

LEGISLATIVE COUNCIL

Tuesday, September 14, 1971

The Council assembled at 2.15 p.m.

APPOINTMENT OF DEPUTY PRESIDENT

The Clerk having announced that, owing to the unavoidable absence of the President, it would be necessary to appoint a Deputy President,

The Hon. A. F. KNEEBONE (Minister of Lands) moved:

That the Hon. Sir Arthur Rymill be appointed to the position.

The Hon. R. C. DeGARIS (Leader of the Opposition) seconded the motion.

Motion carried.

The Deputy President took the Chair and read prayers.

QUESTIONS

ATOMIC FALL-OUT

The Hon. R. C. DeGARIS: Has the Minister of Lands, as the Acting Leader of the Government in this Council, a reply to a question I asked recently regarding the possible effect on reservoirs of atomic fall-out?

The Hon. A. F. KNEEBONE: The Engineering and Water Supply Department commenced routine testing of water in the reservoirs serving the Adelaide metropolitan area for radioactivity in November, 1968. The level of activity has not exceeded 20 *pico curies* a litre and has averaged only 4 *pico curies* a litre. This level is regarded as negligible in relation to the upper limit set by the international convention of 1,000 *pico curies* a litre. Assessments have been made every six months, the latest being made in July, 1971. Details of fall-out monitoring in Australia from French nuclear weapons have been published by the Atomic Weapons Tests Safety Committee in a special report covering the period May to August, 1970. A copy of this report is in the Parliamentary Library.

HOSPITAL FIRE CONTROL

The Hon. V. G. SPRINGETT: On August 10 I asked a question of the Chief Secretary regarding fire control measures in hospitals in this State. Has the Minister of Lands a further reply to this question?

The Hon. A. F. KNEEBONE: Little can be added to my previous reply to the honourable member as the "small hospitals that are not public hospitals" are autonomous bodies over which the Government has no control,

except from the point of view of licensing as hospitals and nursing homes. If the normal requirements covering building structure, equipment and maintenance of the hospital were adequate, and this would include normal fire precaution equipment, there would be no reason to withhold a licence. The management of each hospital or nursing home is responsible for its fire safety measures and the ordering of such fire drill as may be considered necessary for the staff, but as far as is known there are no regulations that control this. The safety regulations of the Department of Labour and Industry cover only such work areas as shops, warehouses, factories, and offices, and hospitals would not be included within these definitions. It has been ascertained also that the Fire Brigades Board has no legislative authority covering the need for instruction of staff in fire drill and evacuation procedures in the event of fire in any hospital or nursing home. As stated previously, the responsibility in this regard rests with the management of each hospital or nursing home.

TON MILE TAX

The Hon. A. M. WHYTE: Has the Minister of Lands a reply to the question I asked on August 31 regarding the inquiry committee on ton mile tax?

The Hon. A. F. KNEEBONE: My colleague reports:

The members of the committee of inquiry investigating the Road Maintenance (Contribution) Act are as follows: Mr. J. C. Adams, Chairman of the Committee and Collector of Road Charges, Highways Department; Mr. D. E. Byrne, Assistant Auditor General and member, Transport Control Board; Mr. A. R. Bishop, Solicitor, Crown Law Department; Mr. J. A. Crawford, executive member of the Chamber of Automotive Industries of S.A., and Managing Director of Commercial Motor Vehicles; and Mr. R. Chown, management committee member of the S.A. Road Transport Association and Accountant/Secretary of LeMessurier Transport Pty. Ltd.

The Hon. A. M. WHYTE: I seek leave to make a short statement prior to asking a further question of the Minister of Lands.

Leave granted.

The Hon. A. M. WHYTE: The Minister has said that evidence will not be taken by the committee of inquiry conducting investigations in country areas. From the Minister's reply, I noticed that country hauliers are not truly represented on this committee. This seems inadequate, especially as evidence will not be taken in the country, since most of the people in many of our far-flung areas, particularly on Eyre Peninsula, will be affected

greatly by this obnoxious tax. Will the Minister of Lands take up with the Minister of Roads and Transport the possibility of evidence being taken in the country or of a country representative being appointed to the committee?

The Hon. A. F. KNEEBONE: I do not know the composition of the South Australian Road Transport Association which, I should think, would cover the whole State. Mr. Rex Chown, who is a member of the committee, is also a management committee member of the South Australian Road Transport Association, and I should have thought he would represent not only city interests but also country interests. I shall be happy, in addition to what I have said today, to convey to my colleague the honourable member's question regarding the taking of evidence in country districts.

DINGO BAITING

The Hon. D. H. L. BANFIELD: In this morning's press is a report in which Mr. R. P. Lang, a director of Desert-Trek Pty. Ltd., a firm which runs tourist safaris, criticizes the Lands Department for what he claims is a mistaken control of the dingo menace with the poison 1080. Mr. Lang claims that this poison is wiping out valuable wild life. Can the Minister inform us of the position?

