will not reach about 300 mm above them?

The Hon. J. D. CORCORAN: The honourable member already appreciates the point that was made in my statement that no bank should be increased in height without a proper look at this optimum design. In fact, he made the point that if we did that in most cases in fact we would have to broaden the base first. The honourable member will be well aware that it sometimes pays to preflood in order to protect the banks that would normally cater for not an excessively high river but a high river. I can only say that the committee which operated last year and which was, I think, eminently satisfactory is currently examining all the problems that will be associated with the flood, and is having discussions with local authorities (local government and other people) wherever appropriate, and by the end of this week I hope that I shall receive from it a report on exactly what needs to be done and where to protect or otherwise. I think the purport of the honourable member's question is that we should discourage people who probably think they can do something by increasing the height of banks. If they believe they themselves can prevent damage by doing that, we should discourage them if their action could or would lead to the destruction of the bank and its ineffectiveness in future years, leading to its reconstruction. I shall be pleased to put to the committee the point he has raised to see whether or not I can advise people in certain or specific areas either to do something if they want to do it, or not to do it.

GRAPEGROWING INDUSTRY

Mr. ARNOLD: Can the Premier say whether the Prime Minister has indicated whether he now accepts that the action of his Government has caused enormous damage to the wine and brandy industry, particularly in South Australia? I refer to a report of a statement attributed to the President of the Wine and Brandy Co-operative Producers Association of Australia (Mr. R. B. Schiller) in his annual report, as follows:

He said brandy production had now slumped by more than 58 per cent in three years and last season's brandy distillation was the lowest since 1953-54. The peak of the brandy production had been in 1971-72, before the brandy price differential was removed.

Because brandy production has slumped by 58 per cent, and because of the enormous effect that brandy production has on the wine and brandy industry in South Australia, particularly in the Riverland (as the Premier well knows, most South Australian brandy is produced in the Riverland), I ask the Premier whether he has received any indication from the Prime Minister that he now accepts that his action has caused enormous damage to the industry.

The Hon. D. A. DUNSTAN: No, I have not.

HOSPITAL CHARGES

Mr. MATHWIN: Can the Minister of Community Welfare, representing the Minister of Health, say whether it is a fact that rates of payment for patients attending the Royal Adelaide Hospital are as follows: for hospital service patients, no charge; for private patients, $20 a day (fully covered by table 5); for a single room, if available, $30 a day (fully covered by table 6); for vehicular accident and Workmen's Compensation Act patients, as hospital service patients, $36 a day (no claim available under Medibank but, if the insurance claim fails, there is no charge); and for private patients, $36 and $46 a day (and these charges are reduced in the case of an insurance claim failing). Coupled with this is the fact that treatment in the casualty ward, if the patient is insured, costs $10. This matter is causing much concern to members of the public generally, who find it most difficult to understand the reasons for these rates of payment. Can the Minister say whether these rates are correct and, if they are, why they are set in such a manner?

The Hon. R. G. PAYNE: As I have no personal knowledge of these rates, I will ask my colleague to obtain a report for the honourable member.

HILLS FACE LAND

Mr. EVANS: Can the Minister for the Environment say what stage Government negotiations have reached with regard to acquiring the Hills face land owned by Mr. D. R. Benbow? The piece of land concerned is more than 100 hectares in area. Mr. Benbow, who was a member of the Royal Australian Air Force during the Second World War, was shot down over Germany and held as a prisoner-of-war for a considerable time. He used his deferred pay and other service pay to pay a deposit on the property in the mid-1940's. He has retained the biggest part of the land as untouched natural bushland and has kept noxious weeds and other pests out as best he could. He has not set out to subdivide or develop the land to any great degree for agricultural purposes. As an amendment to the Land Tax Act places an obligation on a person to earn the substantial part of his income from agriculture in order to receive the rural concession, Mr. Benbow no longer receives the concession and, whereas last year he had to pay (the land is more specifically defined as the hundred of Adelaide, part sections 947, 956, 951 and 952) $164.40 to the Government, he has now received a bill of $3 148.43 for this year. Mr. Benbow was admitted to the Repatriation General Hospital last Friday. He is worried about the matter. I am led to believe that the Governor has requested the Minister to acquire the land, and I believe that the position is being considered. This man's situation is serious. He has preserved the property. He has not capitalised on it, nor has he subdivided it (he cannot do that now), and he is placed in an impossible position. If negotiations have not been completed, can the Minister say when they will be completed and when this man can get this burden off his mind so that the Government and other people who wish to have the land reserved can carry it?

The Hon. D. W. SIMMONS: As I do not know the details of this case, I will obtain an urgent report on the matter and inform the honourable member when it is available.

NATIONAL PARKS

Mr. RODDA: Is the Minister for the Environment considering policies with regard to fire prevention in national parks in certain rural areas where the natural growth occasions a fire hazard? The Minister will be aware of correspondence that I have had with his office (indeed, I believe there is some in the pipeline at present). At the weekend, at the request of the people in Penola, 1 visited the Penola park and saw firsthand the matters there that are causing the people in that area concern. The Penola park consists of about 240 hectares, and it is extremely well vegetated, having a stringy bark and red gum overcover and a heath and bracken understorey. This has grown profusely and. combined with rotting matter, etc., it could in the summer time constitute a fire hazard if only because the Penola rubbish dump is situated on the south-eastern corner of the park. The other matter that causes concern to these people is that occasional, and often frequent, summer thunderstorms strike in that area. If lightning strikes a tree, it can burn for several weeks before it is noticed. Then, in an extreme heat wave, it

can flare up. I therefore ask the Minister whether he is giving attention to this form of fire hazard that could occur in these parks.

The Hon. D. W. SIMMONS: The question of fire prevention in national parks is being considered at the moment. This morning I attended a demonstration, in Cleland National Park, put on by the fire prevention officer of the National Parks and Wildlife Division. About 80 rangers from various national parks were present at that demonstration, which is to continue ail day, and which involves use of vehicles, lectures on various aspects of fire prevention, and so forth. Tt is a matter which is being dealt with, I think, on a bigger scale this year than ever before. I attended part of the proceedings today, and I was quite impressed with the sense of urgency shown by the fire prevention officer. So, I think that every step is being taken to minimize the likelihood of fires breaking out in parks conducted by the division. Also, I heard the officer stressing the necessity for the machines to be at the highest level of preparedness so that they can take their part in the general fire prevention services. Regarding the area in the South-East mentioned by the honourable member, I understand that on three sides there are roads which are effective fire breaks, as one may reasonably expect. On the northern side, I think, a track is being cut. Reference to this is contained, I think, in a letter that is being sent to the honourable member. Whether or not he has received it yet I do not know, but I have certainly signed it. The fire prevention officer believes that the steps being taken, which are expected to be carried out before the fire season really begins, will provide as effective a prevention measure as is possible there. One of the big dangers there is the dump referred to. In fact, I think part of the park was burnt out as a result of fire that escaped from the dump controlled by the Penola District Council. However, I can assure the honourable member that every practical step that is possible is being carried out by the division.

GRANTS COMMISSION

Mr. COUMBE: Does the Premier recall that, when the Railways (Transfer Agreement) Bill, which ceded country railway services to the Commonwealth, was before the House, some of its clauses provided that South Australia would withdraw from the Grants Commission? Can the Premier therefore state what steps have been taken to take South Australia out of the Grants Commission and when the effective date of withdrawal will occur? If no steps have been yet taken, why not?

The Hon. D. A. DUNSTAN: I have not written to the Grants Commission, but there has been an exchange of letters between the Prime Minister and the State concerning these matters. I thought I had to table them for the honourable member, as a matter of fact, along with the other documents. I will see exactly what the situation is there and provide a report.

Mr. Coumbe: It was contingent on the agreements being passed.

The Hon. D. A. DUNSTAN: The agreement now has been passed. All of the agreements are deemed to have been effective from July 1. I signed the necessary certificate to the Prime Minister only last week in respect of the railways agreement. The proclamation went through on Thursday. At this stage of proceedings, I am not really at all certain that it is necessary to do anything further regarding the Grants Commission, but I will inquire and let the honourable member know.

KANGAROO ISLAND AIRPORT

Mr. CHAPMAN: Is the Premier able to relay the attitude of the Commonwealth Minister for Transport (Mr. Jones) regarding the Government's sealing of the Kangaroo Island Airport without the encumbrance of local government ownership? Since obtaining the Premier's assurance that a submission would be made to the Commonwealth Minister some weeks ago, the airport has again been closed to all air traffic, thereby causing considerable inconvenience to local commercial and tourist traffic. Quite apart from that inconvenience to the operators and passengers, these closures are seen to be seriously damaging the island's tourist industry. I am sure that the Premier will recognise the insecurity that is embodied in planning to holiday on the island when passengers cannot be assured that they will be able to travel on the day they wish, and they are reluctant to be involved in holidaying there when it has been so widely circulated and advertised that on occasions people are stranded there as a result of airport closure, which is becoming quite an embarrassment to the community.

The Hon. D. A. DUNSTAN: As I promised the honourable member, I made a submission to the Commonwealth Minister; I have not received a reply yet, but I will ask for it.

GERIATRIC CARE

Mrs. BYRNE: Will the Minister of Community Welfare ask the Minister of Health to supply a report on the operations of the Eastern Regional Geriatric and Medical Rehabilitation Service's Eastern Domiciliary Care Service, over the past 12 months, with special emphasis on and detail of its operation in the Tea Tree Gully District?

The Hon. R. G. PAYNE: I shall be delighted to obtain the information for the honourable member.

COURIER SERVICE

Mr. WOTTON: Will the Minister of Education initiate a courier service between schools in the Adelaide Hills area and the city? I understand a courier service already operates in the southern part of the metropolitan area, extending as far as Port Noarlunga. There are at least 40 primary and secondary schools and kindergartens that could take advantage of such a service. Because of the extreme cost of postage, such service would bring about a substantial saving in costs for all of those schools. Many of the schools in my district, and outside, have requested such a service, and I ask the Minister whether he will look into this matter.

The Hon. D. J. HOPGOOD: I will take up the matter with my department and see whether the suggestion is feasible.

GOVERNMENT EMPLOYEES

Mr. ALLEN: Can the Minister of Works say whether any means test is taken into consideration when employing workmen on Government departmental construction work? If not, will consideration be given to carrying out such a means test? Also, what is the minimum age for a labourer on construction work? It was brought to my attention recently that a landowner with an average size property had gained employment as a labourer on a Government departmental construction site. This person claims to have a larger income from investments than he obtains from his property. A young man aged about 18½ years from the same locality, who had been unemployed since leaving school, applied for work on the same construction site and was told that he could not be employed until he attained 19 years of age. If this is correct, a person is considered to be an adult for voting and drinking purposes

at 18 years of age, but not for employment. If a means test was carried out for temporary employment, it may help to gain employment for many more registered unemployed.

The Hon. J. D. CORCORAN: I appreciate the honourable member's raising this point. I have had no specific complaints made to me regarding this matter. I have had generalisations made to me that people are being employed by some of my departments, and no doubt other Government departments, who could well afford to stand by and allow others in worse circumstances to take the job. I see some difficulty in setting up a way by which we could check the assets of a person or his income from other sources. It raises some problems, as I think the honourable member would appreciate. Although I sympathise with the point of view he has raised, I see tremendous difficulties in overcoming it. However, in country areas there should be no difficulty in ascertaining from local knowledge what is the situation. With regard to the minimum age, there is no barrier, so far as I am aware, in relation to employing people of 18 years of age or more on labouring or any other type of work. I will check the matter and have the points raised by the honourable member examined to see whether there is anything we can do to ensure that those people in most need are employed, and those who have reasonably substantial means are not employed.

PRAWN FISHING

Mr. GUNN: Can the Minister of Works, representing the Minister of Fisheries, say what action the South Australian Government intends to take to prevent illegal prawn fishing such as that now carried out by a boat known as the *Allen?* I have been approached by a number of prawn fishermen who are concerned that the activities of the operator of this boat may damage their industry. They fear that, if this operator is allowed to continue, other people will be encouraged to enter the industry in this way. They are also concerned that people from other States may move into the area, bringing with them large freezer vessels so that catches will not then have to be brought ashore. The operator I have mentioned has had fish confiscated, and the vessel has been operating from my home town.

The Hon. Hugh Hudson: Where is your home town?

Mr. GUNN: Jervis Bay.

The Hon. J. D. CORCORAN: I shall be pleased to take up the matter with my colleague. The problem the honourable member raises is a very real one. Not long ago some criticism was raised, if not in this House certainly by the press, about the conduct of certain officers of the Fisheries Department when they boarded a vessel (I do not think it was this vessel) that was prawning illegally. They were, in fact, performing their duties properly, and protecting the people based in this industry from possible overexploitation. We have had experience in this State, particularly in the rock lobster industry, as a result of which we have had to impose stringent controls and close the industry because it was being over exploited. The very fact that this is done creates the type of problems to which the honourable member has referred. Now the honourable member has drawn attention to the problem and has named the vessel, I shall be pleased to have my colleague look at the matter and see what he can do about giving effect to the honourable member's request.

INSURANCE PREMIUMS

Mr. RUSSACK: Can the Minister of Transport justify the proposed increase in third party insurance premiums in area A from $60 to $95, and in area B from $40 to $55, for motor cycles with an engine capacity in excess of 250 cubic centimetres? If not, will the Minister take action to reduce the premium to the same level as that for the private motor car? On Saturday, November 1, there was a protest in Adelaide by almost 1 000 motor cyclists. They are to be commended on their orderly demonstration. I refer to an article in the morning paper of November 3 stating that traffic inspector E. C. Kain had said that after the demonstration the organisers had co-operated with the police and the demonstration had been well behaved. The report of the Third Party Insurance Premiums Committee was laid on the table of this House today by the Minister of Transport. That report sets out that consideration is given to two areas, "A" and "B" (metropolitan and country), and to various categories. The report states:

A key figure is usually regarded as the premium on motor cars.

Later it states:

Constant attention is given to definitions of categories, and changes are made, whenever appropriate.

That provision is there, and it has been pointed out to me that any category can be reconsidered. However, the report gives no reason relating to any category. It is therefore considered reasonable that the Minister should either justify this steep increase or take action that might decrease this premium to conform to the percentage increase in the premium paid on motor vehicles. The increase for this category of motor cycle in the city is 58.3 per cent and in the country it is 37.5 per cent. These increases relate to the key figure for a motor car, that increase being 22.4 per cent.

The Hon. G. T. VIRGO: I should remind the House that the honourable member asked whether I could justify the increase for motor cycles over 250 cc. He acknowledged that he had looked at the committee's report. However, had he read it all he would have noted that it begins:

The committee has pursuant to section 129 of the Motor Vehicles Act inquired into and determined that the following maximum rates of premiums for insurance under part IV of that Act are fair and reasonable, to operate on all renewals and new insurances from November 4, 1975, until again reviewed by the committee.

It is not a matter for me to justify; it is for the committee to justify. In his explanation I think the honourable member was rather unfair to the committee. Let us consider this committee, to which he was unfair. One could even say that he doubted its findings.

Mr. Russack: What I said was—

The Hon. G. T. VIRGO: The honourable member is asking me to justify something. It is the committee that has justified—

Mr. Dean Brown: It's your responsibility.

The SPEAKER: Order!

The Hon. G. T. VIRGO: The member for Davenport should keep out of this argument. He tried on Saturday to stir up the motor cyclists and did not get anywhere with them, and he will not get anywhere today. This committee, which was established many years ago by a Liberal Government to determine the rates of third party insurance, is now chaired by His Honour Judge Sangster. If the honourable member wants to reflect on Judge Sangster's decision, that is his decision, not mine. Indeed, I have publicly supported the committee. If the honourable member wants to reflect on the Public Actuary's ability, again that is his decision, because I certainly will not do so. I do not reflect on the support given regarding this committee by representatives of road users, nor do I reflect on the ability of representatives of insurance

companies on the committee. Indeed, the committee is beyond reproach. I said to the honourable member last Thursday that I hoped he would go to the meeting and tell the people how and why the rates were set.

Members interjecting:

The SPEAKER: Order! The question must be replied to before further questions are asked.

The Hon. G. T. VIRGO: The honourable member referred to a sentence or two of His Honour's comments accompanying the increase in rates. I think the honourable member and the House should hear all those comments, so I intend to read them. Justice Sangster states:

(*a*) the key figure is usually regarded as the premium on motor cars, Metropolitan—Area "A"—

Mr. Dean Brown: He's trying to—

The SPEAKER: Order!

The Hon. G. T. VIRGO: If the honourable member would keep quiet for once in his life he might learn something. His Honour continues:

This has been increased from $58 to $71—

At 3.15 *p.m., the bells having been rung:*

The SPEAKER: Call on the business of the day.

PRICES ACT AMENDMENT BILL

The Hon. PETER DUNCAN (Minister of Prices and Consumer Affairs) obtained leave and introduced a Bill for an Act to amend the Prices Act, 1948-1975. Read a first time.

The Hon. PETER DUNCAN: I move:

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

EXPLANATION OF BILL

It (*a*) extends the "price fixing" provisions of the principal Act, the Prices Act, 1948, as amended, for a further 12 months, i.e. until December 31, 1976; (*b*) slightly extends the "investigation powers" of authorised officers; and (*c*) increases the penalties under the principal Act in recognition of the decline in value of money. Clause 1 is formal. Clause 2 repeals and re-enacts section 8 of the principal Act. This section sets out the powers of an authorised officer, as to which see the definition of "authorised officer". The main change, apart from formal drafting amendments, wrought by the new provision is to deal with the fortunately rare, deliberately obstructive person. Many matters arising under the Act can be dealt with expeditiously and without resort to formal legal proceedings if the parties in dispute can be brought together.

However, this laudable and proper administrative approach can be frustrated where one party to the dispute deliberately avoids communication with the authorised officer, for example, by not attending pre-arranged meetings. It is not intended that the powers conferred by this new section will be frequently involved but in appropriate circumstances they will clearly aid the prices officers in their work. Clause 3 amends section 50 of the principal Act and increases the general penalty prescribed for by that section appropriately. The penalties provided for are, of course, maximum penalties. Clause 4 extends the price fixing powers under the principal Act until December 31, 1976.

Dr. TONKIN (Leader of the Opposition): Bills similar to this have been introduced on an annual basis for some time now. The Bill extends the price fixing provisions of the principal Act for a further 12 months (that is, until December 31, 1976). This Bill, however, is a little different from those that are introduced annually. Normally, I would have no hesitation in supporting such a Bill. I do not oppose extending the price fixing provisions for a further 12 months. In his second reading explanation, the Attorney refers to increases in penalties under the principal Act in recognition of the decline in the value of money. The Attorney could have been honest and said "because of inflation".

Nevertheless, the penalties are to be increased from $200 to $500 in one instance and from $1 000 to $2 000 in the second instance. As these penalties have not been changed for some time, I do not oppose the change.

I have serious reservations about the Attorney's statement that the Bill slightly extends the investigation powers of authorised officers. Section 8 of the principal Act is repealed by this Bill, and the new section 8 (1) to be inserted is exactly the same as the present provision. Section 8 (2) of the Act provides that the authorised officer may require information to be given or a question to be answered on oath or affirmation, either orally or in writing, and *for* that purpose he may administer an oath or an affirmation. That provision has been divided in the Bill into specific paragraphs. Those matters are dealt with specifically in section 8 (2) and (5) of the Bill. I am concerned about (and when I spoke privately to the Attorney about this matter, he could not reassure me completely) section 8 (5), which states that any authorised officer may for the purposes of subsection (2) of this section administer an oath or affirmation. That provision was contained in the original Act, and I am not quarrelling about it.

I am grateful to the people who have redrafted this section for spelling out so clearly its requirements, because it has come to my attention that it is not always desirable for an investigating officer, whether an officer of the Prices and Consumer Affairs Branch, a police officer, or any other officer (and this is certainly undesirable in the case of a police officer) to have the power to administer an oath or affirmation regarding information in a case about which he is making inquiries. In fact, when applied to a police officer that is in direct contravention of what Sir Thomas Playford often referred to as British justice.

The Attorney is of the view (and I would be interested to know whether he has changed his mind) that an authorised officer investigating breaches of the Prices Act is not acting in a prosecuting capacity but is unbiased and balanced in his approach and is simply trying to ascertain the facts. I still believe that there is a conflict, and I look upon it from the point of view not of the authorised officer but of the person who is being investigated. Although there may be some way of conciliation regarding the way in which an authorised officer can act, I have no doubt that anyone who is being investigated or interviewed by an authorised officer is potentially a defendant and could be subject to proceedings under this Act. If that is the case, surely the authorised officer who, for the purposes of the new subsection, administers the oath or affirmation regarding this matter could be involved in those proceedings. That is a most undesirable situation.

Although it is not as bad as that which pertains to a police officer, it is nevertheless an undesirable and questionable position for both the authorised officer and the person being investigated to find themselves in. I would feel much happier if the Attorney would examine this matter. I believe he should adjourn the debate or at least, if the Bill goes into Committee, report progress and have a good look

at it. It is not enough to say that this provision has been in the principal Act all the time. I think it has been overlooked in that Act because of the way in which it has been set out. It is an undesirable facet, and I do not like it much. I should be grateful indeed if the Attorney would agree to postpone further consideration of this Bill, despite its apparent urgency (although I am still not sure what is so urgent about it). After all, we have, so we understand, two full weeks of sitting left in which the Bill can go to another place and be passed. I can see no real urgency or why Standing Orders should have been suspended to allow debate on the Bill to continue immediately.

When I was first told that the Bill was being introduced, I readily agreed that it should be debated forthwith. However, that was before I knew that it contained the amendment to section 8, provided in clause 2 of the Bill. This matter should be clarified not only by the Attorney but also by other officers with legal qualifications; perhaps an opinion could be obtained from the Solicitor-General. It is vital that this happen. It is the height of impropriety to maintain it as it is. With that strong objection, I support the remainder of the Bill. However, if the Attorney does not take the action I have suggested and seek further and skilled advice, I will vote against clause 2 in Committee.

Mr. MATHWIN (Glenelg): I support what the Leader has said regarding the Bill. AIL members know that each time it is introduced little debate is expected on it. However, one would have thought that the Attorney-General could at least read the second reading explanation. After all, the Bill was placed before members only a few minutes ago, and the Attorney did not see fit even to read the second reading explanation to enable members to try to digest it. The Bill makes amendments which are important and which have been elaborated on by the Leader.

Mr. Langley. November 14 was the—

Mr. MATHWIN: I do not care what happened in the good old days. We are here now, and members from both sides know that it is their responsibility to ensure that justice is done. We all know the honourable member in the corner of the Chamber thinks that the Opposition has no rights in this place, but that opinion is not shared by everyone. While I am a member of this place, I will speak up for those rights and support any other member who speaks in the same vein. The least the Attorney could have done would be to read the second reading explanation, so that honourable members could consider the amendments and know what he has in mind. The Bill relates to the powers of inspectors.

The Hon. PETER DUNCAN: I rise on a point of order. The member for Glenelg is complaining that I did not read the second reading explanation, but the House gave leave for that to happen. It seems that he is completely out of order when speaking in this vein.

The SPEAKER: I must uphold that point of order. The House decided on that course of action, and to comment on that matter would be a reflection on the House.

Mr. MATHWIN: Very well, Sir. Suffice to say that this will not happen again in relation to the Attorney. I did not call on the Attorney to read his second reading explanation, thinking that the Bill contained only a slight amendment, and that this whole affair had been explained to some members of the House. According to the second reading explanation, which I have had little time to read, a substantial alteration to the Act is being made. Obviously, the Attorney-General, having taken a point of order, must now have something to hide. We therefore have grounds for wanting seriously to examine the Bill before it goes any further.

Mr. Wells: Someone will have to read it to you.

Mr. MATHWIN: Pardon?

Mr. Wells: I'll tell you later.

Mr. MATHWIN: The honourable member should not just grumble in his beard. If he wants to get up, let him do so.

Mr. Wells: I said, "Someone will have to read it to you."

The SPEAKER: Order!

Mr. MATHWIN: It is all right for the great elocutionist from the Labor Party to talk about what is proper and what is not proper. Nevertheless, the point remains that, although the second reading explanation was incorporated in *Hansard* only a few minutes ago, members are supposed to know what it contains. The member for Florey may have taken a fast reading course at Power Coaching College. If he has, good on him, but I have not: I need and demand some time to read the second reading explanation.

The Bill relates to the powers of authorised officers. The Government has introduced many Bills, and we now have many inspectors with different powers, some with far greater powers, in many respects, than those of police officers. Proposed new section 8, to be inserted by clause 2, provides:

(1) For the purposes of this Act, an authorised officer may require any person—

(*a*) to furnish him with any information which he requires;

or

(*b*) to answer any question put to that person;

or

(*c*) to produce at a time and place indicated by the authorised officer any books, papers and documents (including balance-sheets and accounts).

(2) The authorised officer may require any such information to be furnished or any such question to be answered—

(*a*) orally or in writing;

(*b*) at a time and place specified by the authorised officer;

(c) on oath or affirmation.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

Later:

Mr. MATHWIN: As I understand there is to be an appropriate amendment in Committee, I support the second reading.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Power to obtain information."

Dr. TONKIN (Leader of the Opposition): I move:

To strike out new subsection (5).

Although this provision has been in the Act since 1948, it has been used only rarely. It is, and has been, improper for an authorised officer witnessing a statement also to be empowered to take an oath or administer an affirmation. There is no reason why this provision should remain in the legislation.

The Hon. PETER DUNCAN (Minister of Prices and Consumer Affairs): The Government does not oppose the amendment moved by the Leader. This provision was originally put into the Prices Act in 1948 when it was first introduced by the then Playford Government. The provision is, no doubt, better out of the Statute

Book. As the Leader has said, it has been used very rarely and sparingly by the Prices and Consumer Affairs Branch and, although I can see the reason why it was originally introduced into the legislation—for the administrative convenience of the arrangements referred to in the section—I believe that, on classical legal principles, it is certainly better out of the legislation.

If it is necessary to take statutory declarations in these sorts of circumstances in the future, it may be that some people who will be subject to the Prices Act will be slightly inconvenienced, since they may well have to seek out a justice of the peace before such a statutory declaration can be obtained. Nevertheless, considering the legal principles involved, I think it is probably a better situation if we delete this power from the legislation and provide that the authorised officers concerned can only obtain and witness statements but, if the statements are to be in the form of statutory declarations, they should be witnessed by a justice of the peace.

Mr. MILLHOUSE: I was fascinated to hear the Attorney-General refer to classical legal principles in accepting this amendment. If he had any regard for any classical legal principle he would not allow a section like this to remain in the Act at all. I have, in days gone by, annually I think, opposed the Prices Act, and on some occasions I have tried, in Committee, to get this section cut out. The 1948 Act was taken over from the Commonwealth in the form in which it appears. The Prices Act is a left-over from the war-time national security regulations. If the Attorney is enamoured of classical legal principles, I point out that the whole purport of the section is to oblige people to incriminate themselves without there being an opportunity to resist. If the Attorney thinks that accords with classical legal principles, I do not, and should like him to say what he thinks of new section 8 (1) that we are inserting. This is the most blatant denial of a fundamental principle of our system of justice that one can imagine. As the Attorney has appealed to classical legal principles, I am anxious to know how far his allegiance to those principles goes.

The CHAIRMAN: The question is—

Mr. MILLHOUSE: I hope the Attorney at least has the gumption to reply to what I have put. It ill becomes a Minister to ignore a question that has been raised.

The Hon. PETER DUNCAN: It seems to me that the honourable member is jousting with the question and knows only too well that in Statutes that deal with administration such as this one does, it is frequently the case that such provisions apply. He would be well aware of the provisions under the Road Traffic Act—

Mr. Millhouse: They don't go nearly as far as that.

The CHAIRMAN: Order! The honourable member for Mitcham has had his say. The honourable Attorney-General.

The Hon. PETER DUNCAN: The honourable member knows that, in administrative Statutes such as this, this type of provision occurs frequently. It is inserted to ensure the administrative convenience of applying these provisions. In this case it can happen that people to whom the Prices Act is applied are often not anxious to have their affairs bared to the scrutiny of the branch. It is therefore necessary to have these provisions to ensure that such scrutiny can take place in accordance with other provisions of the legislation.

Mr. MILLHOUSE: The Attorney has given the only possible excuse, lame though it is, for this provision. He cannot be personally blamed for it or even for the Bill, because I do not suppose he had much to do with the instructions for it. However, he should know that, under the provisions of the Road Traffic Act, the only obligation on a person is to give his name and address and to answer a question whether or not he was driving a motor vehicle. Even that is an infringement, but it goes nowhere nearly as far as this provision. If the Attorney is casting around for examples to bolster his argument, weak though it may be, he could choose better.

Mr. MATHWIN: I support the Leader's amendment. The Attorney said that people will have to go before a justice of the peace to take an oath or affirmation. That is not a hardship; people have to do that all the time. I am pleased the Attorney supports the amendment. It is probably one of his better moves since being elevated to the position of Attorney-General.

Amendment carried.

The Committee divided on the clause as amended:

Ayes (43)—Messrs. Abbott, Allen, Allison, Arnold, Becker, Blacker, Broomhill, Dean Brown, and Max Brown, Mrs. Byrne, Messrs. Chapman, Connelly, Corcoran, Coumbe, Duncan (teller), Dunstan, Eastick, Evans, Goldsworthy, Groth, Gunn, Harrison, Hopgood, Hudson, Jennings, Keneally, Mathwin, Nankivell, Olson, Payne, Rodda, Russack, Simmons, Slater, Tonkin, Vandepeer, Venning, Virgo, Wardle, Wells, Whitten, Wotton, and Wright.

Noes (2)—Messrs. Boundy and Millhouse (teller).

Majority of 41 for the Ayes.

Clause as amended thus passed.

Clause 3—"Offences."

Mr. BECKER: The penalties are being increased from $200 to $500 and from $1 000 to $2 000. Although I understand the amounts have not been increased since the Act was proclaimed in 1948, can the Attorney justify such substantial increases?

The Hon. PETER DUNCAN: The honourable member's information is incorrect. The penalties were increased by 100 per cent in 1966.

Mr. Becker: Are you sure that was not the conversion to decimal currency?

The Hon. PETER DUNCAN: Yes, the honourable member is right. I am sorry. The reason for the increase in penalties becomes even more apparent. Obviously, a penally of $200 in this day is a small one and not a great deterrent to anyone seeking to breach the Act. Accordingly paragraphs (*a*) and (*b*) are necessary, increasing the penalties to allow for the increase in money values in the period.

Mr. BECKER: The maximum fine in the first instance is to be increased to $500 under the Bill, while the present paragraph in the Act provides for imprisonment for a term not exceeding six months, or both the imprisonment and the fine; in the second instance, the maximum fine is to be increased to $2 000, and the imprisonment is for a term not exceeding two years, or both. Will the penalties include the prison terms, since provision is made for terms of imprisonment, monetary fines, or both?

The Hon. PETER DUNCAN: A court, in dealing with this matter, is faced at present with the alternative of fining a person (in the case of section 50 (3) (*a*) the maximum is $200) or putting that person in gaol. This is a most undesirable situation for the court to face. If the monetary penalty is increased, the courts will have more flexibility, so that they can impose a penalty more appropriate to the particular offence.

Clause passed.

Clause 4 and title passed.

Bill read a third time and passed.

COAST PROTECTION ACT AMENDMENT BILL

The Hon. D. W. SIMMONS (Minister for the Environment) obtained leave and introduced a Bill for an Act to amend the Coast Protection Act, 1972. Read a first time.

The Hon. D. W. SIMMONS: I move:

That this Bill be now read a second time.

It makes miscellaneous amendments to the principal Act. First, it provides for an expansion in the membership of the board. The Nature Conservation Society of South Australia has suggested that the membership of the Coast Protection Board should be enlarged to include a further member with experience in biological sciences. This submission has been examined by the Government and the Coast Protection Board, and there is universal agreement that the suggestion is a good one which should be embodied in the Act.

The Bill also contains provisions which were previously submitted to Parliament but which lapsed owing to the recent dissolution of Parliament. I seek leave to have the remainder of the explanation of the Bill inserted in *Hansard* without my reading it.

Leave granted.

EXPLANATION OF REMAINDER OF BILL

Under these proposals, the powers of the Coast Protection Board to acquire and deal with land are expanded. The need for this expansion of the board's existing statutory powers became evident when the board was asked to assist in the acquisition of an area of particularly attractive dune land in the hundred of Koolywurtie, on Yorke Peninsula. It appeared that the board had no power to acquire the land except for what could broadly be described as "engineering" reasons. As the board will probably be faced with increasing pressure to acquire parts of the coast for retention as open space or for the preservation of its aesthetic value, it is desirable to amend the Act to allow such acquisition. At the same time, the board is to be given the power to deal with surplus land or to put it under the control of a local council. Provision is also made for the board to share the costs of acquisition with local councils.

The Bill also increases the maximum grants that may be made to a council covering work done by the council in improving or restoring the coast and coastal facilities. The definition of "storm repairs" is amended to enable the board to reimburse a council fully for work done in repairing damage to a coast facility (for example, a jetty) caused by a storm. Moreover, the Government's policy of maintaining certain jetties, even though their retention is not justified by commercial usage, requires that the board should be authorised to meet up to 80 per cent of the cost incurred by councils in repairing coast facilities where the repair is necessitated by ordinary wear and tear. The principal Act is amended accordingly.

Clause 1 is formal. Clause 2 amends the definition of "storm repairs'' to cover repairs to a coast facility following upon storm damage. Clause 3 provides for the appointment to the board of a person with experience in biological sciences and environmental protection. Clause 4 amends section 22 of the Act and widens the board's powers of land acquisition. It also permits the board, with the consent of the Minister, to dispose of surplus land or to place it under the care, management and control of the local council.

Clause 5 amends section 32 of the principal Act. The section, as amended, will enable the board fully to indemnify a council for work done to repair damage to the coast or a coast facility caused by storm or pollution, and to make a grant of up to 80 per cent of the cost of other work done by a council to repair or improve the coast. Clause 6 enacts new section 32a of the principal Act. This new section provides that a council intending to acquire land may be granted up to 50 per cent of the cost by the board. Clause 7 amends section 33 of the Act to enable the board to recover from a council up to half the cost of land acquired by the board within the area of the council. This contribution will only be recoverable where the council has given prior approval to the proposed acquisition.

Mr. ARNOLD secured the adjournment of the debate.

FISHERIES ACT AMENDMENT BILL

Received from the Legislative Council and read a first time.

ARCHITECTS ACT AMENDMENT BILL

Received from the Legislative Council and read a first time.

STATUTE LAW REVISION BILL

Adjourned debate on second reading.

(Continued from October 29. Page 1531.)

Mr. WARDLE (Murray): I support the Bill and am sure that other members on this side also support it. All members of this Parliament are delighted that Mr. Edward Ludovici continues to have good health to help him to complete this rather large undertaking of consolidating many of the Acts of Parliament in this State and bringing them up to date so that there can be a general publication of all Acts. I am sure that those people in South Australia who must repeatedly refer to Acts of Parliament will be pleased to be able to purchase and have up-to-date copies. It should be pointed out that there are no changes of principle or policy in this Bill. It only removes anomalies, takes out inaccuracies and corrects errors, as well as making conversions to the modern currency and repealing surplus Acts.

Mr. GOLDSWORTHY (Kavel): I support the Bill. Last evening I read the second reading explanation and, strange though it may seem, I found it to be quite interesting, because much of the State's history is tied up in old legislation. I think it is only a matter of formality that the Bill will be passed in this House. On reading the explanation I was prompted to refer to some of the debates that took place in the early 1950's on relevant legislation, particularly that regarding the provision of a water supply at Radium Hill. Some of the relevant legislation was of considerable importance in past times.

Uranium oxide was produced at Radium Hill and sold to the U.S. Atomic Energy Commission and to Great Britain, in the early infancy of the discovery of atomic energy as a source of power, and since then there has been further development, particularly in the U.S. and in Great Britain. South Australia was a pioneer in this matter and, although that may not seem important now, it was really important on the world scene. In South Australia, because of the foresight and enterprise of succeeding Governments in this State, we have a water reticulation scheme that is unique by world standards. Earlier today I read the debates on the proposal to supply water to Radium Hill, and I will refer to some figures given at that time. The debate is reported at page 1788 of 1953 *Hansard.* The second reading explanation states:

The urgent requirement of a domestic supply of good quality water to a rapidly growing population remained and water carried from Olary railway supply was costing £6.15.0d a thousand gallons. . . . The price of the water is to be 21 shillings a thousand gallons for the first three years. Thereafter the price will be fixed by by-laws to be made under the legislation of New South Wales.

The water scheme was to be subsidiary to that at Broken Hill, which I understand was provided from the Darling River. The Bill before us is a mixed bag, involving all sorts of matters. Some, such as conversions to metric measurements, are quite minor, but the legislation to repeal the Act concerned with the supply of water to Radium Hill has a bearing on interesting history in the development of this State.

I pay a tribute to the succeeding Administrations under Sir Thomas Playford, who developed this State so remarkably, mainly by providing water and electricity to remote areas. In addition, the Radium Hill project was quite profitable. I understand that millions of dollars accrued as a result of it. Obviously, the Bill is necessary at this time.

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

PUBLIC FINANCE ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 14. Page 1277.)

Dr. TONKIN (Leader of the Opposition): This Bill gives the Treasurer the power to invest Government funds with authorised dealers on the short-term money market. For a Government of the complexion of this Government, I congratulate it on taking this initiative, because it is indeed an initiative that the Opposition supports. I am pleased to see that there are fairly clear-cut safeguards, particularly the requirement that the Government shall place money out on the approved short-term money market. Unlike a stock exchange or fish market, the short-term money market is not situated in any one place; it is a market in the economic sense and comprises, as a rule, an interconnected network of borrowers and lenders who are in close contact with each other. They are in either direct or indirect contact, sometimes using intermediaries and sometimes not.

Dr. Eastick: But legitimate intermediaries.

Dr. TONKIN: Yes, and I was leading up to that point. They are so-called official intermediaries (people recognised in the field), and the money sources used are recognised money sources backed up by Government guarantees. It is important to distinguish between the official short-term money market and the unofficial short-term money market. The nine authorised dealers in the official market enjoy important privileges as lenders of last resort facilities at the Reserve Bank, and that gives them their standard. In return for that privilege, they accept restrictions on their operations that provide safeguards for the clients who deposit funds with them. So, it is a two-way protection.

The authorised dealers restrict their operations to the Reserve Bank's requirements that most of their funds be invested in Commonwealth Government securities, with maturities of less than five years, and supply clients with safe-custody certificates for the securities. Thus, clients lending in the official market not only have claims against dealers but, in addition, receive collateral security in the form of bearer safe-custody certificates, that is, a general claim on the Government securities in which the dealers have invested the funds they have borrowed. As Hirst and Wallace *Australian Capital Market* sums up:

In general, the credit worthiness of the authorised dealers and the debt they create are superior to that of their counterparts in the unofficial market.