The Hon. A. F. KNEEBONE: I noticed the report in this morning's paper, and I thought someone would ask a question concerning it, so I have prepared a reply. It must be realized that the pastoral industries, both cattle and sheep, cannot function successfully without action being taken against predators, and of these the dingo is the most serious to the industry and costly to the Government. In taking steps to control the numbers of these predators, however, the Department of Lands is ever mindful of the necessity of conserving natural fauna, and every precaution is taken to minimize destruction of non-target native animals. In order to achieve the desired results, therefore, it is incumbent upon the department to be up to date with the latest control methods and to conduct trials to test their efficiency. In the past dingo baiting campaigns have been an annually accepted event in which hundreds of thousands of baits have been dropped from the air over the pastoral areas. My department has not been entirely happy with such regular and widespread poisonings and has sought an alternative method in the hope of reducing the frequency of the baitings and replacing the

aerial baitings with a more restricted distribution of baits from the ground.

The newspaper article implied that the poisoning with 1080 was indiscriminate, but this is certainly not the case. The exercise was an experimental poisoning, restricted to portions of three properties in the far north-east of the State, and the outcome will be studied carefully before any future policy is decided. This experiment was carried out only after a careful evaluation of the technique which has been used extensively in Queensland over the past three years. It was conducted so recently that it is not yet possible for any effect on wild life to be measured. The objective of the experiment is to find a method of dingo control which will result in reduced calf losses and, at the same time, reduce the frequency and the amount of poison used. The alternative is to revert to regular annual aerial dropping of baits, a practice which the department agrees is not in the interests of conservation.

FLOODING

The Hon. M. B. DAWKINS: On August 31 and September 1, I asked questions about the dangerous situation that had occurred as a result of the flooding of the South Para and Gawler Rivers in the low-lying areas of Gawler and Virginia. Has the Minister of Agriculture a reply to those questions?

The Hon. T. M. CASEY: My colleague, the Minister of Works, has furnished me with the following information:

Flooding in the Gawler River was due to the combined flows of water coming from the North Para River, which is uncontrolled, and the South Para River, on which the department has a major storage. On Saturday night, there was a capacity for some 500,000,000gall. in the reservoir and there was no indication of very large flows arriving. It might be noted that the rainfall at both the South Para and the Warren reservoirs for the day was about 1in. It was not known that nearly 3in. had fallen in the catchment at Mount Crawford. On the other hand, no action of any real effect could have been taken had this information been available. During Sunday the reservoir keeper at South Para (it was on his authority that the gates were opened) operated the gates maintaining the reservoir at full storage, and there was some overflow over the gates until early afternoon. The maximum flood passed the dam at midday and was probably slightly reduced by ponding in the dam and by operating the diversion tunnel to the Barossa reservoir at maximum capacity. At the time of maximum flow 14 gates were open. This was essential to protect the reservoir, but it did not contribute to the flood peak, because the storm flow would have passed over the gates

if they had not been held open. The police at Gawler were notified of the approaching flood condition between 8 a.m. and 9 a.m. on Sunday. No compensation will be payable by the Engineering and Water Supply Department to those people who have suffered losses. If primary producers are affected, they may make such claims as they wish under the Primary Producers Emergency Assistance Act, 1967.

The Hon. H. K. KEMP: I am not quite sure of the procedure, Mr. Deputy President, but I wish to question the fact of the reply given by the Minister of Agriculture. By chance, a statement of what happened on the morning in question has come into my hands. May I present it to the Council?

The DEPUTY PRESIDENT: I think the honourable member will have to put it in the form of a question—such as, “Is the Minister aware ...”

The Hon. H. K. KEMP: Thank you, Mr. Deputy President. Your direction is accepted. I therefore seek leave to make a statement prior to directing a question to the Minister of Agriculture.

Leave granted.

The Hon. H. K. KEMP: I wish to quote portion of a letter that came into my hands by chance this morning. The letter says that two gardeners—

drove up to the reservoir the morning of the Gawler flood and were amazed to find water pouring over the top of everything and no-one about. After a while a car load of chaps drove up and, when they saw what was happening, opened everything they could. “Panic all round.” When the gardeners said “Remember 1963”, they said “We have to save the flood gates, bad luck”, or words to that effect.

In view of that, will the Minister say whether he is willing to accept the statement of an eye-witness that this flood was man-made instead of what he has been told by official sources?

The Hon. T. M. CASEY: I will refer the honourable member's question to the Minister of Works under whose jurisdiction, and not mine, this matter comes. I hope the honourable member does not direct the question to me specifically.

The Hon. H. K. Kemp: I do not.

The Hon. T. M. CASEY: I will refer the question to my colleague, who will no doubt reply in due course.

HOSPITAL SECURITY

The Hon. V. G. SPRINGETT: I seek leave to make a short explanation prior to asking a question of the Minister of Lands.

Leave granted.

The Hon. V. G. SPRINGETT: A few days ago there appeared in the press reference to the escape from the Glenside Hospital of a mentally defective criminal. It was emphasized that he was a trusty prisoner in the high security ward of the hospital. The article stated that “apparently, he walked out of the hospital at 8 a.m. yesterday morning”. Since he is a high security risk and he just walked out of the hospital, according to this article, can the Minister tell me what constitutes “high security” in this hospital?

The Hon. A. F. KNEEBONE: Because this matter has some significance, I prefer that the honourable member wait until I get a considered statement to give him in reply to his question.

SHIPPING

The Hon. H. K. KEMP: I understand the Minister of Lands has an answer to a question I asked about shipping on July 21.

The Hon. A. F. KNEEBONE: The Premier has received the following information from the Commonwealth Minister for Shipping and Transport:

In order to equate the cost of building in Australia with that in the United Kingdom, the Commonwealth provides financial assistance towards the construction of vessels in recognized shipyards. This assistance is granted for vessels over 200 gross tons which are to be used on the Australian coast or inland waterways. Vessels intended for the overseas trades do not receive subsidy. However, Australian shipowners are at liberty to take advantage of the lower cost of building overseas for these types of vessel. You will know that the Tariff Board has completed an inquiry into the Australian shipbuilding industry. Its report has not yet been considered by the Government and I am unable, therefore, to predict whether any changes will be made to existing policy that could have a bearing on the matter. In the circumstances, there seems little advantage at this stage of pursuing the suggestion that subsidy should be extended to vessels built for the overseas trades.

On the question of competition with the conference lines, the Government's primary concern in the overseas trades is to ensure that Australian exporters are provided with adequate, economic and efficient shipping services. The Government believes that this can best be achieved by support of properly conducted closed shipping conferences. The advantages of this system, of course, are the avoidance of costly overtonnaging and the provision of co-ordinated services. From the shipowners' point of view, planned investment in ships and shipping facilities is possible. With closed shipping conferences, the lines obtain a monopoly of the trade. The Government recognizes the dangers of this, and has created safeguards within the Trade Practices Act. Furthermore, one of the

reasons for the entry of the Australian National Line into overseas trades has been to ensure that the Government is informed on the conduct of the principal overseas conferences. It is now in a better position to assess the adequacy, efficiency and economy of Australia's overseas shipping services.

WEEDS

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

Leave granted.

The Hon. R. A. GEDDES: Can the Minister say whether the Government is planning to amend the Weeds Act to remove from councils the authority for administering that Act and instead to appoint a noxious weed board (or noxious weed boards) to administer the Act?

The Hon. T. M. CASEY: Not at this stage.

CLOSURE OF SCHOOLS

The Hon. M. B. DAWKINS: Has the Minister of Agriculture obtained from the Minister of Education a reply to my recent question about the closure of some country schools and the alternative transport arrangements that are needed?

The Hon. T. M. CASEY: My colleague reports:

The schools which are to be closed at the end of the 1971 school year and the receiving schools are as follows:

- Warnertown to Airdale (Port Pirie)
- Pirie East to Airdale (Port Pirie)
- Wandearah East to Airdale (Port Pirie)
- Nurrom to Airdale (Port Pirie)
- Binnun to Frances
- Wall Flat to Mypolonga
- Merriton to Crystal Brook
- Hatherleigh to Millicent South
- Avon to Balaklava
- Pinery to Balaklava
- Hoyleton to Balaklava
- Cherryville to Stradbroke
- Coobowie to Yorketown
- Cunliffe to Kadina
- Brentwood to Minlaton
- Telowie Creek to Port Germein
- Willalo to Booborowie
- Wilton to Angaston
- Whyte-Yarcowie to Jamestown
- Stockwell to Nuriootpa
- Hilltown to Clare
- Pine Point to Ardrossan
- Dublin to Mallala
- Windsor to Mallala

Detailed transport arrangements are not complete. The Education Department's Transport Officer is in the process of contacting schools and bus contractors to call tenders and to arrange contracts which will be satisfactory to parents. Final arrangements will not be concluded for some time.

AGRICULTURE DEPARTMENT

The Hon. C. R. STORY: Has the Minister of Agriculture a reply to the question I asked on August 26 regarding the use by the Agriculture Department of Struan House in the South-East?

The Hon. T. M. CASEY: I am informed by the Public Buildings Department that \$85,000 has been provided for the renovation of the ground floor of Struan House for the provision of office accommodation for Agriculture Department officers now located in Naracoorte. The work planned also includes treatment of salt damp in the buildings, complete re-wiring to Electricity Trust specifications, and attention to existing plumbing so that, when the second stage of renovation is undertaken to provide residential facilities, expensive operations in the plumbing area will be avoided.