This is just as it should be and, therefore, it is of the utmost importance to note that the Bill will enable the Treasury to invest only in the official short-term money market. There was some suggestion in the financial community when I canvassed this issue that perhaps the range of investors should be extended and that not only should the authorised or official dealers be the people to whom funds could be given but that the Treasurer might also, at his discretion and subject to certain requirements being met, authorise other bodies to deal with funds. Generally speaking, I believe that there are organisations in our community which could well deal with short-term money just as well as the authorised dealers can do. However, on balance, I prefer that the present situation pertain and that the existing nine authorised dealers in the official market be the people involved in this legislation. Whilst not casting any aspersions, I think it would be conceivable that a Treasurer of some different Government could misuse his authority to declare someone an authorised or approved dealer.

The Opposition supports the Bill for predominantly two reasons, and they are best summed up in a letter which has been received from Mr. Bashford, President of the Chamber of Commerce and Industry, who writes:

We therefore welcome the amendment to the Act as it will: (*a*) bring in extra revenue to the State Government; and (*b*) increase the flow of money available to the private sector through the short-term money market at any given time.

These are our main reasons for supporting the Bill, and 1 congratulate the Government on at least beginning to take on the activities and practices of the private business community and using them to its own advantage. It is interesting to note that the proposals in the Bill are a departure from traditional Treasury practice in other States, for example, Victoria and New South Wales. Some years ago, the Victorian Auditor-General instructed one State instrumentality to cease its practice of investing in the official short-term money market. However, in view of the obvious monetary advantages (I believe that the Premier referred to the sum of about $500 000 in his second reading explanation) and the safeguards that are, I believe, inherent in the definition of "approved dealer" in the Bill, the Bill certainly seems to be in the best interests of the State at present. I congratulate the Premier on introducing the Bill, and I hope that he will extend the principles and practice of private enterprise, wherever applicable, more and more into the functioning of his Administration.

Mr. COUMBE (Torrens): I, too, support the Bill. Having seen some of the operations of Treasury, I have sometimes wondered why the Public Finance Act was worded years ago in such a way because, apart from certain funds which are on hand and which can be invested promptly, the Treasury is restricted to the one-month limit in many cases. What the Premier is suggesting in this case is that he would like the Treasury to operate just like private industry does, namely, to use the short-term money market to the advantage of the State. Anyone in private industry who has a certain cash flow and a certain sum available, even for a short time, takes advantage of the short-term money market. In this case, we are talking about

the official short-term money market (and that is the important thing, because it has the backing of the Reserve Bank). What we are talking about are merchant bankers, approved money dealers and people who, to use the common phrase, invest down the street and get the best price they can. This is common practice in many businesses which raise money and which want to invest it before it becomes usable or its term is expiring.

I was interested to note the little dig by the Premier in the last phrase of his second reading explanation of this Bill. He said (and I quote from page 1277 of *Hansard* of October 14, 1975):

If the Reserve Bank is not willing to pay us the interest rate that we can receive on the short-term money market, to the extent of about $8 000 000, we should take advantage of this measure.

1 quite agree with him. As I understand it, the Treasury is getting 1 per cent on the money from the Reserve Bank. It would appear to me that the Treasurer is implying (or even perhaps threatening) that the Reserve Bank should lift its sights and give the South Australian Government a better deal in raising that insignificant amount of 1 per cent interest to a more reasonable figure. In fact, the purpose of the Bill is to get in an investment of a greater amount. It will be interesting to see whether there is any reaction to the Premier's comment in this regard. I note also that the Reserve Bank agrees with the Premier's introducing this Bill.

We are dealing with receipts that come in from time to time from various sources, and the balances which are held in the Treasury, but no mention is made of trust funds. The trust funds in the State are mixed and varied. If one reads the Auditor-General's Report, one can see the extent of the trust funds in this State, and I understand from reading this, and from a recent statement made by the Premier in this regard, that he gave the House to understand recently that the trust funds were buoyant in South Australia. Are the trust funds to be involved in this exercise? I know that in the trust funds a different type of investment occurs. It is natural that they go on a longer term in many cases and, of course, the attempt is made to gel the best possible interest rate with the correct security that can be obtained. I should like the Premier to clarify the position regarding trust funds when he replies to this debate. I believe that this move is more like private enterprise working at its best, and it is interesting to see that a Government of the complexion which the Premier leads is at least adopting some sound fiscal attitude in this regard.

Dr. EAST1CK (Light): I also support the Bill. It is on the surface a very simple amendment that seeks to incorporate a new section 32ea but its simplicity, I suggest, does not belie the fact that it is a most important step in the financial transactions of this State. It has several important ramifications which break entirely new ground, and which, in breaking that new ground, may well place this State in a position of having to learn something of the short-term money market before the State benefits to the greatest degree. I say that against the background that the State will be working with recognised organisations. However, it is competent (and I put this forward as a suggestion to the Premier), that, as the official organisations must have security lodged with the Reserve Bank, those securities being Treasury notes or Government bonds, and as many of those Treasury notes are available on the general market, the State could purchase several of these Treasury notes at the discounted value and benefit even further than provided within the scope of dealing with the official organisations.

Members are interested in obtaining the maximum income for the State, because that in turn (so long as the dollar is wisely spent) means an improved output for the State. So I suggest to the Premier that it may well be that with Treasury advice and the other advice which is available we project ourselves beyond the nine official organisations concerned. Mention was made of these nine organisations and I will name them because I think it is important for the public to know exactly which companies are involved: All-States Discount Limited, A.M.P. Discount Corporation Limited, Capel Court Securities Limited, Delfin Discount Company Limited, First Federation Discount Company Limited, National Discount Corporation Limited, Short-Term Acceptances Limited, Trans-City Discount Limited and United Discount Company of Australia Limited. These are the only companies that qualify in this official group.

If the funds of the Stale happen to be held at the Reserve Bank, there is a maximum earning power of 1 per cent. The Premier has suggested a sum involved of about $8 000 000, and the most recent weighted figure, which was produced last Thursday, is 5.8 per cent. In other words, the State would have benefited by 4.8 per cent on any funds which it had placed with the official organisations during last week. This measure is somewhat belated because the other States, with the exception of Victoria, have been dealing in this way for some considerable time. I am advised that in Queensland the system has operated for about seven years, in Western Australia for about six years, and in Tasmania for two years. Notwithstanding the comment that was made in this debate by the Leader, my instruction is that in New South Wales the Government has been using the market via a number of State-owned instrumentalities for a period much longer than any of the other States, and that Victoria will now be the only State that will not use the market, either directly or indirectly.

The total funds held by the official money market as at October 29, 1975, were $832 000 000, of which about 25 per cent was represented by balances deposited by Governments or Governmental agencies, and indeed the Reserve Bank in its Statistical Bulletin produces all of these figures. At page 26 of the July, 1975, issue appears a table that I think is pertinent to the discussion before the House. I seek leave to have that table inserted in *Hansard* without my reading it.

Leave granted.

AUTHORISED DEALERS' LIABILITIES CLASSIFIED BY TYPE OF CLIENT («)

	June 30, 1973	Sept. 30, 1973	Dec. 31, 1973	Meh. 31, 1974	June 30, 1974	Sept. 30, 1974	Dec. 31, 1974	Meh. 31, 1975	June 30, 1975
All trading banks.....	212.9	178.8	215.0	158.5	130.4	208.9	286.1	218.7	243.5
Savings banks.....	125.5	72.7	46.8	35.7	51.6	44.2	35.4	25.5	80.5
Insurance offices	48.9	25.5	29.1	38.2	12.1	23.8	30.3	42.8	50.2
Superannuation, pension and provident funds	16.1	16.2	18.0	19.9	11.8	17.4	19.5	16.3	26.8
Hire-purchase and other instalment credit companies.....	7.7	6.9	8.6	7.1	1.5	4.3	6.5	3.9	14.9
Companies (not elsewhere included) ...	209.4	243.4	230.2	181.4	63.7	119.4	116.5	258.7	180.5
The Australian and State Governments.....	75.6	72.5	71.4	89.9	57.6	35.3	48.3	71.3	110.6
Local and semi-government authorities (not elsewhere included) . . .	91.2	80.7	85.7	81.3	72.0	94.0	87.3	96.2	115.5
All other lenders (including marketing boards and trustee companies) . .	51.0	54.1	56.2	48.1	38.9	48.3	30.5	43.0	27.6
Total.....	838.2	750.9	760.9	660.0	439.5	595.8	660.5	776.5	850.0

(a) This series has been compiled from information supplied to the Reserve Bank by authorised dealers in the short-term money market. Liabilities to Reserve Bank as lender of last resort are excluded.

Dr. EASTICK: We find the approximate balance of $8 000 000 that the Premier has referred to would represent only about 1 per cent of the total money held in the official money market. I point out that the official market indicates in the newspaper the amount of money that is held on Wednesday of each week, and indeed the figure that I have just given was that which was officially included in newspapers last Thursday. Also indicated is the weekly average interest payable. It is a weighted average, and the weighted average which was shown in the *Financial. Review* last Thursday was the 5.8 per cent I mentioned a short time ago. The money is available on call, provided the information is given by 11 a.m. on each day. Although it is possible for the money to be allowed to continue at the determined interest rate for a period not exceeding seven days, it is not possible for the money to be deposited for longer than that seven-day period. One further point, which I think is extremely important, having regard to a practice which has been undertaken by the South Australian Savings Bank (which has used the official money market in the past), is that there has been a generally adopted method of seeking the highest bidder amongst the nine official market groups, and then depositing the whole of the sum available with the group that will pay the maximum interest for that day.

I am informed that most other organisations that have a large sum of money to lend either use and deposit in equal amounts the total money they have for lending with all of the companies (have a spread) or at least make the money available to three, four, or five of the organisations, and in this way there is a distinct advantage whereby the lender can be accommodated on those days on which it is difficult to place money. I stress my reference to those days on which it is difficult to place money, because perchance, this day, the first Tuesday of the month of November, in any year is always a day when it is almost impossible to place money, as the Melbourne market is closed, there is a surplus of cash available, and few, if any, of the official organisations are in the market. It is a fact that today there is no market for surplus money, and, as against the weighted average of which I have spoken of 5.8 per cent, the Reserve Bank is virtually the only place in which money can be deposited, and I am told that the figure, even there, is likely to be less than the normal 1 per cent.

I do not say that figure is a fact, but I simply point out that that suggestion has been made to me. In essence, I have said that I believe the Government should look to the flexibility of several organisations, and I have said further that the Government may well find it is in the position of progressing to purchasing Treasury bonds in its own right at the discounted value. The period of time for which the bond would be held would be limited to a few days, or a few weeks, and the return to the State would be greater. In the case of money provided to the official money market, the deposits are receipted by a receipt of the Reserve Bank, the actual deposits of securities being held by the Reserve Bank on behalf of those other organisations. In Jobson's *Year Book of Public Companies* for 1975-76 there is a discussion on the short-term money market in Australia. At pages 669 to 679, it sets out in some considerable detail the background of this market. As members will have more contact with this market in the future, I would commend these pages to their attention. The first paragraph on these pages states:

> The short-term money market has been defined as "a market embracing dealings in short-term financial assets and, as their counterpart, short-term credit". Such a market offers facilities to enable holders of short-term Government securities and similar financial assets to exchange them for cash or for other assets at short notice with a minimum risk of capital loss, and to enable holders of temporarily surplus funds to place them at interest, with confidence that their loans will be repaid when required.

As we are dealing with Government funds, it is important that there be confidence they will be repaid when required. The book goes on to point out that the market was officially established in 1959. It shows the real need that exists for a short-term money market, and gives the essentials of that market. It also indicates that the groups who make the greatest use of the market are the major trading banks and other cheque paying banks, the savings banks, public authorities and private lenders. Indeed, the table I have had incorporated in *Hansard* will very clearly pinpoint that they are the areas of maximum interest in this matter. Describing the growth of the market, Jobson states:

> Until the dramatic events of 1974-75, the overall pattern since the Reserve Bank in June, 1964, abolished the limit on the volume of outstandings that the market was permitted to accept, was one of steady expansion. True growth was checked from time to time (notably in 1965, 1967 and 1970) by contractions in liquidity, but fluctuations were mild compared with more recent experiences.

From disclosed peaks of $360 000 000 in late 1964, outstandings moved steadily ahead to break the $500 000 000 mark in early 1967. The $1 000 000 000 barrier was broken in 1972, while January, 1973, saw a peak of $1 123 000 000 as overseas funds flooded into Australia.

I support the Bill and again commend those pages of Jobson to the attention of members for background information.

The Hon. D. A. DUNSTAN (Premier and Treasurer): I thank honourable members for their support and interest in this matter. As to the suggestion that the Treasury should purchase discounted bills, I will have a report on that compiled by the officers, but it is not within the purview of this measure at the moment. The Leader suggested that there had been proposals in the community to widen the number of approved dealers proposed in this measure, and that is so. Several major financial institutions in South Australia have approached me (they are not on the list of approved dealers), and suggested that the money in the short-term money market could properly be placed with them. They are of sufficient substance to be able to discharge any obligation of the Government. I think I need make no secret of the fact that the initial representations in this matter came from Elder Smith Goldsbrough Mort Limited, and it has advanced a proposal that in certain circumstances with its companies money could conceivably be placed, and placed to the advantage of South Australia, rather than spread over a list of the nine who are in the national list of approved dealers.

The Treasury advice to me is that it would be proper and indeed worth while for us to take this action. The Leader has suggested that there would be difficulties in this proposal, since a subsequent Treasurer could approve people who would not be so approvable.

Dr. Tonkin: It wasn't that so much; he might, in fact, approve somebody who turned out not to be approvable.

The Hon. D. A. DUNSTAN: I do not imagine any Treasurer of this State will go outside the approved list lightly; I cannot conceive that he would. I intend to deal with this matter in the Committee stages. Having had these representations, I have satisfied myself that there are companies in South Australia who could properly deal with moneys of a substantial nature with all the necessary safeguards to the State. Where there is an advantage to be gained for South Australian companies, 1 would want to see that it was gained from using public moneys.

We will deal with that matter in the Committee stages, when I will be willing to discuss further safeguards if honourable members require them. The member for Torrens has asked about trust funds. At first sight, I see no reason why the Treasury balance as a trust fund should not be used in this way. However, knowing the amount of the Treasury balances that are held in trust funds, I know that the amount is considerably more than the amount we intend to invest on the short-term money market. I see no reason why they should not be advanced to the short-term money market where we are holding cash for the trust funds in the Treasury, and we can get some gain for the Treasury as a result.

Mr. Nankivell: Won't the trust funds suffer?

The Hon. D. A. DUNSTAN: No.

Dr. Tonkin: Why not?

The Hon. D. A. DUNSTAN: I can see no reason why not but, given the substantial amount of trust fund balances, it may have been that it was the Under Treasurer's view that he was not including trust funds. However, I will get a report for the honourable member.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Treasurer may make deposits with authorised dealers."

The Hon. D. A. DUNSTAN (Premier and Treasurer): I move:

In new section 32ea (2) in the definition of "Approved Dealer" after "last resort" to insert "or any other dealer in the short-term money market who is approved by the Treasurer".

The purpose of this amendment was outlined in my reply to the second reading debate. Because the Leader has raised a question about whether or not this power is a bit wide in being left entirely to the discretion of the Treasurer, if it meets his objection, I am willing to alter the amendment to provide that it be a dealer who is prescribed by regulation. That would mean that members could scrutinise the regulation and move for its disallowance if they saw fit.

Dr. TONKIN (Leader of the Opposition): I am grateful to the Premier for that offer. As I said in the second reading debate, I am not opposed to the power being extended beyond the nine authorised dealers, but I am not entirely happy about it, either. If the change suggested by the Premier is made, the matter would come before Parliament, and that would entirely meet the situation. The Treasurer is correct in saying there are large financial institutions in South Australia that could deal easily with matters such as these, and in whose integrity and soundness I have the utmost confidence. Elders G.M. is one such company. If the Treasurer will make that change, I will support it without reservation.

The Hon. D. A. DUNSTAN: I thank the Leader for his support. Because I will need to check with the Parliamentary Counsel the regulation-making powers under the Act, I will move that progress be reported. It may be that a consequential amendment is needed. I point out to the Leader that several other States not only have powers in respect of an approved money market but also have wider powers than dealing with approved dealers. It would be wise for South Australia to have the same power.

Dr. EASTICK: Although it would be wise to accommodate South Australian firms, will they be required to have the same degree of security as have other firms operating on the approved money market? That security is a positive guarantee to the State that its funds will not be lost. Official organisations must lodge with the Reserve Bank, for security, bank accepted bills, Treasury notes or Government bonds. What happens is done as an exchange against lodged securities, for which a Reserve Bank receipt is issued. A physical transfer of securities to the lender is not made, but the transaction is guaranteed by the Reserve Bank. That would be a real guarantee to the State.

Therefore, will the Reserve Bank or some other authority guarantee to the State the same degree of certainty of repayment against lodged securities, especially if we are talking about disbursing some of the funds with Elders G.M., I.M.F.C., or other companies based in Adelaide? It is important to have that background in mind before any amendment is decided. In essence, I am not opposed to the principle outlined by the Premier, but it is important, in a matter such as this, that we must be absolutely certain, regardless of what the other States may do, that the degree of security exists that we, as custodians of the public purse, should require in any legislation in this State.

The Hon. D. A. DUNSTAN: There is no way of my laying down that there should be a procedure for the

lodgement of securities in this way. We do not have a process of that type. It will necessarily be a matter for the Treasurer to satisfy himself that State moneys are secure. I cannot conceive that a Treasurer will lightly make a decision on this matter. Certainly, if the decision is to be made by regulations, it is subject to public scrutiny and members would be in a position to ask questions to satisfy themselves that there was sufficient security. That is as far as we can go. I do not believe I can lay down regulations under this Act that securities should be lodged. After all, the management of funds really has to be left to the Treasury, which can, if it is shown to be properly and publicly accountable, be relied on to do the work it has always done for the State in these matters.

Progress reported; Committee to sit again.

Later:

The Hon. D. A. DUNSTAN: I seek leave to withdraw my amendment.

Leave granted; amendment withdrawn.

The Hon. D. A. DUNSTAN: I move:

After "last resort" to insert "or any other dealer in the short-term money market who is for the time being declared by regulation under this Act (which the Governor is hereby empowered to make) to be an approved dealer". The amendment accords with the proposal which I put to the Committee earlier today and which was supported by the Leader of the Opposition.

Dr. EASTICK: Earlier today, I drew attention to the second group of organisations which the Treasurer now seeks to include, but which do not have the opportunity of last resort lending power as provided by the Reserve Bank, whereas the original group intended is a complete no-risk group. I think it important to indicate exactly who those original dealers are to anyone who may follow this debate at a later stage. Turning again to Jobson's *Year Book* for 1975-76, I find under the heading "Conditions for Dealers", the following:

The central bank has played a key role in supervising, fostering and protecting the operation of the official market. Dealers which have been formally approved receive the official support of the Reserve Bank of Australia. In this way they are provided with lender of last resort facilities, according to clear rules and requirements. At the same time, the dealer companies have to satisfy the bank that they have the standing, capital resources and technical capacity to act efficiently on the short-term money market. In Australia the conditions that the dealers have to meet are as follows:

(1) The bulk of funds accepted by the dealers are to be invested in Commonwealth Government securities maturing within five years. Since the market was officially established, the Reserve Bank has also given approval to the investment by dealers of a limited proportion of their portfolios in other securities (see pages 676-7).

(2) The dealer company must be ready and able at all times to engage in the buying and selling of money market securities.

(3) The paid-up capital of the dealer company must be not less than $400 000 in cash. Shareholders' funds of all dealers are in fact well over $1 000 000. This requirement ensures that each dealer is of sufficient size to operate effectively.

(4) Each dealer is required not only to provide lenders with security for loans made by them, but also to lodge security margins with the Reserve Bank.

(5) The maximum amount of loans that a dealer may accept is determined by a prescribed gearing ratio to shareholders' funds.

(6) The precise gearing ratio is not officially disclosed, but we believe it to be in the vicinity of not greater than 30 times shareholders' funds.

(7) The dealer companies have to consult regularly with the bank on all market matters and also furnish detailed information about their portfolios, activities and interest rates currently being paid for money. The bank must also receive balance sheets and profit and loss accounts at regular intervals.

(8) The minimum deposit that may be accepted by dealers from their clients is $50 000. The minimum parcel of Treasury Notes that may be dealt in is $50 000 and of Australian Government bonds, $100 000.

The Reserve Bank of Australia does not publish the rate at which it is prepared to lend to the market, but the policy behind the rate is normally one of discouraging frequent borrowing by the dealers.

This is the position in respect of the official group we have talked about. I have no doubt, from the names used by the Premier in debate earlier this afternoon, that whilst the degree of risk is greater the moral responsibility of the people who have a genuine interest in South Australia is no less than that which applies to this official group. Their reputations alone will suffice to make certain that the funds of the Government are properly looked after. It is important that in no circumstances should any future Government believe it can deal with other than those who have the highest repute. I believe that the risk of funds going into such an area, whilst slight, is nevertheless a risk at some future stage, and that warning should be, and has been, given.

Amendment carried; clause as amended passed.

Title passed.

Bill read a third time and passed.

PAY-ROLL TAX ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 30. Page 1579.)

Dr. TONKIN (Leader of the Opposition): The Opposition also supports this Bill, but with some reservations. At the outset, I believe that, although this is uniform legislation, South Australia and the other States could have been a little more generous in reducing pay-roll tax liability. Fundamentally, this Bill raises the exemption level from $20 800 to $41 600, and progressively reduces it from that amount so that it is completely eliminated at a pay-roll level of $104 000. Mr. Colin Branson, General Manager of the Commerce and Industry Chamber, made the following comment in his memorandum to all members of State Parliament:

The level of exemption was last raised in 1957, and this represented the equivalent of the average weekly earnings of 10 persons. Since then, average weekly earnings have risen from $39.50 a week to in excess of $150 a week, and so the present level of exemption represents something less than the wages of three employees.

In fact, I understand that it is just over 2½ employees; even with this increased exemption allowance, it will still cover only about 5½ employees. Mr. Branson continued:

This means that the pay-roll tax is "biting deeper" into the total salaries and wages bill of all employers. The rate in the hands of the State has also been doubled from 2½ per cent to 5 per cent and becomes a cost of some consequence when all efforts should be directed to increasing employment and not penalising employment.

This is, of course, an extremely important point in Australia today, when we are faced with the prospect of about 400 000 to 500 000 people being unemployed early in the new year. The matter of pay-roll tax and what can be done with it to help stimulate the private sector has been canvassed widely in the community in the past few months. The private sector in Australia is reeling (and that is not too strong a word for it) under the impact of massive wage increases. I should like now to refer to an excellent article

in the latest quarterly bulletin of the Flinders University Institute of Labour Studies by Phillip Bentley and Richard Blandy, in which, summarising the situation well indeed, they say:

> However, the present high unemployment rate and the rate of inflation in Australia are connected with the fast rate of wage increases.

Those eminent economists also note that, since mid-1974, Australia has performed much worse than usual, in terms of inflation and unemployment, in the context of the performances of other economically advanced countries. That statement effectively demolishes the inane utterings of some members opposite and other Labor members in Canberra, who, for some reason or another, still maintain that Australia's economic performance is the same as, or comparable with, that of all other developed countries.

That is a proposition that we on this side of the House and members of the community have never accepted. The inflation rate in Western Germany and in other developed countries is far below the inflation rate at present obtaining in Australia. It is of no value that the Prime Minister should recently have said that inflation in Australia had been reduced to a level of just over 3.2 per cent. I think that he was basing that on the consumer price index figures which came out and which were totally incomparable with figures issued in the past. They made no allowance for Medibank payments, and are a totally new set of figures. I do not believe that the Prime Minister had any right to make that assessment of the present rate of inflation in Australia even if, as I suspect, it was made half in jest. The report by Professor Blandy and Phillip Bentley goes on to show that since the Federal Labor Government has been in power (that is, from December, 1972, to March, 1975) the average annual percentage increase in wages was the second highest of their 16 listed countries (only behind Italy) and, in fact, in the latest 12 months for which figures are available (March 1974, to March 1975) Australia was far and away the highest country with 33.8 per cent. That is the average annual percentage increase in wages.

One of the basic problems in relation to wages today is the rapid increase in wage and salary costs that are passed on to the private sector of the economy. Now, with the effects of pay-roll tax, which is in effect a penalty tax on employment (and it cannot be regarded as anything else), the problem facing the private sector is exacerbated by wage demands and inflation generally. It is absolutely imperative that the private sector be helped back on to an even keel, if the economy of the country is to recover. I have stated previously that successive Labor Party Treasurers in Canberra have acknowledged this, without doing anything about it. If we are to get the general economy back on its feet, we must get the private sector, too, back on to an even keel.

It is interesting to look at the figures for Queensland. That State's Government is much more generous in its provisions than is the South Australian Government, and this also applies to the recent developments in relation to succession duties. Mr. Branson also stated:

> Queensland has agreed to the increase of exemption to $41 600 in line with the other States, that this will be progressively reduced to the existing $20 800 at a salary bill of $72 800, and that, above this, all employers will receive exemption from tax for the first $20 800 worth of salaries and wages paid.

This may not seem much, but it is an act of generosity by the Queensland Government, and highlights an important aspect of this Bill: all companies with pay-rolls greater than $72 800 will now be paying more pay-roll tax than they did before the Bill was introduced. Those businesses with pay-rolls greater than $104 000 a year will be paying $1 040 more in taxation. That is not a way in which to help the private sector.

I turn now to the second major purpose of the Bill: to close a loophole in the Act. I make clearly the point (and I think the Premier will accept this) that, if the exemption rate had been indexed in some way and kept in line with inflation and wage demands, we would not have seen the same degree of activity, which I believe has been referred to and of which we are all conscious, that goes on in the community. If the exemption was designed to maintain and cover the exemption for 10 employees, many of the smaller firms and partnerships that have split their activities would not have been affected. As the Premier pointed out, four people operating as a partnership have now started to operate and employ staff separately so as to avoid pay-roll tax. Their entire staff would probably not number 10 and, if this exemption had been allowed to keep pace, those activities would not have been necessary.

I cannot but support the Bill, which closes this loophole. I simply point out that it is necessary that from now on that exemption, which I do not believe is sufficient at $41 600, ought to be backed up at a level to cover about 10 employees. I do not intend to state a definite figure in this respect, but it is certainly much more than $41 000; it is probably nearer $75 000. If that exemption was a realistic one and was kept at that level, there would be no need for this loophole provision, anyway. Therefore, I support the legislation with some reservations, as I have said. I do not believe that the level of exemption is sufficient, and I hope that the Government will take specific action on this matter at the first opportunity.

Mr. MILLHOUSE (Mitcham): The Liberal Movement took the lead in this matter. 1, in the policy speech delivered at the most recent State election, suggested that the exemption from pay-roll tax should be lifted to $48 000 per annum. I think I am right in saying that no other Party mentioned the matter at all in a policy speech. I followed up the matter, when the new Parliament assembled, by moving a motion along the lines of the proposal that the Libera] Movement had put to the electors, and that motion was carried unanimously in this House, more, I must agree, by good luck than good management. I think the Minister of Labour and Industry missed the point of what I was saying and allowed the motion to go through as soon as I had finished speaking on it, instead of moving for the adjournment.

The fact is that there is a resolution of this House that the exemption from pay-roll tax should be increased to $48 000 a year, and this Bill does not go as far as that. I support the measure as far as it goes, but it does not go nearly far enough. The position is ironic, really. I remember, when I was first in politics, that there was tremendous resentment against pay-roll tax. It was a Commonwealth tax at the time and, year after year, at annual general meetings of the old Liberal and Country League motions would be passed calling on the Commonwealth Government to repeal the tax because of its viciousness, and so on. It was never repealed, and once the levying of the tax was transferred from the Commonwealth Government to the States it became respectable.

It was a measure of the desperation of the States to get some sort of growth tax that the old objections to the idea of the pay-roll tax disappeared, and the tax was welcomed as one way in which the States could get a growth tax of their own. Of course, it does not matter to any employer, whether in industry, commerce, or the

professions, whether the money goes to the Commonwealth Government, the State Government, or somewhere else. It is still an impost on those persons, and the imposition is in the 5 per cent of the pay-roll that is levied. The tax started, as Mr. Branson has reminded us in his memorandum, at 2½ per cent, and now it has got to 5 per cent. I agree with much that the Leader of the Opposition has said about the state of the economy and the imposition of this tax in particular. The Government is being anything but generous, and the test of that is the statement in the Treasurer's second reading explanation (page 1577 of *Hansard*) that this alteration really will have an insignificant impact on State revenue. The Treasurer states:

> On the evidence available, whilst about 60 per cent of present registered employers will benefit from the provision of this Bill, the impact on State revenue is not likely to be significant.

In other words, what the Government loses on the swings it will gain on the roundabout. I have not had the opportunity to study the Bill in detail, nor has anyone else, because it was introduced last Thursday and we are debating it today. It would take a long time to go right through it, and I am sorry that the debate has come on now rather than being delayed to allow a reaction in the community, because none of us knows whether the Bill has any bugs in it. It will not help employers much. The only reaction that I have had has been from one employer. He is interested in an organisation employing about 20 people. It is regarded as a small organisation, and by general standards it is that.

Mr. Coumbe: Can't we get a Minister on the front bench?

Mr. MILLHOUSE: I will wait until he comes back.

Mr. Coumbe: There's not one Minister on the front bench.

Mr. MILLHOUSE: I know that I am not much good, but I think we ought to have a Minister on the front bench, just as a courtesy.

Members interjecting:

The DEPUTY SPEAKER: Order!

Mr. MILLHOUSE: As the member for Mallee has rightly said, I, as a Party leader, am entitled to have a Minister here. Let us remember that the Minister in the House is the junior Minister, who is quite inexperienced, and perhaps we may excuse him for straying like this.

The DEPUTY SPEAKER: I should like the member for Mitcham to confine himself to the Bill.

Mr. MILLHOUSE: Yes, of course. The point I was making before the Minister strayed from the front bench was that the only reaction I have had was from someone interested in an organisation employing about 20 people. It is regarded as a small organisation, yet it will pay more tax, as the Treasurer admits in the second reading explanation, than it is paying now, because, whilst employers employing up to five people will have relief, those who employ more than that number will pay additional tax. This is part of the dishonesty and hypocrisy of the Government in this State.

It tries to support its Commonwealth counterpart by saying that it is the friend of private enterprise despite its socialist outlook, yet whenever the crunch comes, as it does in this Bill, we see that double-dealing, if we like to put it that way. The Bill gives little benefit to private enterprise at a time when it needs it. Therefore, while I support the measure as far as it goes, I do not regard it as satisfactory. It does not go as far as I would like it to go in the level of exemptions, and I believe that it is a dishonest measure, as it recoups from employers of more than five people more than it gives to employers with fewer than that number of employees.

Mr. EVANS (Fisher): I support the Bill, but we all should realise that pay-roll tax is a bad tax. As much as other States may levy it and as much as the Commonwealth Government may have used it in the past, at a time when the employment market is seriously depressed any tax that applies a penalty on employing people is a bad tax. Doubtless, it discourages some people from engaging extra employees. If management has a business employing just below the number at which pay-roll tax commences and by increasing the number of employees it will be paying pay-roll tax, it will have increased overheads by having to do extra book work. As much as members of Parliament, Governments, and people in Government departments may consider that filling out forms and lodging returns is not a burden on an individual, most people in the private sector try to reduce overheads as much as possible by cutting out administration and keeping down costs.

Undoubtedly, if most people who employ a number of employees were faced with the prospect of having to fill out another lot of forms for another Government department for another tax if they employed one or two more people, they would say "No". They would not increase their productivity but would stay within the field just below the exemption level. I could use the same argument to a degree with regard to the Bill, because the pro rata rate of tax starts at just over $40 000 and carries through to $104 000. I refer to the Premier's statement, published in last Saturday's *Advertiser,* that pay-roll tax rebates would be offered to companies willing to start new ventures in three areas of South Australia. The Premier said that any organisation which wished to start an industry in the green triangle of Millicent and Mount Gambier, in the iron triangle of Whyalla and Port Augusta, or at Monarto would be given some rebate. How ridiculous can that statement be? It is all right to that point but, if the Premier is really concerned with decentralisation and with helping small business interests, it is in the country areas in total where he should be encouraging that type of operation. Yet, he chose only three areas, which, in the main, have the greatest attraction for decentralised industry.

Dr. Tonkin: Monarto?

Mr. EVANS: Monarto may not have the attraction the other two have. If people are interested in starting industries in other country towns, why should he not encourage them by pay-roll tax rebate to do so? Why just select the areas he has selected? We know that it is vote-catching: there is no other reason. It is not for the benefit of South Australia, the small business man or decentralisation. There is no sincerity in his statement, because, if he is genuine, he will stand up and say that he will give at least that type of rebate to any industry established outside the metropolitan area.

I come back to the point that it is a tax of which we must attempt to dispose within the structure of our State Administration, because any tax that imposes a penalty on employing people must be totally opposed to the Australian Labor Party's philosophy. Surely, every Labor Party member in the State or Commonwealth Parliament must be opposed to a tax that discourages the employment of people, especially at a time when the country faces the prospect of having about 500 000 unemployed persons before the end of next February. However, at a time when that is likely, we are discussing a tax that gives some help, but not very much help, to small businesses. I am not sure whether

Government members realise that the highest workmen's compensation rate is 20 per cent of the pay-roll. If we take 20 per cent of the pay-roll for workmen's compensation and 5 per cent for pay-roll tax, a person in that category of employer is paying a 25 per cent loading on the salaries of all his employees, and long service leave and all the other payments must be added to that. A prominent South Australian recently commented that the A.L.P. was not really interested in helping business get back on its feet, and that this State was pricing itself out of the market. I am not supposed to refer to this business man by name, but certain Government members were present when it was said, and they know who it was. I accept that the Bill is a slight improvement, but I make the point that the members for Gouger and Torrens long before the Liberal Movement started talking about policy emphasised the need to alter pay-roll tax for up to 10 employees: that was some time ago now.

Mr. Millhouse: Why didn't you put it forward at an election?

Mr. EVANS: It has been the attitude of the Liberal Party for a long time that small business should be helped in this way. I hope we all take the approach that pay-roll tax is a bad and improper tax, a penalty tax on employing people, a penalty tax that is imposed to prevent people from being employed, and that it must be abolished as soon as possible, irrespective of what the other States do. I hope that we take the lead here and say that pay-roll tax should be abolished in total as soon as possible so that there will be more encouragement for employers to employ people to earn a living and lead a respectable life in the community, without asking for unemployment benefits.

Mr. CHAPMAN (Alexandra): The Opposition has no alternative but to support the token gesture proposed in the Bill: it is a start to recognising that small business should receive the attention it deserves and be relieved of this anomalous burden that has existed for some time. The proposal, which incorporates the extension of the exemption from $20 800 to $41 600, is one that we welcome. However, as has been said by other Opposition members, it does not recognise the increase in salaries as it should, and it fails miserably to take into account the protection that was designed for small businesses when this taxing measure was first introduced. Another anomaly that comes to my mind is not recognised in the Pay-roll Tax Act Amendment Bill. I bring to member's attention the disturbing element in relation to a tax that is determined by the wages paid in industry. The varied and wide range of industrial involvement in this State provides, in some cases, for a larger proportion of industrial costs to be ceded to the wage structure than in others.

I am disturbed that one business which may have a high material element in its organisation far and above the $41 000 should escape the tax, whereas another with a high labour-intensive element (as applies in many service enterprises) should suffer the burden of breaching this exemption figure before a business operating alongside it. It is on that note that I believe that, if there must be a tax on a business movement, it should apply to the business's turnover rather than to the wage structure. Then, the volume of turnover may provide a little more regular and a fairer basis on which to tax the business sector. I am disturbed at the persistence of the Premier to rest on the wage element of a business as a criterion and basis for the type of tax that he calls "pay-roll tax". It is recognised, in the interests of Australian industry generally, that the States should agree to a formula and apply it on a regular basis throughout.

I support the principle of having a regular State-by-State tax. However, it seems that, despite the efforts of the Premiers in New South Wales, Victoria, Western Australia, and South Australia, we have a defector in Queensland. It is interesting to note that the formula laid down by the Queensland Government for its pay-roll tax produces a more attractive result than that which is proposed by the other States. I have not been in a position, nor have I had the time, to assess carefully the merits of the Queensland scheme, but on the surface it seems that the small business protection is rather more attractive in that State than is proposed for South Australia.

Some mention has been made of the need to plug the loopholes and prevent businesses from breaking up their pay-roll responsibilities among multiple partners, shareholders, or whatever, by doing which they have in the meantime escaped the responsibilities of pay-roll tax. That opportunity has been there; it has been quite legal to avoid the burden of tax as a result of taking such steps, and in no way do I condemn business at large for taking that opportunity. I wonder, though, as a result of this Bill passing both Houses, whether there will be any retrospective effect on the businesses that have already set out to disperse their involvement between their partners. More particularly, I wonder how such legislation will affect the business that chooses to divide its administration and operations between partners for other purposes in the future.

For example, if a business run by a single investor is divided between the proprietor and his wife and/or any other members of the family, in a genuine attempt to disperse their enterprise, I wonder whether they in the future will be able to enjoy the benefits, as individual employers, of the $41 600 pay-roll tax exemption proposed in the Bill and, if not, how the Premier proposes to treat those people. The matters that I had intended to raise in this debate have been ventilated by the Leader and the member for Fisher, so I can only say that we have no alternative but to support the token gesture incorporated in the Bill by raising the exemption figure from its present level to $41 600. In the interests of industry generally, it ought to be at least indexed to the wage structure so that from now on we will not be faced with a ridiculous out-of-date exemption figure applying within this State taxing area.

Mr. RUSSACK (Gouger): For only one reason, I support the second reading of this Bill: that some consideration is given to the statutory exemption being increased from $20 800 to $41 600. I look with grave concern and disapproval at the fact that, as the second reading speech indicates, the exemption will gradually decrease until at the payment of $104 000 wages annually there will be no exemption whatever. To the small businesses with comparatively few employees, this will still be a very heavy tax burden. I understand that a small business can be assessed as being one that employs up to 100 employees, but under the Bill a firm employing 20 employees will not have any exemption.

In the second reading speech the Premier has said that there are varying schemes in different States. I say that South Australia (and the Premier claims that this State has been the leader over the years in which this present Government has been in office) could lead the other States now and present a more reasonable and better amendment to this Act that would assist industry in our State beyond that in other States.

Mr. Chapman: You don't think they're genuine about assisting industry, do you?

Mr. RUSSACK: According to indications of recent days, some people, including leaders, consider that this Government is not leading in relation to assisting business, particularly private enterprise. There is no necessity now for the old reason that has often been given: "Well, we cannot break away from the other States. This is a matter on which we have agreed: therefore, we must stick rigidly to the programme, and to uniformity throughout the States." The Premier has said that Victoria and Queensland propose to reduce progressively the exemption of $41 600 back to $20 800 at a pay-roll level of $72 800, about which stage a $20 800 exemption will be available on all pay-rolls in excess of $72 800. I hope my understanding is right, but I understand this to mean that the statutory exemption will be increased from $20 800 to $41 600, and that up to that point no employer pays pay-roll tax. Then there will be a scale of reduction to the point where $72 800 of wages is paid a year, and from there on, irrespective of the amount of wages, there will be a statutory exemption of $20 800. That is a far more reasonable scheme and scale than the Premier has presented to us in this Bill. This matter has concerned the Liberal Party for some time. I refer honourable members back to a similar Bill, which was debated on August 22, 1974. Although the Leader of the Liberal Movement claimed this afternoon that his Party spear-headed the attack in relation to reform in this field, I remind him that in that debate, on a Bill that increased pay-roll tax from 4½ per cent to 5 per cent (and this is reported at pages 650 to 653 of *Hansard*), the member for Torrens, the member for Hanson, the member for Gouger, and the member for Heysen spoke against the Bill. A division was called, and the members of the Liberal Movement (the member for Goyder and the member for Mitcham) voted with the Government to increase pay-roll tax. There is no record that they spoke against the measure. Today the member for Mitcham said, "It is our policy, and we spear-headed it."