It is intended to put the work in hand for treatment of the salt damp condition in about one month, while tenders for the remainder of the presently approved work are planned to be called in next February. Renovations of the ground floor should then begin in May and be completed in August, 1972.

WOOL SUBSIDY

The Hon. A. M. WHYTE: On August 18 I asked the Minister of Agriculture whether he would outline details of the formula to be applied in relation to the wool subsidy scheme. Has he now a reply?

The Hon. T. M. CASEY: Following the honourable member's inquiry I wrote, as promised, to the Commonwealth Minister for Primary Industry (Hon. Ian Sinclair) seeking details of the Commonwealth Government's scheme for wool deficiency payments. I have received a reply from Mr. Sinclair in which he states that the finer details of the scheme are still being decided preparatory to the introduction of appropriate legislation into the Commonwealth Parliament. Meanwhile, however, I have been furnished with copies of the Minister's statement in the House of Representatives on August 20 regarding the general basis of the scheme and of a press statement that he released subsequently. I shall be happy to make these available to the honourable member if he so desires.

ABATTOIRS

The Hon. R. C. DeGARIS: Has the Minister of Agriculture a reply to the question I asked on September 2 regarding the Gepps Cross abattoirs?

The Hon. T. M. CASEY: I have been informed by the Metropolitan and Export Abattoirs Board that, based on existing wage and salary rates, a detailed estimate compiled on July 11, 1971, calculated the total wages, salaries and board fees for 1971-72 as \$6,365,000. On that basis, the additional cost of pay-roll tax at the State level as opposed to the Commonwealth level will be \$63,650.

AUDITOR-GENERAL'S REPORT

The DEPUTY PRESIDENT laid on the table the Auditor-General's Report for the financial year ended June 30, 1971.

LEAVE OF ABSENCE: HON. F. J. POTTER

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

That one week's leave of absence be granted to the Hon. F. J. Potter on account of absence overseas.

Motion carried.

LAND TAX ACT AMENDMENT BILL (REASSESSMENT)

Adjourned debate on second reading.

(Continued from September 2. Page 1333.)

The Hon. R. C. DeGARIS (Leader of the Opposition): I support the Bill, and I see no reason why there should be any delay in its passage through this Chamber. I questioned whether a Bill was necessary to enable a change in the assessment to be made, but apparently the Government has been advised that a Bill is necessary. Section 20 of the principal Act states:

The Commissioner shall, as of the first day of July, 1940, and as of the first day of July in every fifth year thereafter, make an assessment of the unimproved value expressed in pounds of Australian currency of all land liable to land tax. General notice of the making of every assessment shall be given as soon as conveniently may be after it has been made. Immediately after the publication of that notice, the assessment shall be and remain in force, except so far as it is at any time altered, until a new assessment is made.

As I have said, I thought there was no need for a Bill to be introduced to provide for a reassessment of part of the area of the State in relation to unimproved value. However, apparently the Government has been advised that to achieve any alteration in the rural sector it is necessary to introduce a Bill.

It would be relatively easy to adopt a "We told you so" attitude. I think practically every honourable member in this Council pointed out forcefully to the Government the

anomalies that existed at the time the Act was amended some 12 months ago. Honourable members have urged the Government to take action on this matter. I think I could add that most honourable members believe that merely making a reassessment does not go far enough in affording relief to the rural sector of the economy.

I think also I could reflect the views of most honourable members in this Chamber by saying that this State should follow the example set by New South Wales, Victoria, and, I believe, Western Australia in removing the burden of land tax from primary-producing land. If that is not achievable immediately, at least the Government should consider either reducing the rate or increasing the remissions that are available in the present legislation to the rural sector. Making a reassessment appears to me to be only tinkering with the problem, although perhaps it satisfies some of the rather misleading statements that were made by the Premier at the farmers' march some 12 months ago. It is interesting to look back at the statements made at that time regarding land tax and succession duties and to examine the effect of the legislation that followed. I think we would find that on each count the legislation did not match the promises made to the people taking part in that march.

During the passage of the Land Tax Act Amendment Bill that provided for a remission of rate of up to 40 per cent to the rural areas, several honourable members spoke. The Hon. Mr. Story (at page 2684 of *Hansard* of last session) said:

On the day of the farmers' march the Premier promised special remissions on succession duties on primary-producing land up to \$200,000 in value inherited by families, a revision of land tax on primary-producing properties, and the setting up of a wheat quota committee to look at anomalies. It was claimed that these things would get the farmers right out of their troubles. In this Bill we have an endeavour by the Government to honour one of the promises made at that time and in the present Premier's policy speech. However, like the Succession Duties Act Amendment Bill, this Bill does not do what it purports to do.

On page 2750 of *Hansard* the Hon. Mr. Dawkins said:

The Bill purports to give some concessions to rural land in particular, but what it appears to give with one hand will apparently be taken away ... by the other hand.

So it is reasonable to say that honourable members of this Council urged the Government at that time that it was not going far enough

with remissions to South Australian primary producers. Also, during the last session a debate took place in another place on a censure motion dealing with land tax. In reply in that debate the Premier, referring to a statement by the Leader of the Opposition in that place, said:

The Leader did refer to the remarks made by the Deputy Premier in the rural policy speech delivered on behalf of this Party prior to the last State election and also to the promises that I made at the farmers' march. Every one of the things that this Government said it would do in relation to the rural land tax has been done.

I have quoted from debates during the previous session in this and another place to illustrate that the Government had due warning of the situation, and indeed 12 months ago it said it had done everything it had promised to do. It is obvious that many of the figures given in relation to the last assessment and the amount of money to be raised in the rural sector were quite inaccurate.

The Minister of Lands made an interesting statement in his second reading explanation, when he said that rural sales over the past 12 months had revealed a drop in the value of land of about 20 per cent on average. I am not concerned about the accuracy of that statement, although I consider that the drop in land values in South Australia in the past 12 months has been in excess of 20 per cent on an average throughout the whole of the State. However, that is based on my own observations and not necessarily on any accumulated evidence. I do not know what is to come out of this reassessment, but most honourable members have heard rumours that it will be down about 20 per cent on the previous one. A percentage reduction is about all the Government can do anyway; to do a new assessment at this stage of the whole of the rural area would take a long time. Also, many objections have been lodged. As I have said, there is quite a strong rumour, although only a rumour, that the new assessment will be about 20 per cent below the present unimproved assessment for land tax purposes, and this assessment is used for purposes other than levying land tax. It is also used for water rating in country areas.

If the Minister is correct in saying that there has been a 20 per cent drop in improved values in the past 12 months, it appears reasonable to assume that the percentage drop in the unimproved value would be considerably higher. The principal Act contains the following definition:

"unimproved value" of land means the capital amount that an unencumbered estate of fee simple in the land might reasonably be expected to realize upon sale assuming that any improvements thereon (except, in the case of land not used for primary production, any site improvements), the benefit of which is unexhausted at the time of valuation, had not been made; for the purposes of this definition—

- (a) "improvements" means houses and buildings, fixtures and other building improvements of any kind whatsoever, fences, bridges, roads, tanks, wells, dams, fruit trees, bushes, shrubs and other plants planted or sown, whether for trade or other purposes, draining of land, ringbarking, clearing of timber or scrub and any other actual improvements;
- (b) "site improvements" means reclamation of land by draining or filling, and any retaining walls or other structures or works appertaining thereto, the excavation, grading or levelling of land, the removal of rocks, stone, sand or soil, and the clearing of timber, scrub or other vegetation;

So we see that the unimproved value of the land is arrived at by, first, taking the value the land might realistically bring as an improved lot on the open market and deducting all improvements made to that land. If the drop in improved values has averaged 20 per cent, in some cases this will reduce the unimproved value to nil. I can illustrate this further. In one part of the State, 12 months ago the sale price of improved rural land was \$200 an acre. I admit the present ruling price in this district has dropped to probably \$130 or \$140 an acre, meaning that there has been a turndown greater than 20 per cent. If the turndown had been 20 per cent, the present sale price would have dropped to \$160. The land tax assessment, based on the land assessment, is \$80 an acre unimproved. That means that in the last assessment the sale price was assessed at \$200 an acre: \$120 an acre was removed from that for improvements, producing an unimproved value of \$80 an acre.

I submit that the \$120 which was deducted in the last assessment has not decreased in value; indeed, it may well be that the improvements valued at that figure 12 months ago have actually increased. However, leaving them at the same value we deduct the \$120 from the \$160 and we find that the unimproved value has dropped from \$80 to \$40, a reduction of 50 per cent.

In another district, 12 months ago the sale price of land was about \$75 an acre, improved. The present sale price is about \$60, a drop of 20 per cent. The unimproved value for land

tax rating purposes 12 months ago was \$45. Bearing in mind the improvements on that land, the unimproved value has dropped to \$30 an acre, a reduction of 33½ per cent. I could go on giving these examples where, if there is a reduction of 20 per cent in the improved value, it must follow that the unimproved value has decreased by a greater percentage. So we can assume that in any reassessment, if the Minister's statement is correct, the reduction in the unimproved value must be about 30 per cent to 50 per cent of the present assessment.

If the new assessment, when it is made, does not reflect a fall in unimproved values of those figures, it will not reflect the true position; nor will it be in line with the Minister's second reading statement that land values, on an average, have decreased by 20 per cent in the last 12 months—a figure that I believe is a conservative estimate. Also, I hope the Government will be influenced by the material put forward in the Legislative Council's Select Committee's Report on Capital Taxation, which dealt with several anomalies existing in the present land tax assessment and the present rate of tax in many primary-producing areas. At this stage, I do not want to go through them (the information is available to the Government and has been presented to this Council) but I will quickly refer to areas close to Adelaide where examples of gross hardship in respect of land tax are easy to find.