In 1974, the Liberal Party spoke on this issue, so I claim that we spear-headed the opposition. At the declaration of the recent poll at Balaklava, for the District of Gouger, and again in this House after this session started, I said that I considered that the Premier was out of touch with country areas. I make no apology for that statement; in fact, I reiterate it, because this measure will be detrimental to small businesses in country areas. Today I contacted representatives of some small businesses in country areas. A town in my district, and the district too, has been propped up over the years by an industrial establishment which pays wages of $500 000 a year and will get no exemption whatever from pay-roll tax under this Bill. Another employer in Wallaroo and Kadina employs 15 people, excluding himself and his wife, and pays $93 600 in wages. We can reasonably assume that his wages bill will increase and soon will be more than $104 000 a year. That business, which is a mainstay of that area, will receive no exemption from pay-roll tax.

Mr. Evans: Any new business will be given consideration.

Mr. RUSSACK: In certain areas in South Australia, yes. I have also checked this matter with two companies operating in Kadina. I am not saying this for the purpose of debate, but a businessman told me he is on the verge of throwing in his business because of taxation not only in the State sphere but also in the Commonwealth sphere. That businessman employs 25 people and his payroll for the year exceeds $150 000. Therefore, he will not receive a statutory exemption, which is the same as increasing the rate of pay-roll tax. After all, these people are the backbone of country towns.

We have tried to explain to the Premier that country towns exist only because of this type of tertiary industry. Another business in Kadina that is involved with the distribution of motor cars and their mechanical repairs employs 20 people and has a pay-roll of more than $120 000 a year. In some months that company pays more than $600 pay-roll tax. On Friday last it was my privilege to be in Port Pirie at the opening of a State Government Insurance Commission branch office. In opening the branch, the Premier said, "There should not be any difference between country and city thinking." However, to carry out this train of thought three areas of the State were to be considered. One of those areas is the green triangle, which includes Mount Gambier, Millicent and Naracoorte; another is the iron triangle, including the provincial cities of Port Pirie, Port Augusta and Whyalla; and the third is Monarto. I ask when will industry of this magnitude be established in Monarto.

In my opinion it is unfair that three areas should be considered for pay-roll tax purposes when there are many other country towns that exist only because of small businesses that employ 20, 15, or even fewer employees. Businesses in these towns will be caught in the net and will soon not receive a statutory exemption from pay-roll tax.

Mr. Evans: It's a penalty for employing.

Mr. RUSSACK: That is exactly what it is. I know that pay-roll tax was introduced in 1941 during the term of office of a Liberal Government and that it was imposed to offset child endowment. What a far cry it is now from its original purpose! The States wanted a growth tax, so the Commonwealth, knowing it was not a popular tax, said, "You can have pay-roll tax. That will be your growth tax!" Immediately, it was increased from 21 per cent to 5 per cent. I am speaking on behalf not only of employers but also of everyone, because this matter has reached a critical and serious stage. People who work for the companies to which I have referred realise that employment must be available in country towns. The same applies to small businesses in the city, because they face the same problem. We should discard this and similar taxes, because they reduce the ability of these businesses to employ people.

I cannot see why the Premier has chosen for special consideration the three areas to which he referred when opening the S.G.I.C. office. I know he has been interested in the area in which I live. It is the "Cousin Jack" triangle, the "copper" triangle, and I hope the Premier will consider that area. I am not being facetious when I say that I am concerned about the ability of small businesses to employ people, because that is associated with what we are discussing. Each tax that is introduced contributes to or limits the capacity of small businesses to employ people. I challenge any member to go into any retail or wholesale establishment today and obtain the service that he obtained five or 10 years ago. One does not get the same service now because there is not the same number of employees. Why is this so: it is because the firms have had to cut their garment according to their cloth, and it is the taxation in these spheres that is making it most difficult for smaller businesses as well as larger organisations.

Each day one sees in the press how, when employees are retiring or leaving their place of employment, they are not being replaced. This is not because the firms involved do not want to employ people but because the imposition of taxation is becoming so astronomical that they cannot make it a viable proposition to employ extra staff. I therefore suggest that the Government's policy regarding pay-roll tax be re-examined. Perhaps we would find a more acceptable situation if we considered the Queensland or Victorian

systems rather than the Western Australian, New South Wales, Tasmanian and, if this Bill passes, South Australian systems. I could never understand why pay-roll tax was imposed originally. This Bill will relieve only small businessmen, and will be detrimental to the medium, and larger businesses; it will be an imposition on and an additional trial and difficult to be faced by medium suburban and country businesses. However, because the basic statutory exemption is being increased from $20 800 to $41 600, I support the second reading, hoping that some amendments can be moved in Committee to improve the Bill.

Mr. COUMBE (Torrens): I, too, support the Bill, because it is better than nothing. That is the only reason why I am supporting it. Members will know that I have spoken on this matter many times, particularly during the last Parliament. I repeat that the Bill is better than nothing, as it will help some (and I emphasise "some") small businesses and organisations. If one cares to examine carefully what is in the Bill, one will see that its benefits are restricted. Undoubtedly, the public has been hoodwinked regarding this matter. The publicity given to the Bill has created the impression in the minds of many members of the public that this is yet another hand-out by the Labor Government. Actually, it is the opposite, as one can see if one examines the Bill in detail. I repeat the charge that the public has been hoodwinked as a result of the publicity given to the Bill.

In his second reading explanation the Premier said that the passing of this Bill would have an insignificant effect on the State's revenue. Let us examine the Estimates that were passed by this House. I am not reflecting on them as, having been passed, they are now public knowledge. In 1974-75, the estimated receipts from pay-roll tax, for the full year, were $94 000 000. In 1975-76, the year about which we are now speaking, the Government's estimated receipts in this respect have increased from $94 000 000 to $126 000 000. According to the Premier, this Bill will not have any effect on that situation. The real effect on the people of South Australia has been an increase of $32 000 000 in pay-roll tax from one year to the next. This has happened despite publicity stating that we have this magnificent Bill, which is a fairy godmother hand-out from the Government.

I have examined the figures to which the Premier referred. Although the exemption of $20 800 is to be increased to $41 600, it will then scale off. Although the Bill will help many small businesses and organisations, be they charitable, non-profit-making or other organisations (and I am not referring to those organisations that are exempt from pay-roll tax), the scaling-off effect will cut out at $104 000. If one divides that figure by 52 weeks (that being a calendar year), one arrives at the sum of $2 000. So, we are talking about any company or organisation (it may involve the biggest company in the State, a medium-sized company, or Trades Hall) that has a pay-roll of $2 000 a week, and that probably means that it employs about 15 people. Therefore, organisations employing 15 people will receive no remission whatsoever.

Before the Bill was introduced, those people had the advantage of a $20 800 exemption. That is to disappear, so that anyone employing 15 or more people will lose that exemption. On reading it, one may think initially that the Bill applies only to the large companies such as Broken Hill Proprietary Company Limited and General Motors-Holden's. However, it will affect many small and medium-sized companies or organisations in this State. Those people will therefore be worse off. The Bill will help small businesses and organisations employing no more than four, five or six people; they will receive an exemption up to $41 600 annually. Considering average wages that are paid today, firms with 15 or more employees will be slugged and, indeed, will be worse off than they have been in the past. So, although we may be helping small organisations, the medium-sized ones will be hit. Of course, an organisation or company employing 15 people is not a medium one; the Commonwealth Statistician would regard such a firm as being a small company or organisation.

The Bill also deals with the closure of certain loopholes, and I agree with these provisions. In the past, many companies have been forced to adopt the practice that has already been referred to: that of tax avoidance, which is legal (tax evasion is illegal). I do not want to go further into that aspect, except to say that some people have taken undue advantage of the loophole that exists. I should like now to examine the effect of pay-roll tax on the viability of many companies. Unfortunately, more and more company reports are showing the effect that pay-roll tax is having on their overheads and on their ability not only to pay their way but also to create employment opportunities. Unfortunately, one of the effects of pay-roll tax is to reduce the number of employment opportunities. Companies that attract much pay-roll tax try to reduce overheads simply by reducing the number of employees. That practice is to the disadvantage of employees. A company that wishes to expand in this State will now be penalised. I point out, as my colleagues have done, that in some other States an advantage is given to the employer to either expand or, as in Victoria, decentralise.

In Victoria a concession of, I think, 2½ per cent is given for companies to go to Ballarat or Bendigo, to get out of Melbourne. A similar concession is not given here. The Premier previously has flatly denied this opportunity, although he was forced to give way in the case of an industry in Victoria that came to Mount Gambier, and good luck to that company. I cannot emphasise too much the effect of pay-roll tax on the overheads of employers. The tax is completely anathema to me, because it is sectional. In other words, it is levied on one section of the community. There are other different types of tax, but pay-roll tax is not spread right across the community as income tax is, where one pays according to earnings or ability. I have always regarded pay-roll tax as a bad type of tax, because it is sectional. If we must raise revenue by taxation, the whole community should be involved. Income tax, whether personal or corporate, is the best example of this.

Mr. Keneally: Isn't the cost of pay-roll tax passed on to the community?

Mr. COUMBE: Unfortunately, the honourable member is perfectly right.

Mr. Keneally: Well, it's a community tax.

Mr. COUMBE: It is levied on one section of the community and, unfortunately, the community pays it. I thank the honourable member for giving me the lead, because the tax increases the overhead cost for each unit produced and, unfortunately, the community must pay in the long run. This is an indirect cost to the consumer and it has an effect on the consumer price index.

Regarding the philosophy of the Bill, I am not pleased about it. I, with the member for Gouger and other members, have promoted the principle that pay-roll tax must be removed, and I consider that the Bill is only a sop. It is better than nothing but the Premier, in introducing it, has pulled the wool over the eyes of the people

of South Australia. He is absolutely hoodwinking them by making out that the Bill will be of tremendous importance to them. It will have restricted benefits and advantage. It certainly will have advantage for some small employers and small organisations. I know that some organisations in my district are pleased to have at least this small concession, and for that reason, because I believe it is better than nothing, I support it.

Mr. DEAN BROWN (Davenport): I wish to speak about the effects of this legislation on employment and also on small businesses. It is most unfortunate that the Treasurer has introduced the Bill in the form in which he has introduced it, because in a period of high unemployment this tax will place a further burden on employers and it will be a disincentive to those employers to take on more employees. We are at present going through a period of almost unprecedented unemployment in Australia since the depression, and employers should be given every incentive to take on as many employees as possible. Certainly, new tax measures that are likely to encourage employers to dismiss employees should not be introduced. Unfortunately, the Bill will have the basic effect of trying to force companies to lay off people rather than to employ more people.

Mr. Evans: It encourages unemployment.

Mr. DEAN BROWN: Yes, and much of our present unemployment can be attributed to taxes such as pay-roll tax. I refer not only to pay-roll tax but also to the workmen's compensation legislation in this State. They probably are the two main reasons why so many small companies are now dismissing people or refusing to take on additional employees. This tax is a deterrent to employment, and that is most unfortunate. I have had several cases referred to me of small companies in this State having order books in which no more orders can be taken. They cannot achieve the desired production, but those companies are reducing their number of employees, and they have told me that they are doing this because no longer do they consider it profitable to continue manufacturing, even though the demand is there.

This situation may seem farcical, but the main reason why those businesses are in that position is the legislation on pay-roll tax and workmen's compensation. It was most unfortunate that the Premier did not adopt the proposals recommended in Victoria and Queensland. This is particularly significant to South Australia, which always is trying to compete with Victoria in production costs. Companies that move out of South Australia are much more likely to go to Victoria than any other State, because Victoria is our nearest competitor in the manufacturing field. Therefore, South Australia is losing another advantage to Victoria.

We are likely to see industrial stagnation in this State continue and even worsen. Unfortunately, the Labor Government in South Australia failed to realise the important part that small industries play in employing people in this State. I refer now to a statement made only last week by Mr. John Scott, a wellknown trade union official and also a member of the Australian Labor Party Executive in this State. I took down the following statement he made at a seminar on worker participation:

Many of the small businesses should go to the wall, because they are inefficient and bludge on workers.

I think that is a most unfortunate statement, and I hope it does not reflect the views of the Labor Party.

Mr. Evans: I think it would.

Mr. DEAN BROWN: If a member of our State Executive was making absolutely ridiculous statements like that and I was Premier, I would immediately dissociate my Government and Party from the statement. Mr. Scott made even stronger statements when questioned on this aspect, and he indicated that most small businesses should go to the wall. The Premier, when introducing the legislation, should have adopted the Victorian and Queensland stand. In their policy, as clearly outlined, the exemption is increased from $20 800 to $41 600, and I quote from a letter from the Deputy Premier and Treasurer of Queensland, as follows:

The exemption level was $20 800 per annum on September 1, 1971, and has remained unchanged until I announced in the recent State Budget that, as a special tax relief measure for small businessmen, the exemption level would double from $20 800 to $41 600. In practice, for payrolls between $41 600 and $72 800, the exemption will taper down $2 for $3 until for payrolls at $72 800 the present exemption level will pertain. This will mean that total exemption from pay-roll tax will be lifted from $20 800 to $41 600. For payrolls between $41 600 and $72 800, pay-roll tax will be less—

and this is the important part—

and no-one will pay any more than under the present arrangements. It is anticipated the new exemption levels will apply from January 1, 1976.

That letter outlines the new Queensland policy that has just been adopted. What we are adopting here is a procedure whereby a company with a pay-roll of over $104 000 is disadvantaged: not only is there no relief, but the company is disadvantaged from its present standing, and that is most unfortunate. The Premier should account for the reason why he has imposed this new tax burden on most of our small, medium and large companies.

Mr. Langley: What do you mean by "small"?

Mr. DEAN BROWN: Obviously, many small companies still have pay-rolls of well over $104 000. I support the Bill, which provides an exemption for the small business but which gives no exemption to the business with a pay-roll exceeding $104 000; in fact, the Bill is to the disadvantage of such businesses. It is therefore with reluctance that I give the Bill even that kind of blessing. I hope that the Premier has the courtesy to tell the South Australian public the truth, that this measure is not all that he claims it to be.

The one other aspect I touch on briefly relates to the exemption announced by the Premier on October 1 for certain decentralised industries. Unfortunately, he limited the rebate to three areas: to Monarto, where there is no industry (and it is unlikely that there will be for many years to come); to the green triangle in the South-East (including Millicent, Mount Gambier and Naracoorte); and to the iron triangle in the North (including Port Pirie, Port Augusta and Whyalla). However, other unfortunate companies trying to establish in other country centres cannot obtain that kind of relief. Why should these three areas be favoured over other country areas?

I believe that the Premier should give such pay-roll tax rebates to all companies trying to decentralise from the metropolitan area. He should go well beyond that and give some kind of rebate to all companies trying to struggle on and exist in the State. The State Government, through its taxing policy, has removed most of the cost advantage in production that any manufacturing company has had in South Australia. Now that the cost benefit has been removed, it is time that the State Government started to give it back and once again to create some kind of incentive to manufacturers in South Australia because, unless it does this immediately, the industrial stagnation that has occurred during the past five years under a Labor Government will continue, and will worsen considerably.

Mr. ARNOLD (Chaffey): As has been said by other members, the exemption now provided by the Government will still assist only the small unit of industry with few employees. The Premier has indicated that he will provide rebates or incentives in specific areas: the iron triangle, the South-East and Monarto. The member for Gouger pointed out what he had had to say on this subject in 1974. The Premier may recall that I raised this subject in the House on October 3, 1973, when I asked:

Has the Premier considered introducing a Bill which would provide for incentive payments to decentralised industry and which would be similar to the Victorian Decentralized Industry Incentives (Pay-roll Tax Rebates) Act, 1972? Recently, I received a letter from the Assistant Secretary of Riverland Fruit Products Co-operative Limited, dated September 27, 1973, which states:

We enclose a copy of a letter sent to the Premier on pay-roll tax rebates and also a copy of the Act itself. The net effect of the Victorian Act is to refund the State portion of pay-roll tax to approved decentralised secondary industries in that State. The introduction of a similar Act to South Australia would mean a saving to this company of about $12 000 annually with 1 per cent State tax . . .

In 1973, that 1 per cent would have meant to the Riverland Fruit Products Co-operative Limited $12 000, whereas today I would say that, at the rate of 5 per cent (and taking into account inflation and the escalation in wages), that company would now pay about $100 000 in pay-roll tax to the South Australian Government. The *Hansard* report of October 3, continues:

Because this would mean so much to many other secondary industries in the Riverland, we would appreciate any actions which you can take to enable early introduction of similar legislation into South Australia.

I realize that the letter was written only recently and that as yet the Premier may not have had the chance to consider this matter, but the cannery considers that positive action similar to that taken by the Victorian Government would promote decentralized industries.

The Premier replied:

I have considered it though not as a result of the letter to which the honourable member refers, because I have not seen the letter yet. I am aware of the Victorian measure: we have had it examined, but it has many administrative difficulties. We have negotiated with newly established country industries and those negotiations will provide them with additional benefits beyond those normally obtaining for industry in the State through the Industries Development Committee or the Industries Assistance Corporation.

This matter was brought before the House as far back as October 3, 1973, when I clearly indicated the effect pay-roll tax was having on Riverland co-operatives. I bring to the Premier's attention again that, as a result of the difficulties the canning fruit industry and other fruit processors in the area are experiencing now, he should seriously consider relieving them of pay-roll tax at this time.

The Premier will be well aware that the canneries, at this stage, have paid only about 50 or 55 per cent of the Fruit Industry Sugar Concession Committee price, the recommended price to be paid for canning fruit, peaches, etc., this past growing season. At this stage, growers have received nothing like the cost of production and the present indications are that they will not get the cost of production. As the Minister of Agriculture has outlined, with escalating costs in South Australia and the value of Australian currency, it is no longer possible for us effectively to compete on the world market. It has been said that, if we are to lose completely our export markets, it will mean a reduction of about 63 per cent in the total production of canned fruit in Australia.

That is the position South Australia is facing at the moment, and the position that the canneries in particular are facing. I would urge the Premier to seriously consider, at this time, relieving the co-operatives and other secondary industries in the Riverland of pay-roll tax. I believe no-one is in greater need of that relief than are the industries along the river at this time.

Mr. VENNING (Rocky River): I support the Bill, because of the slight improvement it offers to the status quo.

Mr. Evans: Very slight.

Mr. VENNING: Very slight, for sure. The Premier said in his second reading explanation that he was not sure what the impact would be on the finances of the State. The member for Mitcham complained today that we had to debate this Bill soon after its introduction to the House, and that no-one had had sufficient time to investigate the real aspects of the impact of the legislation on the finances of the State. However, I will bet my bottom dollar that this legislation will result in more revenue for the Treasury than it receives from this source at present. We find, time and time again, whether it be in relation to land tax, succession duties, or whatever the alteration to the existing legislation happens to be, that the overall result is still an increase in the State's finances.