I will cite quickly one or two cases. The first is the case of a man who has a property that is unsaleable except for rural pursuits because of water and boring restrictions and the fact that the Engineering and Water Supply Department will not supply a service. That block of land has a gross income of about \$2,000 or \$3,000 a year; yet the impost of land tax is about \$4,000 a year. In another case, the land tax valuation is about \$350 to \$500, unimproved, and some of that land has recently been sold, improved, for \$110 an acre. There are many such illustrations that I hope the Government will take due notice of when the new assessment is made. I will cite one more example (many are available in the Select Committee's report) in the form of a letter I received recently on this matter. It is as follows:

Further to our discussion on the effects of the 1970 land tax assessment, I herewith submit for your interest a copy of my objection to the assessment as shown. When I lodged the objection, I personally discussed its implications with the Valuation Department. It informed me that the predominant reason for the escalation in my valuation is that I am holding an E. & W.S. Department licence to

divert water from the river. The Valuation Department has adopted the policy that these licences automatically increase the value of a property, regardless of the type or amount of development that has taken place. This policy is quite erroneous, when one considers that these licences are annual, that they are issued only at the discretion of the Minister of Works, and cannot be transferred with the sale of a property or part of a property. One's property is valued as if the licences are of a permanent or saleable nature. In the hundred of Forster, properties to which these licences do not apply have little or no increase in valuations. In fact, a few show an appreciable decrease.

My property is situated in Forster ward of the District Council of Marne, which uses Valuation Department valuations for its rating. Basing calculations on the current rate in the dollar, my council rates will rise by \$100 per annum. I doubt whether council will strike a lower rate as there is negligible variation in 90 per cent of valuations in this ward. For justice to prevail, one of two proposals will have to ensue: (1) that licences to divert water are placed on a more secure basis (for example quinquennial) to correspond with land tax valuations; or (2) that these licences are not taken into account by the Valuation Department. I would greatly appreciate your raising this matter with the Premier, with a view to rectifying this seemingly unjust situation.

So, apart from the fact that the 20 per cent drop in improved land values must reflect at least a 30 per cent to 50 per cent drop in unimproved land values, the other anomalies I have mentioned need the attention of the Valuation Department.

Many other examples could be given of anomalies that are occurring. Honourable members will be as conscious of them as I am. However, there is no reason why the passage of this Bill should be delayed. Whatever concessions the Government feels like making will be some alleviation of the position although, as I have said previously, I believe the reassessment that is taking place is only tinkering with the overall problem. With the increase in revenue to the Treasury from the transfer of pay-roll tax to the State from the Commonwealth at an increased rate of 3½ per cent from 21 per cent, this Government could make larger concessions than it is making at present. I merely bring this matter to the Government's attention, plus the other matters that I have mentioned. The sooner the new assessment is proceeded with, the better. I support the second reading.

The Hon. M. B. CAMERON (Southern): I support the Bill. I appreciated the remarks of the Hon. Mr. DeGaris on it, particularly his reference to the fact that there had been a greater fall in rural land values than the 20 per cent that had been referred to. In the

area in which I reside, that has certainly been the case. This last weekend, it was brought to my attention that a property valued at \$150 an acre two years ago for the purpose of succession duties was now for sale, and the highest bidder offered \$80 an acre. Negotiations are taking place for the higher figure but I do not think it will be reached. That is reflective of sale values in my area, and I am certain that that would be the case elsewhere in the State, too.

Previous valuations were obviously far too high. I recall getting involved in some personal controversy with the Premier on this matter, and he eventually saw fit to bring to light some details of my personal business life. However, I think now that I was completely justified in making the remarks I then made, as this matter has now been introduced and a revaluation is to take place. It was obvious that little account had been taken of the fact that on many properties wheat quotas existed and that, as a result of deteriorating economic conditions, there was a lack of incentive to develop scrubland. Decreasing market values had certainly not been taken into account. I can recall a statement made at that time that all appeals would be processed, even if it took five years to do so. It seems that it will now take only a few months to do that. I am pleased to see that it will be done, but I am not happy about the existing system of valuation.

In the present situation it is necessary to take into account the economics of a property, and I do not think that, under the present system, that is done. The system does not react quickly enough to decreasing values. When a valuation is to exist for five years it should be more susceptible to changes in the rural economic conditions. The system also does not take into account the fact that certain areas are used for special purposes. I refer particularly to the Padthaway and Keppoch areas, where very high prices were paid for land that was to be used for producing wine grapes. Obviously, those prices were reflected in valuations in the area. If the people attempted to sell the land for a similar price today they would certainly receive nothing like the return received by previous owners. So, this sort of sale should be taken out of calculations under the present system.