I listened with much interest to the Premier on Friday. He came to the northern part of the State, and we were pleased to see him. He announced that concessions would be given to the green triangle, the steel triangle, and Monarto. This indicates that the Premier is able to consider giving rebates in certain selected areas. I believe there are other areas in which the Premier can consider giving rebates of the type to which he referred in Port Pirie on Friday. A few moments ago, the member for Chaffey mentioned the problems within the industries on the river, the wine industry and the canned fruits industry. I speak particularly of the wine industry in my area at Clare. Pay-roll tax adds further cost to an industry that at present is having enough problems without having any additional costs added. The present exemption before pay-roll tax becomes payable, of $21 800, will be increased to $41 000. It is gradually phased out, tapering to nil at $104 000. The situation of primary industry and private enterprise is that unfortunately this aspect of taxation does nothing other than hold back production and development in those areas. I am amazed, on checking back on the history of pay-roll tax in this State, to find that, although it was a Commonwealth tax until two or three years ago, it had not been altered since 1957. It is outrageous that, with inflation as we all know it today, that that exemption had not been altered for about 18 years. Imagine the inflation that has gone on in this State, and Australia, in the past 18 years.

Mr. Langley: And other countries.

Mr. VENNING: We know there is inflation around the world, but let us get back to South Australia, as that is what we are talking about. As industries in our State are under great difficulties, there are further areas in which a rebate should be considered. The Premier mentioned those areas on Friday when he was in the northern part of the State. I believe that, to assist the aspects of development outside the metropolitan area, assistance should be given to those industries that can be set up in country areas. The assistance given to the Victorian firm in the South-East in its establishment was significant to this State, because we now have that firm established in South Australia. I hope that the Premier will give further consideration to rural areas. The word "decentralisation" has been

used for generations to no significant effect. Rather than developing areas such as Monarto we should be concentrating on the areas we have, and the Government should be giving concessions (whatever they may be, and in this case in respect of pay-roll tax).

I support the legislation. As the Leader said today, the matter of indexation was referred to in relation to the Succession Duties Bill, and this aspect could also be attached to pay-roll tax. I hope that some form of indexation will be applied to this legislation so that another 18 years will not pass before further amendments are considered. I hope that progressively, with indexation, the situation will take care of itself. I support the Bill.

Mr. ALLISON (Mount Gambier): I, too, support the Bill, but with the overall impression that it is somewhat belated, on three counts. First, so many people, having expected some remission, have already gone through the bankruptcy court. Secondly, throughout the State an increasing number of companies is no longer taking on staff. If people leave the company, they are not being replaced. This applies especially in an area such as Whyalla, where Broken Hill Proprietary Company Limited has stated openly that, although its recent cutback on steel production will not involve retrenchments, it simply will not be employing additional staff as the natural turnover occurs. Therefore, when people leave jobs at Whyalla they will not be replaced.

Thirdly, the whole idea of pay-roll tax remissions seems to be rather late, because, as long ago as 1972, Victoria issued a bulletin dealing with companies that wished to decentralise. Three country areas in South Australia, two of which exist and the third of which does not, have recently been offered a sop (so it was really a two-fold gesture) in relation to establishing factories. It is a sop that has come three years too late. A report issued by the Victorian Government on June 3, 1975, a document which was handed to the former member for Mount Gambier (Mr. Burdon) in June this year, and which may have inspired some action from the Premier, stated:

Another 48 country industries have qualified for decentralisation incentives. The State Development and Decentralisation Minister, Mr. Byrne, said the latest approvals included five at Bendigo, four at Horsham, three at Wodonga and two each at Bacchus Marsh, Castlemaine, Cobram, Wangaratta and Warragul. The incentives include rebates of pay-roll and land tax, rail freight subsidies, plant and staff transfer subsidies, and employment incentive. Mr. Byrne said more than 1 500 country industries had been recognised as decentralised and eligible for incentives since the scheme started in September, 1972.

It is now November, 1975, and we have just heard what I maintain is a somewhat belated announcement from our own Government. The bulletin continued:

"They are helping business confidence at a time when the economic situation is at its lowest ebb since the great depression", he said. Decentralised industries are improving the quality of life for all Victorians. Industries such as these are improving the balance of population across the State by making available opportunities for employment outside Melbourne.

I have been assured that a copy of the bulletin was sent by Mr. Burdon to the Premier. It was also forwarded to me a few weeks ago, and I have had extensive discussions with the local chamber of commerce about it. The chamber is still concerned about it, and was especially concerned when I asked a question of the Premier about pay-roll tax remissions for Fletcher Jones which were not honestly included in the Budget but which were included as an industrial reimbursement. That was an attempt to conceal something even in the Budget. I had to ask the Premier what was the nature of the payment. I determined that the payment was to be made to a unique company in South Australia and that it was a full, continuous annual remission of pay-roll tax for Fletcher Jones at Mount Gambier. This remission has incensed other industries in country areas.

1 have heard from other honourable members that they were rather disturbed to think that industries which had settled in certain country areas, which had shown full faith in those areas, and which had not been bribed or inveigled to settle were now subject to competition if this sort of concession was given to importees. They are subject to this competition and were existing in country areas; they are now subsisting, and many of them are closing down, at a time when we are offering incentives to new industries to come into the country areas of South Australia. For that reason, I believe that the whole question of pay-roll tax remission, in part or in whole, is rather late and certainly too small.

In Mount Gambier at least one employer recently has come to me to say that he has had to dismiss several of his staff because of unfair competition, which is part of the whole vicious circle.

The Hon. D. A. Dunstan: From Fletcher Jones?

Mr. ALLISON: I did not refer to the name of the company, but I have used the company's name in referring the matter to the Industries Assistance Corporation as recently as this morning. This person had to dismiss members of his staff because his overheads were as high as 60 per cent to 69 per cent, which seems alarmingly high, and it is before profitability. While we are equating pay-roll tax remissions with those of other States, let us also remember that it is not fair to do so, because other States do not have the same rates for workmen's compensation. For that reason I suspect that more companies will be attracted away from South Australia to other States by remissions and overall rates of taxes which apply and which on the surface seem to be less than ours. I am still investigating that matter.

People are leaving Whyalla because the B.H.P. project is being scaled down. Those people must go elsewhere to find work (and this has happened as recently as this week). One cannot assume that displaced workers will stay in Whyalla where there is no work for them. They may gravitate towards Adelaide, as so many people have said they will, in search of jobs because there is a bigger employment pool here. Mount Gambier is not growing: it needs more houses because its young people are growing older. Certainly, the population does not seem to be increasing. I think it is a vicious deterioration of small business because, if someone has overheads of 69 per cent, he has to dismiss part of his staff. They do not go out to work but start doing backyard work for $5 an hour instead of $10 an hour. This backyarding becomes part of the vicious circle and the employer is no longer able to compete with this type of work, including contracts, and finds himself up against a wall with backyarders increasing in number as he further diminishes his staff. He is virtually forced into becoming a backyarder himself and into closing down his establishment. He then does not have to worry about overheads, pay-roll tax, long service leave, and everything else, and becomes self-employed and part of the pool of backyarders.

The skill, expertise and probably the heavy equipment is then unavailable in the district. Mr. Russell Prowse, Assistant General Manager of the Bank of New South Wales, states in today's *Australian* that the worker's greatest enemy is not the organisation that is making a profit but the organisation that does not make a profit. Of course,

when we have excessive taxes we are faced with a situation where employers literally have to pull their heads in because they can no longer employ additional staff, and thereby they increase the number of unemployed. According to Mr. Prowse, unemployment figures are not realistic, because they do not include the 20 000 people employed under the Regional Employment Development scheme, the unemployed schoolchildren who have gone back to school again instead of coming into the work force, the part-time workers (mainly women) who do not go on the unemployment list because they are not allowed to do so, and the people who are normally taken into the Public Service at a rate far beyond the normal requirements. These people will possibly be included in next month's unemployment figures or even the figures for the following month, and this highlights the fact that some assistance must be given to small businesses in order to help them.

The increase in the remission from $20 800 to $41 600 is certainly a step in the right direction. No-one would dispute that, but I believe it could have been more. Certainly in country areas it must be necessary, but the same conditions surely apply in the metropolitan area, too.

Mr. Langley: How many businesses in the main street of Mount Gambier would pay pay-roll tax?

Mr. ALLISON: Anyone who employs sufficient people to push the pay-roll over $41 600. I do not have the statistics. Mount Gambier is not really as bad as it was made out to be on *This Day Tonight,* and we are trying to keep it that way.

[*Sitting suspended from* 6 *to* 7.30 *p.m.*]

Mr. ALLISON: As I was leaving the Chamber at the dinner adjournment, I was asked whether I had seen the recent controversial *This Day Tonight* programme that dealt with the South-East. The answer is, "No, I have not." However, I have been asked several questions and received garbled reports about it. Nor did I see the Premier's reply to that programme, which is probably just as well, because I understand I got a guernsey from the Premier on the grounds of misrepresentation, of all things, during the recent election campaign.

However, to return to the matter of pay-roll tax remission, Mount Gambier is a tremendous place in which to live. In fact, we have our own decentralisation programme. Indeed, one Mount Gambier company (Softwoods Proprietary Limited) is decentralising to the tune of $12 000 000; it is spending that money in Portland, Victoria, to establish a new sawmill there. I should say in all fairness that the prime prerequisite—

The Hon. J. D. Wright: Why are they doing that? The wages are higher in Victoria.

Mr. ALLISON: No snide comment was needed. The prime reason is that the raw material is there, as well as a forest which stretches from Mount Gambier through to Portland. I telephoned the management of the company this evening so that I would not make an erroneous statement. It was delighted to say that the company was receiving remissions on pay-roll tax. The sawmilling industry is a qualified industry and is eligible for the remissions and the different incentives to which I referred previously.

The Hon. J. D. Wright: Did they mention wages?

Mr. ALLISON: I did not ask about that. I was concerned mainly with the remissions aspect.

The Hon. J. D. Corcoran: The whole deal was based on pay-roll lax?

Mr. ALLISON: No. The prime prerequisite was the presence of the timber in Portland. However, that company is receiving incentives. Had Government members been in the Chamber before the dinner adjournment, they would probably have understood the whole context of the debate much better than they apparently do now. I explained it at length, and I am sure that it will appear in *Hansard.*

Mr. Langley: All you can think about is how it will affect you and your district.

Mr. ALLISON: I will not have anyone say anything adverse about Mount Gambier. Let us have no dispute about that.

Mr. Langley: How many people would it affect in Mount Gambier?

Mr. ALLISON: The fact remains that the remission of pay-roll tax for Fletcher Jones has upset a few people who are already in business in the South-East. I can see Ministers making frantic signs to various Government members suggesting that they refrain from interjecting. That is a pleasant sight from this side of the Chamber. I think Government members want me to stop talking. I must be getting through to them. The important thing is that the Fletcher Jones remission of pay-roll tax has upset some people in the South-East, who think they must phase out of business. However, they would prefer to remain in business and be treated in the same way. I do not think that that is an unfair request. Perhaps it is a little unfair for the Premier to offer a remission of pay-roll tax to new industries in country areas when one considers that existing industries are struggling to remain in business. More important, the whole State needs assistance, and that is all I am asking for: that more favourable consideration be given to industry generally in South Australia in addition to the consideration being given in relation to this Bill.

Mr. BECKER (Hanson): I have pleasure in supporting the Bill, as it is something that we want to see for small businesses in South Australia. I remind members, particularly the member for Mitcham, who made some snide remarks (to which we have become accustomed) regarding the Bill, of the Premier's second reading explanation. He said:

> Some weeks ago I indicated to this House that, following a meeting of State Premiers in May, 1975, a report by Treasury officials on certain matters relating to the Pay-roll Tax Act, 1971-1974, had been completed and that a Bill to amend that Act would be introduced during the current Parliamentary session.

So, before May, our Treasury officers were aware of the problems affecting small businesses and were, in fact, working on some exemptions from pay-roll tax to help these people.

The Bill has two purposes: first, it gives a general exemption and, secondly, it closes certain loopholes in the Act. I cannot complain about that, either, because this has been an unfortunate feature of legislation that has been put not only before this Parliament but also before other Parliaments across the nation. Someone is always willing to take advantage of a situation. Evidence has been received that this has happened in relation to pay-roll tax. I do not think it is fair that some companies, using correct means or otherwise, should escape the payment of pay-roll tax. After all, it was handed back to the States by a Commonwealth Liberal Government as a revenue-raising measure. It is a help to the States, and they have benefited immensely.

It is interesting to note the amount of exemption that is being granted in this State compared to that in the other States. In this respect, the Premier said:

Victoria and Queensland propose to progressively reduce the exemption of $41 600 back to $20 800 at a pay-roll level of $72 800, at which stage a $20 800 exemption will be available on all pay-rolls in excess of $72 800.

We are to follow New South Wales, Western Australia and Tasmania and increase the exemption to $41 600, and then progressively reduce it so that it is completely eliminated at a pay-roll level of $104 000. The Premier continued:

That is to say, a business with a pay-roll of $41 600 or less will pay no pay-roll tax; and a business with a pay-roll of $104 000 or more will not qualify for any exemption and as a result will pay $1 040 a year more . . .

These businesses are just out of the small-business category as we know it, and come into the medium-sized business area. It is unfortunate that those businesses will not be able to receive any benefit. Indeed, they will have to pay more. When I examine the whole business scene, and that of the manufacturing industries, in this State, I agree with my colleagues that we should be doing more than we are doing in relation to helping these people. We would all like to have a solution to the problem of where the money for such assistance is to come from. We must bear in mind that the Budget was presented to us and approved some weeks ago. It was intended that the Budget would be balanced. We also have in revenue reserves the sum of $25 000 000, and it is unfair to start spending money from that source. That money comprises, to some degree, proceeds from the sale of this State's assets, under an agreement with the Australian Government.

We must consider the economic situation as it applies today. I hope that the Government is in a better position in the next four or five months and that it can review the Budget situation and consider further exemptions not only for small businesses but also for the medium and large businesses. The Government is at present doing something for which industry and the Opposition have asked. We want to help and save small businesses wherever possible. Although the actual amount that these businesses will save is not great, it is at least something and is, therefore, a step in the right direction. We must continue to examine incentives and use whatever means we can to help industry. Perhaps pay-roll tax exemptions could be a means of giving industry incentives and creating employment opportunities. I do not think that any employer who is expanding and who, through his own incentives and efforts, must pay a large amount of tax would mind, if he had the business to justify it. We want small businesses to develop into medium and large businesses, and this is one way in which to achieve that.

Comments have been made about incentives in country areas but, if we are going to give incentives, they ought to be for completely new businesses coming to the State and not 'subject to competition from any other business. 1 believe that this is what has happened regarding the Fletcher Jones company in Mount Gambier. We have been able to attract that company. The incentive is not great, but we are faced with much competition from the Eastern States in keeping businesses or attracting them. That is the position that the Government is in, and the Opposition also must recognise that this is a situation that it must face. The Treasurer stated that the exemptions were designed for administrative reasons and to assist the small businessman. He also stated:

It is being exploited by larger organisations to reduce their pay-roll tax liability, and in some cases to avoid the tax altogether.

We have amendments to the legislation, preventing companies from hiving off into subsidiaries and forming all types of organisations within their main structure so that they can avoid pay-roll tax. In this country, the great game seems to be to avoid taxation whenever one can, and Parliament must adopt a responsible role in this respect and prevent it from happening. If everyone paid the taxes for which he was liable, there would not be the need for the large taxation increases to which we are subjected from time to time.

Mr. WARDLE (Murray): I do not want to canvass the points that have already been made. I support the Bill as far as it goes, and, most important of all, I want to protest about the degree to which this legislation goes regarding country industries. Two points have been left off the Lower Murray triangle. Today, we have heard about the green triangle, the iron triangle, and the Cornish triangle. There is one point in the Lower Murray triangle that has been included, but the other two have been left off, they being Mannum and Murray Bridge. It is discriminatory to leave out the industry of growing towns that have possibility and potential, and I am referring here to Murray Bridge and Mannum.

The amount of money paid in pay-roll tax, even by the industry that we have in Murray Bridge, is staggering, and it seems totally unfair to be only three or four kilometres over the hill from an area that will be relieved of this burden. I refer in passing to an incentive that I found operating in new growth centres in France. Any industry that wanted to stay in the metropolitan area of Paris paid an annual fee for that privilege. Any industry that was willing to establish outside the metropolitan area of Paris but within 80 kilometres of it did not have to pay a fee, but any industry that established outside the 80 km radius from Paris was given an incentive.

Pay-roll tax may be said to be a small thing (although a large amount is involved with 300 employees), and a fairer way would be to give this incentive to all industries willing to establish a certain distance from the metropolitan area. This would take away the unfair discretion in the concession. I agree to the Bill, because it brings relief to some small industries, but I consider it discriminatory and should like it to be expanded to cover the industrial areas of outer metropolitan Adelaide as a whole, not just to cover some selected parts of the State.

The Hon. D. A. DUNSTAN (Premier and Treasurer): Honourable members have referred to the fact that some industries in South Australia will be paying more pay-roll tax than previously, while others will be paying less. I pointed out the reason for this in a statement to the House, before I introduced this measure, about the Government's intentions. In fact, this was a situation insisted on by the Liberal Premier of New South Wales.

Mr. Russack: Not Victoria?

The Hon. D. A. DUNSTAN: At th is stage it is not quite clear what situation Victoria will adopt. It was originally the Premier of New South Wales who insisted on this situation. Victoria's position remains open. Queensland has not gone along with the other States, and Western Australia, Tasmania, and South Australia have agreed with New South Wales, but the position taken by the majority of the States was that, where concessions were granted at one end of the scale, they ought to be compensated for at the other end. In other words, as far as possible we were seeking to raise the same amount of revenue but to give relief to people who originally had had a remission of $20 800 but who now require greater relief to give them some sort of compensation for the fact that there has been inflation.

The Government did not at any time intend that we should have a marked reduction in revenue. That does

not occur in the Budget, it was not promised in my policy speech, and I had not proposed it at any stage. Effectually, we will be raising about the same amount of pay-roll tax under this new provision as we did previously. It is not possible to forecast entirely accurately the amount that we will get in, but it is not expected that there will be much difference in the total revenue.

Regarding incentives offered in country areas, the Government has made clear that its decentralisation policy is in accordance with decentralisation policy that has been found effective in other countries, and that is that there are chosen growth areas that it is conceivable we can bring to a self-generating stage; that is, that sufficient diversity of industry and employment can be induced into those areas to provide that they then will have a momentum of their own. It is not possible for smaller areas to have the same growth rate.

Consequently, we announced the incentives for new industries in the known growth areas, the growth areas about which we have talked at election time in South Australia and where we have concentrated our decentralisation policy. That does not mean that a particular industry in some other area of the State may not negotiate with the Government about incentives. The degree of incentives we offer to industry is not a set amount. The industries' incentives have differed from time to time, and I point out to honourable members that Fletcher Jones and Staff (S.A.) Proprietary Limited was given the incentive of, effectually, a pay-roll tax remission at a time when it was granted to no other industry in the State. That was a special arrangement made in order to induce that employment into Mount Gambier, and I would have thought that the people of Mount Gambier and their representative would be glad about having that employment there. People who protest about the way in which we got Fletcher Jones into Mount Gambier are looking a considerable gift horse in the mouth.

It is not impossible for industries elsewhere in the State to negotiate with the Government for a similar incentive, because the incentive is uniformly available to people applying to go to the growth areas; that is part of the list which is available inevitably. However, elsewhere it will not be available: certainly not in the metropolitan area in any circumstances, but elsewhere in the State I do not rule it out that an industry might be able to negotiate with the Government on that score.

Mr. Russack: Does it apply only to new industry?

The Hon. D. A. DUNSTAN: Yes, and we do not intend to extend it to existing industry, because the result would be far too great a loss of revenue that we cannot afford, given the payment we have for services in those very areas. Opposition members do not believe, from anything I have heard them say, that we should decrease our services in the State: in fact, I am constantly under request from them to increase services of one kind or another. However, I cannot do this if I have a marked loss of revenue to pay for those services. We are unable, consequently, to apply an across-the-board proposal to existing industry. The incentive is to attract new industry to areas, particularly those areas which complain that they do not have a sufficient diversity of employment at this stage. Outside the chosen growth areas, it is not impossible for industries to negotiate with the Government (as Fletcher Jones did on a previous occasion), but they would be looked at as individual cases and on their merits in relation to the area concerned.

The Government, in relation to industries outside the growth areas, has given considerable assistance. The member for Murray referred to Mannum, but Mannum would not exist as a town today except for the enormous assistance the Government has given to the agricultural implement industry in that town. The Government is willing to assist industry elsewhere where it can be shown to be viable, and we are willing to negotiate in other areas about special incentives. However, the difficulty is that, in the growth areas, this incentive is a standard, but other cases will be examined on their merits.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Division of Act."

The Hon. D. A. DUNSTAN (Premier and Treasurer): I am informed by the Parliamentary Counsel that counsel in New South Wales has advised that the draft which was agreed by officers contains certain clauses that need amending because, on examination by counsel, some further gaps have been discovered, and it is necessary for us to close them up. I had hoped that I would have the amendments available this evening, but Parliamentary Counsel has advised me that they will not be available this evening. As that means we cannot proceed with the Committee stage now (and as I hope I will have them ready for tomorrow), I ask that progress be reported.

Progress reported; Committee to sit again.

PUBLIC FINANCE (SPECIAL PROVISIONS) BILL

Adjourned debate on second reading.

(Continued from October 29. Page 1527.)

The SPEAKER: Before we commence the debate on this Bill, it is only right that I should warn all honourable members that, whilst this Bill has been introduced because of certain happenings in another place, I do not intend to allow those happenings to be discussed within the framework of the debate this evening. Therefore, I warn all honourable members of this House that the debate must be confined to the Bill as introduced.

Dr. TONKIN (Leader of the Opposition): Thank you, Mr. Speaker, for that direction, and the advice that will be taken kindly by members on all sides. This Bill gives the Government power, as the Premier so clearly enunciated in his second reading explanation, to make good through the Treasurer from any available resources (and I understand the Premier gave the assurance in answer to an interjection from the member for Torrens that it would relate only to the revenue account) any short-fall in Commonwealth funds to any affected areas of State Government activity and employment. It also gives the Treasurer power to borrow moneys for that purpose. It is particularly significant, I think, that this legislation breaks new ground. Never before has this sort of thing been considered, I believe, in any crisis situation, whatever it may have been. It is significant, too, that a time limit has been placed upon the operation of this Bill: it will be effective only until February 29, 1976. The Opposition (and I think I speak for all members) supports this Bill. It comes at a time when there is a very real threat of financial difficulties.

In deference to your ruling, Mr. Speaker, I certainly do not intend to canvass the causes of those difficulties, although the temptation to refer to the extreme political crisis in Canberra and the impasse that has developed is great. One is almost unable to resist the temptation to discuss those contentious matters. Nevertheless, I will resist the temptation. One can only hope there will be an early solution of the problem. One hopes that the suggested compromise, which looks as though it may go some way

toward solving the problem, will fall on fruitful ground and that it will lead to a solution of the problem very soon.

I sincerely trust that the situation will not arise where the funds referred to in this Bill have to be made available. We are fortunate in this House that we are able to consider the disposition of funds such as these without having to refer to the possible use of the Audit Act, which could be used in another place to make funds available to keep the business of the country going. The Premier and other members have clearly spelt out that a situation could arise in this country that would cause hardship to the community through lack of funds. Anything that the State can do to alleviate that situation deserves support. Indeed, I go further and say that South Australia is not alone in being threatened by this crisis situation. I was pleased to learn only last Sunday that similar legislation is contemplated in other States. Indeed, it will probably be introduced by Liberal Premiers, who believe, as I do, that the individual member of the community should not in any way be disadvantaged by the stubborn pigheadedness of the Prime Minister or by the activities of any Government.

The SPEAKER: Order! I must remind the Leader that he is treading on very dangerous ground.

Dr. TONKIN: Yes, Mr. Speaker, I would call that dangerous ground. I only hope that the Prime Minister realises how dangerous it is.

The SPEAKER: I hope the Leader realises, from the Speaker's viewpoint, how dangerous it is.

Dr. TONKIN: I am sure, Mr. Speaker, that you realise how dangerous the ground is, and I am sure you have every sympathy. I sincerely trust that there will be a resolution of the current situation as soon as is humanly possible. We would be failing in our duty if we did not support this Bill. I am sure that the people of South Australia want us to support it. In South Australia we have the tremendous advantage of being able to rely on the people's opinion. As you well know, Mr. Speaker, we have recently had an election, by which we submitted the Government to the will of the people; the people have a right to periodic elections. We must be ever alert to the desires of the people, who elect us as members of Parliament. For that reason, we should support this Bill.

Unfortunately, all too often politicians tend to forget that ultimately the final say rests with the people. Politicians tend to forget that, although we may follow our own courses, although we may make our own stands, although we may come into conflict one side with the other, whatever else happens, ultimately the people will have their say, and it is their will that we should respect in this Parliament and elsewhere. Only the people can decide. Only the people can judge. In the present situation that threatens us all in South Australia and in every other State, only the people can decide whether or not the Commonwealth Government shall remain where it is. Ultimately it is the people's responsibility. I hope that we all as politicians will never forget that fact.

Mr. BECKER (Hanson): I support the Bill, but I do so with many reservations. I take this Bill as giving the Treasurer complete power until February 29, 1976, if there is a short-fall in moneys from the Australian Government, to use existing trust funds and to make arrangements to borrow money wherever he can to continue to meet the expenditure from the State Revenue Account. At June 30, 1975, the amount held in trust accounts by the Treasurer on behalf of various bodies, on which amount interest is paid, was $20 800 000. Amounts held by the Treasurer on behalf of the Commonwealth Government and other bodies and upon which no interest is paid amounted to $24 400 000. So, that gives the State, in total, trust funds amounting to $45 200 000. So, we have substantial trust moneys that the Treasurer could use. He has not used them until now, but they were used on one occasion by a previous Government, which was severely criticised for doing so.

We have about $25 000 000 in the Revenue Account reserve that we can use. Then, there are the floating moneys that the State has; I refer to cheques outstanding amounting to $24 000 000. So, the State has a huge revolving fund that I believe the Treasurer can use in this period. Although I hope he does not have to use the facilities provided under this Bill, I believe he can use the various moneys he has at his disposal. In the Revenue Budget presented to this House, of the income of $1 051 000 000, $422 000 000 will be contributed to the State this financial year by the Australian Government under various agreements. There will be $1 400 000 under the Financial Agreement, and the bulk of the moneys, amounting to $376 300 000, comes under the Financial Assistance Agreement. The sum of $44 500 000 is recouped from the Australian National Railways Commission in connection with the non-metropolitan railways deficit. We know that at this stage we have not received any substantial amount in this area; the arrangement has only recently been ratified.

So, the State's finances are in a slightly delicate situation, particularly when we realise that more than 40 per cent comprises direct financial assistance from the Australian Government. Another contribution ($275 000 000) comes from direct taxes. About $134 000 000 relates to recoveries of fees, earnings, and recoups. These moneys will be coming into the Treasury. I therefore wonder whether the Treasurer is panicking a little and whether it is necessary to take this step in asking Parliament to give him what could be an open cheque. It was encouraging to find in the Treasurer's second reading explanation the following statement:

> The powers proposed to be granted to the Treasurer are, by this Bill, only available until February 29 next. If the present situation still obtains on that day, Parliament may be asked to review the situation during the February sitting.

This indicates that Parliament will resume its sitting in February, 1976.

Mr. Millhouse: We already know that.

Mr. BECKER: I have previously heard statements about when Parliament is prorogued to a certain date, and that does not always happen. There is no guarantee—

Mr. Millhouse: It is not a prorogation.

Mr. BECKER: It is not a prorogation; Parliament will resume after an adjournment, but without this information there is no guarantee that we will come back in February, and this information is one benefit we are obtaining from the Bill. Like the Leader, I should not want to see the State suffer from something that happened in another place. However, I am fearful that this power in the hands of an irresponsible person could be used to obtain trust funds and State revenue, in order to prop up another Government elsewhere in Australia. This could be done to get that Government off the hook.

Mr. Millhouse: The Government is not on the hook; I think it is the Liberal Party that is on the hook.

Mr. BECKER: I do not think our Party is in any trouble at all. It is a matter of whether people with principles are willing to acknowledge their principles or whether they are willing to adopt a dictatorial stand, but that is

nowhere mentioned in this Bill. We are giving the Treasurer a free hand with substantial financial reserves of the State. At the end of October, including reserve accounts, trust accounts and other floating moneys, the sum involved totals about $140 000 000.

As the Treasurer has stated, South Australia is presently in a sound financial position, and we cannot deny that. I am loath to give this authority not knowing that we will have a constant check on these transactions. I should be happy if we had a monthly report, and if we knew what funds were being sought, whence they were being sought, the rate of interest involved, and what the funds were being used for. In that way, as custodians of the taxpayers' funds, we would be placing the correct emphasis on the matter and providing protection for those funds. We are completely in the hands of the Treasurer, and I believe that this move will be used for none other than political purposes.

Mr. MILLHOUSE (Mitcham): I am bemused by the speech of the Leader of the Opposition and of his henchman, the member for Hanson, in this debate. I suspect that they had rather stronger things ready to say but you, by your direction at the beginning of the debate, Mr. Speaker, rather knocked the props from under what they intended. The Leader did manage to get out the phrase "stubborn pigheadedness" and tried to apply that to the Prime Minister. While I do not want to defend the Prime Minister on this matter or on anything else, the description fits on this occasion the Leader's Commonwealth colleague rather better than it fits the Prime Minister.

The SPEAKER: Order! I must remind the honourable member of the terms I laid down concerning this debate which have been upheld by all previous speakers. Therefore, I must call the honourable member back to the discussion within the framework of this Bill.

Mr. MILLHOUSE: With the utmost respect, Sir (I do not intend, and I certainly do not want, to do other than abide by Standing Orders), I do suggest that it is Standing Orders that must prevail as to what we can and cannot discuss in any debate. While I do not argue with the guidance that you have given us, I do suggest it is Standing Orders that are decisive rather than any direction that you may issue apart from that. I do point out to you, Sir, that in his second reading explanation the Treasurer had to refer to the reason for introducing the Bill; otherwise there would be no point in having a debate at all. I merely point that out. I do not intend to go into the matters in Canberra, tempting though that would be. I merely point out that it is impossible to debate this matter ignoring the reason for introducing the Bill. I cannot see why we have to do that. The Treasurer did not do it, so why should any other member have to do it? Having made that protest, [move to the next point I intend to make.

I am gratified that the Liberal Party is being wise enough not to oppose the Bill. When it was first announced, I was asked what the reaction of my Party would be to it, and I said that, provided the terms of the Bill were satisfactory, we would support it, because on this issue we regard what is happening in Canberra (the reasons for introducing the Bill) as scandalous and against all principle and, therefore, we would support the Government in trying to do the best for South Australia in an extremely difficult situation in which it has been put and in which the Commonwealth Government has been put by the actions of the Liberal Party and the Country Party in Canberra.

Conversely, when the Leader was asked what his attitude and that of his Party would be to such a measure as this, he said he would be no party to propping up a Government in Canberra that should go to the people, and the distinct impression that I got (as I think reporters got) from what he said was that his Party would be opposing the Bill. The scene (to use the current colloquialism) has changed in Canberra, and there has been a tremendous reaction against the stand taken by the members of the Leader's Party in Canberra since then.

1 suspect that the Leader is probably glad of the excuse not to canvass these matters through the direction that you, Sir, gave at the beginning of this debate. The Liberal Movement supports the Bill. I do not like the circumstances that have given rise to it. I do not like having to give powers of this kind to the Government, but there is in the present emergency (because that is what has been created by members of the Liberal Party and Country Party in Canberra) really no alternative for us.

Mr. Venning: Are you holding a brief for the Labor Party?

Mr. MILLHOUSE: No fear. I hold no brief for the Labor Government at all, but what has been done by the Liberal and Country Parties in Canberra in Opposition is quite unpardonable and is entirely without justification.

Mr. MATHWIN: I rise on a point of order, Mr. Speaker. Your ruling earlier was that the debate had to be kept away from activities in another place. I ask you, Sir, to enforce that ruling.

The SPEAKER: That is correct. For the benefit of the member for Mitcham, I quote Standing Order 154 as follows:

No member shall digress from the subject matter of any question under discussion—

and we are discussing this Bill—

and all imputations of improper motives, and all personal reflections on members shall be considered highly disorderly.

That is the complete Standing Order. The honourable member for Mitcham.

Mr. MILLHOUSE: Mr. Speaker, I appreciate what you have said. There is little else I need say in supporting the Bill, except this (and I mention it only because of the last part of that Standing Order which you read out): I am not reflecting on the motives of members here but I am reflecting strongly on the motives of their colleagues in Canberra.

The SPEAKER: But that is not the Bill we are discussing.

Mr. GOLDSWORTHY (Kavel): I am a little disappointed, but not surprised, at the speech of the member for Mitcham. As we have long become accustomed to in this House, his entire speech was given over to criticism of his former Party, the Liberal Party. Despite your strictures, Mr. Speaker, that you sought to place on the debate, the honourable member managed to vent some of his obvious spleen on his former colleagues. To put things straight, without going beyond—

The SPEAKER: Order! This cross-questioning and cross-firing is such that it is difficult to hear the Deputy Leader. The Deputy Leader.

Mr. GOLDSWORTHY: We must, however, get the facts straight. They are that, despite the amusement of the member for Mitcham, he came out immediately, when the Premier publicly announced this Bill and as the Liberal Movement has proved during this continuing wrangle, as the Labor Party's best friend. In this matter, the L.M. made no bones about saying that it intended to support the Bill. However, as one would reasonably

expect, the Leader of the Opposition said he was not at that stage prepared to support the Bill. That was a sensible attitude to take, because we were not quite clear what the Bill was all about, and what the reporters read into the remarks of the Leader of the Opposition is beside the point. The Leader was not prepared at that stage to give unqualified support to the Bill, whereas the member for Mitcham obviously was, and it ill behoves the honourable member, as he just has, to use such words as "scandalous" relating to the behaviour of Liberal Party members in Canberra and also the Country Party, when his own Commonwealth leader, back in July, advocated the very course which those people are adopting.

Mr. Millhouse: That is not true.

Mr. GOLDSWORTHY: We will leave that point now. but we are used to the L.M. having changes of heart as legislation is presented to the House on succeeding occasions. We will do the exercise some time in the future to see the number of times the Liberal Movement has had a change of heart because it thinks the political winds may blow favourably if it has such a change of heart. I do not intend to become involved in this political backbiting but we have had, as usual, the type of speech from the member for Mitcham that is given over entirely to criticising his former colleagues, and in such circumstances he is the best friend the Labor Party ever had.

Members interjecting:

Mr. GOLDSWORTHY: The member for Mitcham sets the tone.

The SPEAKER: Order! I must call the Deputy Leader back to the terms of the debate on this Bill. We are drifting away from it and are discussing personalities.

Mr. GOLDSWORTHY: We will pass that over. As I have pointed out, we have had a typical effort from the member for Mitcham. The Premier makes four points in his second reading explanation. The first is that this Bill is to minimise the effects of the financial impasse in the Commonwealth sphere as regards State funds, and he hopes to do this in two ways. First, he hopes to make good from available resources the short-fall; and, secondly, he hopes to borrow money. The second point that the Premier makes is that the finances in South Australia are at an all-time high. He makes much of this, as he did at the time of the Budget. What amazes me about the Premier's utterences on this matter is that we can go in two months from the depths of gloom to the height of financial boom in this State, and the whole key to this is the transfer of the non-metropolitan railways to the Commonwealth. That is what has given this temporary buoyancy to South Australia, but we all know that is a temporary situation and, despite what the Premier says, this buoyancy will be short lived in view of the financial trends occurring in this country as a result of the activities of his Commonwealth colleagues.

The third point he makes is that, by this Bill, the Government hopes to minimise hardship on the people of South Australia. It has a clause that indicates that the Premier hopes this will all be resolved by the prescribed day, February 29, 1976. We hope it will be concluded before then.

Dr. Tonkin: There may even be a general election.

Mr. GOLDSWORTHY: If one takes notice of the legalities of the situation, there is obviously only one solution—a general election. The Premier presages the possibility of a change of Government in Canberra in these terms:

> Whatever happens finally in Canberra, we will be paid by the Commonwealth Government . . . It is refreshing to see that he refers now to the Commonwealth Government, not the Australian Government—but that is really not germane to this argument. He continues:
>
> and, whatever Commonwealth Government is involved finally in decisions on this matter, it will have to pass appropriations in respect of its obligations that it has in relation to payments to this State.
>
> The only disadvantage that could accrue would be in terms of the interest to be paid on some of the funds that are borrowed. In the normal course of events, the State could proceed with appropriations from Canberra, and the State would not have to embark on a borrowing programme to prop up its services, so we could probably be involved in interest payments which normally we would not have to find. In these circumstances, obviously if this impasse continues, the State will be disadvantaged. It is difficult, in terms of the direction that you have given, Mr. Speaker, to the House, to go into that matter of the financial impasse. Be that as it may, we have examined the Bill in some detail and, unlike the members on our flank, after studying the Bill we realise it is sensible and will be in the interests of the people of the State if it is supported. For that reason—

Mr. Millhouse: Would you support your colleagues in Canberra in stopping the Budget?

The SPEAKER: Order!

Mr. GOLDSWORTHY: I have said all I intend to say about the remarks of the member for Mitcham. I have said more than is probably necessary to deal with his speech. We shall vote for this Bill for one reason, and one reason only, because we believe it is in the interests of the people of South Australia. The question why we are in this fix, as you have ruled, Mr. Speaker, is outside the scope of this debate. We could dispute your ruling but will not do so. The Opposition supports this Bill.

The SPEAKER: The honourable member could have tried to debate my ruling but I assure him it is well covered in Standing Orders.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—"Prescribed day."

Mr. GOLDSWORTHY: Why have the Premier and the Government settled on February 29 as the prescribed day?

The Hon. D. A. DUNSTAN (Premier and Treasurer): It was the thought by me and my advisers that, by that stage of proceedings, we would be likely to know what was going to happen.

Mr. GOLDSWORTHY: Does the Treasurer believe that the State could carry on until that time by obtaining finance from current funds or by borrowing?

The Hon. D. A. DUNSTAN: It is in respect of those areas in which Commonwealth funds are used together with State funds. I could not do that in cases where the Commonwealth simply uses the State as a channel for its own funds constitutionally without any contribution by the State. When Commonwealth and State funds are involved, I shall be able to advance enough money to cover the Commonwealth contribution until repayment occurs.

Mr. GOLDSWORTHY: This is an important matter. I should like to know, if possible, what areas would not be covered. What disruption will occur if this goes on for about that period of time?

The Hon. D. A. DUNSTAN: I cannot tell the honourable member that, as I have been trying to discover exactly with

which payments we would be faced with difficulty. I have not been able to establish that, and at this stage the Commonwealth Government is unable to tell me.

Mr. MILLHOUSE: One of the difficulties that the member for Kavel may be facing is the date, February 29. I point out to him that next year is a leap year. That may help him a little over his difficulty. Unless the member for Kavel wants us to come back to this place on Christmas Day, there is not much alternative that I can see to the authority to cope with this state of affairs until the end of February. It seems to me that he is making something out of absolutely nothing.

Mr. GOLDSWORTHY: I thank—

The ACTING CHAIRMAN: Order! I remind the Deputy Leader that he has already spoken on this clause three times, and that Standing Orders will not allow him to speak on it again.

Claused passed.

Clause 4—"Issue from Treasurer's advance."