Special sales should not be allowed to affect properties next door unless it can be proved that buyers are willing to buy the land next door at the valuations at which the previous properties were sold. It would not be a

difficult task for the Valuation Department to ascertain from wine grape producers whether they need extra land. I do not think the lack of sales has been fully reflected, because properties now being sold are in my opinion the cream of the market. Willing sellers are plentiful but willing buyers are scarce. We will have to wait a little longer to see the true reflection of the present economic conditions. For this reason there will be a need for a further revaluation within the next 12 months. Unfortunately, people tend to look at farmers and say, "Aren't they worth a lot of money?" In fact, the capital value of a property can be an embarrassment to the owner because, if he intends to continue on the land, it is completely impossible to realize on it.

The valuations are used for the purpose of taxing the property. So, any high valuation does not reflect the return from the land: it merely indicates that the farmer will be slugged very hard in connection with any tax the Government imposes upon him. I am concerned about the latest trend in wool prices, because they will be reflected in land prices in the next 12 months. The Commonwealth Government has not confirmed that the guaranteed price scheme will provide a permanent subsidy for woolgrowers. If the subsidy does not continue there will certainly be a further decrease in the values of land used for wool production. I certainly hope that there is not such a decrease, but the possibility must be taken into account.

I wish to refer now to a problem for which no allowance has been made. I have asked a question about this matter. A property may be held by more than one owner; it may be held by a family company, although it need not necessarily be held in the form of a company—it may be held in the form of a partnership. If the farming property were exhausted of capital, the farming unit would be destroyed. So, when there is a death in the family, a company is formed in order to keep the farm as a viable unit. This principle is taken into account in the rural reconstruction scheme, under which people are persuaded to buy out the property next door. However, the system of land tax applying in South Australia cancels out an advantage of having a bigger property and creates a disadvantage; in this respect it is opposed to the principles of the rural reconstruction scheme. The Government should look at this matter very carefully.

The Hon. D. A. Dunstan is reported as saying on September 1 (*Hansard*, page 1309) that in due course a new Valuation Act would be introduced which would provide for periodic general assessments. I believe that that will be done during the life of this Parliament and, when it is done, I would like to see the problem I have raised taken into account. Of course, nowadays scrubland has no value. That point will be appreciated by anyone who has visited southern Eyre Peninsula where, unless one can get a wheat quota, there is no point in developing land. Honourable members from that area are well aware of the problem. We have it to a minor degree in my own district. Taxation is no longer a great problem to primary producers, and certainly few people find it necessary to develop land in order to obtain tax concessions.

So, I wholeheartedly support the Bill but I trust that, in connection with the new Valuation Act, a close study will be made of the need to take into account the economics of a property when it is being assessed for land tax and any other tax. Actually, I believe that land tax should be abolished, but it is obvious from the Government's press statements that it will not be abolished in the immediate future. We will have to wait until 1973 for that to happen. I support the Bill.

The Hon. H. K. KEMP (Southern): It is necessary to think clearly on this subject. When I first saw this Bill I was very happy and was certain that it should be supported. However, on considering it more closely, I asked myself the question: "What is its purpose?" I am sure that its purpose is really to blindfold the people in connection with what is going on. The Hon. Mr. DeGaris has made it clear that there is no need for this Bill. There is already full power in the principal Act to do everything that this Bill provides for.

The whole purpose of the Bill is to raise a smokescreen in order to make people think that the Government is doing everything it can about land tax; the Government, in introducing this Bill, is trying to say, "Look! We have even introduced a Bill." However, the Bill is meaningless.

Many things are wrong with the way in which land tax is assessed at present. Indeed, one or two anomalies that have arisen from the present method of assessment, which is incompatible with the use of land in agricultural districts, have been mentioned today. At present, land tax is based entirely on the price

at which land is sold, less improvements made thereto.

Large areas of this State cannot be sold at present because the industry that would be conducted on it would be completely unprofitable. This situation is complicated because people in fringe areas who have no intention of conducting agricultural pursuits are buying up land at high prices and selling it in small parcels to people who want to live on the land not to conduct agricultural pursuits but just to experience a rural way of life.

The worst example of this is in the areas near Salisbury and Elizabeth, where land that has been bought at broad acre prices, often for far less than \$100 an acre, has been cut up into small areas of 10 acres and sold at \$1,250 an acre to people who are willing to buy it so that they have somewhere to take their families on the weekend and so that they can say, "This is how you live in the country."

This exploitation is occurring on all sides of the metropolitan area, and it is becoming acute in the Hills area. The restrictive legislation introduced recently for the purpose of protecting our watershed areas has attracted land agents to the Hills and induced them to purchase small farms, which can be purchased fairly cheaply because of the financial distress in which their owners find themselves. These properties are cut into 20-acre blocks and are sold for \$1,000 an acre. It is tragic that this is happening today, and many city people are being exploited because of their desire to move away from the urban environment. They are put on blocks of land which they can afford but on which there is no possibility of their making a living agriculturally. However, these increased values are gradually seeping through and are affecting the truly agricultural land surrounding them.