Mr. COUMBE: This is the really important clause, as it provides that, if certain moneys that have been promised have not been received from the Commonwealth Government, the Treasurer may issue from the Treasurer's advance certain funds. Obviously, from my knowledge of the Act, he is prevented from doing so at present. Will the Treasurer refresh my memory regarding the present sum that he is permitted to advance in this manner, excluding money which would normally come from the Commonwealth Government and which he is seeking the right to use in this case? I am referring not to the Governor's Warrant but to the normal Treasurer's advance. If this Bill was not passed, how much money would be available from the advance that the Treasurer can normally make under the Act?

The Hon. D. A. DUNSTAN: I do not remember the figure offhand, although I do not think it is much. I do not think it makes very much difference to this debate, but I will obtain the figure for the honourable member.

Clause passed.

Clause 5—"Additional borrowing powers."

Mr. NANKIVELL: One of the extra costs that will be involved in this exercise is that of borrowing money. Normally, I understand this money is borrowed against funds expected to be received from the Australian Government which would normally not attract interest payments by the State. The State will be obliged to pay interest if it obtains money from any of the three alternative sources. Will the Treasurer say what sort of interest will have to be paid on the discounting of a Treasury bill? Also, what does he expect to pay for overdraft money and, if it is not asking too much, will the Treasurer say what the cost would be to the State of using trust money on which we would have to pay interest, although probably at a lesser rate than that payable on the money received under the other two categories? This is important, as it is one of the areas of extra expense in which we will be involved as a result of taking these steps of continuing our finances.

The Hon. D. A. DUNSTAN: I have not been instructed by the Under Treasurer of any particular rate of interest that may be available to us in respect of overdraft facilities from the Reserve Bank. I imagine that is because we are not at the stage of asking to borrow it. I expect to pay what is the Reserve Bank's overdraft interest rate, which I think is about 10½ or 11 per cent. Regarding the amount of trust funds, it is some time since I have refreshed my memory regarding the interest thereon. I agree with the honourable member that the rate was decidedly less than the overdraft interest rate.

Mr. GOLDSWORTHY: I take it the Premier really has no idea of what these interest payments could cost the State.

The Hon. D. A. Dunstan: I do not even know how much I will be borrowing.

Mr. GOLDSWORTHY: What concerns me is that in the Premier's previous answer he really had no idea of what disruption would be caused to the State and what areas would not be funded. Anyway, I ask the Premier the question. I do not direct it to the member for Mitcham, who also sought to give an explanation earlier that consisted of sneering at me and the Liberal Party.

Mr. Millhouse: Oh, no!

Mr. GOLDSWORTHY: I am seeking information from the Premier, and the member for Mitcham is never likely to become Premier. It is therefore inappropriate for him to answer the question.

The CHAIRMAN: Order! Will the honourable member confine himself to the clause?

Mr. GOLDSWORTHY: Really, the Government has no idea of what disruption could occur and what interest we could have to pay.

The Hon. D. A. DUNSTAN: At this stage I do not know how much we would be up for, but, looking at the areas in which we would expect Commonwealth Government payments in matters in which both Commonwealth and State Government funds are involved, the instruction I have from the Under Treasurer is that we are in a position to be able to provide enough money to cover, given the worst possible circumstances, during that period.

Mr. VENNING: Does the Treasurer expect any conflict between the State Government and the Commonwealth Government on money that he will be spending? Must he get approval from Canberra before any money is spent?

The Hon. D. A. DUNSTAN: No. It is in respect of those moneys that the Commonwealth Government is due to provide to us under either Statute or agreement.

Mr. BECKER: Can the Treasurer say what the priorities will be and whether the Treasury would use trust funds first and Reserve Bank overdraft next?

The Hon. D. A. DUNSTAN: Initially, we would look to use some trust fund money and some working balances (we have working balances apart from the trust funds), and after that we would look to Treasury bills or overdraft. If we required overdraft, we would go to the Reserve Bank. As the honourable member knows, the Reserve Bank's resources are considerable.

Clause passed.

Clause 6 and title passed.

Bill read a third time and passed.

ROAD MAINTENANCE (CONTRIBUTION) ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 28. Page 1468.)

Mr. RUSSACK (Gouger): The Liberal Party supports this Bill. I understand that all it does is rectify a mistake that occurred earlier this year when the Road Maintenance (Contribution) Act was amended. If my memory serves me correctly, the rate was one-third of one penny a ton-mile,

and, with the change to decimal currency, the amount was changed to five-eighteenths of lc a ton-mile. In the amendment earlier this year, the Bill was passed containing a provision for .017 of 1c a tonne-kilometre, and it should have been .17 of 1c a tonne-kilometre. I understand that this rate is as near as practicable to the rate that always has applied in the Act.

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

ADJOURNMENT

The Hon. J. D. CORCORAN (Deputy Premier) moved:

That the House do now adjourn.

Mr. SLATER (Gilles): I desire to draw to the attention of the House the matter of landlord and tenant relationships. I know that the Government intends to introduce legislation at the earliest possible opportunity to provide consumer protection in this area, and I consider that this kind of legislation is long overdue. In a country that has had an extraordinary amount of house ownership, the interests of private tenants have been somewhat neglected. However, the recent increasing costs of houses and land have led to many Australians renting premises rather than being able to purchase a house, and private tenants as a group often tend to occupy the lower rungs of the socio-economic ladder.

Tenants who usually are most disadvantaged are deserted wives with children, minimum wage earners with children, and so on, and this type of tenant is particularly vulnerable to the pressures of the landlord or owner and of the agent for the flat premises.

Of course, the waiting list for Housing Trust rental accommodation only adds to the problem. Tenants can be pressured to leave their premises, sometimes with the threat of eviction. Often, if they are pressured sufficiently or evicted, the process of finding other accommodation can be expensive and disruptive to them, and the finding of suitable accommodation in a short time can be extremely difficult. Recent trends have shown that substantial rental increases have made it additionally difficult for tenants to obtain accommodation at a rental they can afford. I will now refer to a publication called *A Guide for the Forgotten Citizen* (which also has on the front cover "Tenant's Handbook"). This publication is distributed through the South Australian Council for Social Service, and in its introduction it states:

Tenants' rights at present are few and far between. Any rights they do have only delay the end—eviction. A landlord, given time, can always get you out if he wants to.

The publication gives a general outline of what limited rights tenants have at present. I am indebted to the member for Murray for the publication, which I noticed on his desk one afternoon, and he was kind enough to allow me to borrow it. It is well to remember that house buyers are favoured compared to tenants, because at present in certain circumstances loans from the State Bank, for example, are available if a person's income is below a certain level, thereby allowing him to borrow money at a concessional interest rate. Only recently, house buyers were in certain circumstances also given taxation deductions on house loan interest payments. This deduction is not available to tenants and, therefore, they are discriminated against as a group. Often this disadvantaged group of tenants tends to be less articulate and influential, and private tenants have not developed any collective identity. As the law relating to landlord and tenant relationships has remained something of a *laissez faire* situation, the present situation calls for legislative action to protect the tenant section of the community against exploitation.

I do not think that all landlords are rapacious, nor do I think that all tenants are knights in shining armour, but some landlords take advantage of the present situation. I see tenants personally, as a member to whom complaints are made, because many tenants of rented houses and flats live in my area. Four basic aspects of this matter need to be considered. The fust of these relates to rent payments. Although the owner is entitled to a reasonable return for his capital investment, in the present housing situation it is easy for an unscrupulous owner to squeeze his tenants financially as much as possible, and the tenant's bargaining position is extremely weak. In any legislative action, it would be necessary in any rent dispute to involve an authority such as the Prices and Consumer Affairs Branch and for the tenant to be protected against any reprisal the landlord might take.

The second aspect is repairs to and maintenance of premises. Often tenants wait in vain for repairs to be effected, and some of them often do repairs that are the landlord's responsibility. It should be borne in mind that the Housing Improvement Act gives some assistance in relation to substandard accommodation and provides for the fixing of rent and for repairs to be effected. However, many tenants are unaware of the Act and, even if they are aware, often are reluctant to take any action because of fear of reprisal on the landlord's part. It is necessary for adequate protection to be afforded tenants who exercise their rights without their being placed in a situation of being fearful of eviction or having other action taken against them.

The third matter is the question of eviction. Tenants are frequently afraid to complain on certain matters affecting their welfare in case they find themselves on the street. The law in relation to eviction should allow a certain period to elapse for tenants to find other suitable accommodation. The final basic problem existing at present is in relation to the extra hidden costs of tenancy: key money, bond money, and so on, and the practice of charging tenants for the preparation of standard lease documents.

The most significant abuse is in the case of bond money, which is often retained by the landlord without justification. Amounts being sought at present are often large sums (I understand in some cases it is $200), and this often places the tenant in a difficult financial situation. The people involved are usually persons on the lower socio-economic scale. I trust that the Minister for Prices and Consumer Affairs will soon introduce a Bill on landlord and tenant relationships and that he will consider the matters I have raised so that adequate consumer protection will be afforded those sections of the community.

Mr. GOLDSWORTHY (Kavel): I wish to raise three matters in this grievance debate. The first, which overlaps into the Commonwealth sphere, relates to the closing of small polling places in rural districts. This would not be near or dear to the heart of Government members, because no Government member now, with the possible exception of the member for Stuart, the only Government member who represents a slab of rural land—

Mr. Mathwin: What about the member for Pirie?

Mr. GOLDSWORTHY: I am sorry. I had overlooked the member for Pirie. When one considers the size of the other rural districts, those areas are relatively insignificant. The Speaker, of course, is not a member of the Government.

Mr. Max Brown: What about the pig industry in Whyalla?

Mr. GOLDSWORTHY: I am talking of members who represent large tracts of land in districts where polling places are likely to be closed. The Commonwealth

Government has seen fit to close four polling places in my district. I understand from the member for Frome and the member for Mallee that some of the far-flung polling places in their districts have been closed for Commonwealth elections. Inquiries I have made from the State Electoral Department indicate that no proposal exists at the moment to close such polling places for State elections, and I hope that will continue to be the case, because I have been approached by people from one such area. The places I have mentioned are Stonefield, Towitta, Sanderston, and Cromer. The greatest disadvantage would accrue to Stonefield, and then to the others. I have been informed by residents of Stonefield that considerable hardship will be caused in their case. The criterion used by the Commonwealth Government is that 50 people must vote at the polling place, but what sort of criterion is that? These people must now travel long distances to either Truro or Blanchetown, and this will cause them considerable difficulty and hardship. So, it is unrealistic for that criterion to be applied. It is not surprising, however, because we know the Australian Government's attitude to country people. I hope that the State Government does not follow suit. Indeed, I hope it approaches the Commonwealth Government to get this decision reversed. The people to whom I spoke at the Electoral Department are aware of the difficulties in these areas. As a result of correspondence, I wrote to the Commonwealth Returning Officer in Murray Bridge, who replied that these closures had been gazetted in the September *Gazette.* So, it was a *fait accompli,* and I was wasting my time writing to him. When I approached the State Electoral Department to see whether the State intended to do likewise, I was heartened to hear that there was no proposal emanating from that office to close these booths.

I know that, when there is a Bill before the House, departmental officers read the *Hansard* record of the debate, and I know that action sometimes results from remarks made in this House. I hope the Government has arranged for Government officers to read the *Hansard* record of grievance debates, during which important matters are raised, so that action can be taken. I now turn to a subject that is not new to this House—the impact of land tax on rural people. Today I received a letter from people whom I know personally. I can therefore say that they are genuine and have been farming all their lives. I have a copy of correspondence that they sent to appropriate people.

Mr. Keneally: Who determines rural land values?

Mr. GOLDSWORTHY: The Valuation Department.

Mr. Keneally: On what basis?

Mr. GOLDSWORTHY: On the basis of recent sales, usually. Sometimes the answer to taxation problems is to sell up and let someone else take over the property. In this way genuine rural producers are pushed off, and properties become the playground of the wealthy, who are the only ones who can afford to live there, because they must have some other means of income. The person to whom I referred wrote the following letter to the Commissioner of Land Tax:

> Notice for payment of land tax was received recently. Unfortunately we are not in a position to pay the exorbitant amount levied on this property. Low prices for wool, sheep and cattle, our only source of income, are a factor in our inability to pay. However, the main reason is the unjustly high amount of tax—from $453 last year to $1 892 this year, thus more than quadrupling last year's payments.
>
> This discriminatory tax is based on the wrongful assumption that this property is in the "big" category. As one of several local properties which were soldier-settlement blocks after the First World War, this particular property was made twice the size of neighbouring properties, because it was considered that the extra size was needed for a living.
>
> A series of holders of this property left disillusioned, after unsuccessfully trying to make a living, bears testimony to the fact that this is not a "big" property. Only about 69 hectares have been added to the original holding. For the past 20 years the property has been run by two families (the writer of this letter and his brother)—

I know both of them, one being a soldier settler from the Second World War—

> neither of whom is in the big income bracket, and profits have been insignificant—so insignificant, in fact, that much-needed replacement of fences, buildings, water storages, etc., could not be carried out. Faced with the problem of paying tax from non-existent profits, and non-existent investments outside of the property, our position could very soon become untenable.
>
> If the reason for placing the burdens of taxation on a small section of the community is to force them off the land, it will surely succeed. As the full amount of tax cannot be met, I ask that at least a year's grace be given. Some tax will be paid under protest by December 12, 1975. I also ask that the balance unpaid be not subject to the 5 per cent fine because of the hardship caused.

There is also a letter to the Hon. Mr. Chatterton which I shall not read. I know these people are genuine and what their income is likely to be, knowing the size of the property. Two families have lived on this place, and I know what would be the impact of a bill of $1 800 or $1 900 a year on that property.

The Hon. R. G. Payne: What sort of a property is it?

Mr. GOLDSWORTHY: Grazing—sheep and cattle; that is all it is. This tax goes on, no matter whether it is a good season or a bad season, whether the prices are low or high. The property is at Mount Crawford, out from Mount Pleasant. It is in high price country. I could cite other cases of the effect of the valuation, because some people with money will go out into these areas and pay fancy prices, even for a small parcel of land. Neighbouring properties, where people have been making a living for two generations, are affected by this valuation. The same valuation a hectare is applied to their property.

Some of the valuers are young and are not sympathetic. This is a matter of some seriousness. If we want to change the whole face of our rural community, let this go on. If we do not, some method must be devised whereby these valuations can be made more realistic in terms of the productive value of the land. There is a third matter I intended to raise but time will not permit me to. I have raised two matters affecting people in my district. The first related to the location of polling booths. Secondly, I am concerned about these two families. I trust that someone in a Government department reads these debates, and that action can be taken.

The SPEAKER: Order! The honourable member's time has expired.

Mr. OLSON (Semaphore): I take the opportunity in this adjournment debate, in view of the brickbats thrown at the Government from time to time, to offer a word of praise as it affects a certain circumstance in my district. Before the last State election held on July 12, 1975, legislation was introduced into the South Australian Parliament to permit the Commonwealth to take over the non-metropolitan rail services. Members opposite were disturbed and acted as prophets of doom, even though the State was to benefit immediately to the extent of some $32 000 000. People in the two Labor-held States of South Australia and Tasmania, where the State Governments had declared in favour of the proposal, supported the Commonwealth plan.

This view was substantiated on August 11, following the conducting of a Gallup poll, which showed that in South Australia 57 per cent of the people favoured a Commonwealth takeover of the railways and were particularly interested because of the recent State election, which had been precipitated by this issue and which had resulted in Labor being returned to power in this State. It quotes comments by people favouring a Commonwealth takeover. These are some of the comments that were published, giving the reason why people voted as they did: first, that the railways were in a financial mess and needed Commonwealth support. That is not a reflection on the State. Secondly, we should have a standard rail service (there is no need for a unified gauge) and, thirdly, as we could well expect, the Liberals would not agree, for political purposes. In addition to a financial gain to the State, there are other things which will flow from the transfer of the railways and which will be of benefit to South Australia. This relates to my district. I now refer to publication No. 88 of *Keeping Track,* issued recently by the South Australian Railways.

The Australian Government will agree to construct and operate a rail connection in the container terminal at Outer Harbor at a cost of $600 000. The length of the new track involved is 4.5 kilometres, and it is anticipated that work will be completed in March, 1976. In addition, the Marine and Harbors Department is preparing earthworks for a broad gauge rail connection from Osborne to the new Outer Harbor container terminal. The same rail spur would be used for servicing other berths in the area, and any future fertiliser industry. Long-term mixed gauge access to the terminal has also been investigated and found to be a practical possibility. The cost, however, is vastly greater than for broad-gauge, as the operation of broad-gauge passenger trains necessitates the laying of a separate track from Port Adelaide to Draper, or the construction of a new bridge over the Port River in the Birkenhead area.

The Bureau of Transport Economics is still studying the best solution, and it is unlikely that either of these schemes will be implemented unless the volume of standard-gauge traffic reaches major proportions. However, there is ample space for future development. The container terminal at Outer Harbor intends to construct up to a total of 10 berths for cellular container ships at Pelican Point. The object of the project is to encourage container vessels to use South Australian harbor facilities instead of adding to the overcrowding problem in the ports of Melbourne and Sydney.

There would be advantages to this State, in that earlier deliveries of materials for local consumption could be achieved, and activity would be promoted at the harbor. This has aroused interest in Federal Government circles as being a possible area for national savings. Sea-freighted containers would be sorted in the South Australian terminal, and distributed by rail standard-gauge eastward to Sydney and Brisbane, westward to Perth, and by rail broad-gauge to Melbourne. This appears to have major advantages over a Fremantle-based operation, where all containers would travel rail standard-gauge as far as Port Pirie, before splitting off in various directions.

One cannot look forward other than with enthusiasm and confidence to such a scheme, and one must congratulate the Australian and State Labor Governments on their actions in these matters.

Mr. BECKER (Hanson): I should like to raise two points. I refer, first, to the attitude of the Labour and Industry Department, which concerns me greatly. One of my constituents complained to me on Friday that he had worked for a wellknown South Australian firm involved in real estate, particularly in the letting field. Having terminated his employment some time ago, he asked for his leave payments and money due to him. However, the company declined to give him the money when he left his employment. Since then he has been trying to obtain the payment of about $900. What concerns me is that he went to the State Labour and Industry Department to obtain the money due from his employer, and the department asked whether he was a member of a union and whether he had been to the union. He said he was not a member, and the department refused to assist him.

We have had previous complaints by people who cannot obtain employment because they are not members of a union. There are many fields where the closed shop does not exist, but this taxpayer has been seeking assistance from the department and it has been denied because he is not a member of a union. The people are becoming confused and confounded about the benefits available from the State and about the situation regarding unionism. I know that in this State unionism is not compulsory, and there is a right for the employer if he wants to exercise it.

Particularly, we find the State Government and some industries insisting on compulsory unionism or the closed shop situation, but, at the same time, citizens have a right in the community, and it is a disgrace that this person has been refused assistance by a State Government department when he needs the money. To make matters worse, he is due to be married within the next week and naturally he is looking forward to his severance pay. This is an area in which the citizens are not protected, and this man is having much difficulty. I am extremely disappointed that the department has refused him assistance.

The Hon. J. D. Wright: Do you intend to name him so we can follow it up?

Mr. BECKER: I will follow up the whole thing within the next day or so. I will contact the department, but I do not believe that anyone should be refused assistance, and I find it extremely strange that he should be asked whether he was a member of a union. If a person comes to me for assistance, I do not ask whether he is a member of the Party or how he voted. People come to me as the elected member in that district, and I do not cross-examine them. I did not do it in my employment as a banker.

The Hon. J. D. Wright: You are going to look silly over this, you know, because it is not true.

Mr. BECKER: The Minister does not know what I am talking about. He has just come into the Chamber.

The SPEAKER: Order! The time for the grievance debate has expired.

Motion carried.

At 9.49 p.m. the House adjourned until Wednesday, November 5, at 2 p.m.