The Hon. Mr. DeGaris referred to one incident at Waterloo Corner. Many complexities are involved in these matters, one of which arises because half of the land to which I have referred is in one district council area and the other half is in another district council area. Although only one fence separates the two properties, there is a great difference in the valuations made of the land on either side of the fence. The whole area has only restricted water rights. The Engineering and Water Supply Department will not supply water, and portion of the land has been zoned as an industrial area, despite there being no water supply and no right to drill for underground water.

The other portion is of a value comparable with that of the 10-acre lots that have been sold for \$1,250 an acre. The owner's total income is based on a wheat quota of 1,250 bushels, and less than 100 head of cattle; that represents the whole income from his property which, according to the Valuation Department, is valued at close to \$250,000. His gross income from that property is less than \$1,300 a year. The man concerned must pay \$2,500 in land tax and a similar amount for council rates, so that his costs amount to nearly \$7,000. Therefore, despite the circumstances in which he is placed, this person must retain his assets in case anyone is willing to buy them. Anomalies as ridiculous as this are occurring at present.

As members move around their districts, they run into many instances of industries collapsing because of the imposition of land tax and other forms of taxation, nearly all of which stem from land tax valuations based on unimproved values. I have been asked many times not to talk too much about this matter, because it will depress even further the value of land in various districts. Unfortunately, this is true and this situation obtains over most of Southern District. Indeed, it is much worse than it has been recognized to be in recent publications on this subject in the press and in recent statements made in this Chamber.

The public would be astounded if it knew how many properties between Cape Jervis and the northern part of Southern District were for sale at present. People know they would be better off by selling their properties if they could do so than continue farming them. Any reassessment that is made in 1971 will involve the same difficulties as the one which has just been completed and which is subject to so many appeals. Land values are still decreasing, except in the submetropolitan areas where, I am afraid, the people who are dealing in land, not those who are trying to farm, are exploiting the situation.

People dealing in land are placing a severe burden on those who want to continue with agricultural pursuits in these areas. The whole system of land value assessment must be overhauled, and it is indeed pleasing to hear that the Government is considering this matter. However, I am very much afraid that when the scheme comes forward it may be in a similar form to this Bill, which is purely and simply a matter of clapping hands and saying that we are going to do something about it when, in fact, there are already powers to enable the Government to do something now.

During the hearings before the Select Committee on this question, we had before us expert witnesses from the Valuation Department. There is no doubt that these people are faced with an extremely difficult task. I think it must be accepted that there is really only one true value of land, and that is the price at which it can be sold. However, it does not mean that this has to be accepted as the basis of taxation no matter what inequities may obtain.

I think the land valuers in this State have done a very good job. Undoubtedly, in many instances they have claimed to take factors into account when actually those factors have not been taken into account at all. We have heard airy fairy talk about differences in the types of land and in soil qualities and that sort of thing. However, anyone with any knowledge at all of some of the instances would know that this was absolutely misleading. As I have said, we had evidence that the mere existence of a fence meant a very big difference in the value attaching to the land.

I am quite sure that it is beyond the capability of the land valuer to take into account all the variations in soil type and aspect and land usage which it is claimed are taken into account when assessments are made. The truth is that land values are attached to the recent sales made. Although it has been stated that the sales taken are those between a willing buyer and a willing seller, in many instances it is now so long since there has been a willing buyer and a willing seller in such areas as the Murray Mallee, and there has been such a big variation in the values in the intervening period, that there is no such yardstick that is now valid.

In other areas we are finding a complete negation of the statements that have been made by the valuer. The Lower South-East provides an excellent example of this. Blocks there which are reasonably small, and which are attractive to the moderately prosperous investor, bring a very high value indeed. Values ranging between \$100 and \$200 an acre will be found in recent sales for patches of land of between 50 acres and 100 acres. However, when land is sold in that district as a unit that can survive and do well in agricultural production (land of perhaps between 500 acres and 1,000 acres) the best price that can be obtained is about \$50 an acre.

Instances such as these can be authenticated. The same sort of thing is now occurring in the Adelaide Hills, where 20-acre blocks can

be sold quite easily at \$1,000 an acre, whereas blocks of between 100 acres and 300 acres for farm units are extremely difficult to sell, unless a sale is made to a person who is entering into agricultural pursuits in that area to avoid high taxation on incomes earned in the city.

As the Bill has apparently been put forward in good faith, I support it, although I do not see the necessity for it. The important thing is that we must take a new look at the whole of this field of taxation, for it is something that agriculture at present (and this will be the position for some years ahead) cannot really support. It is a fixed capital taxation that is payable irrespective of the profitability of a person's enterprise, and if it is uncurbed it will eventually kill the goose that lays the golden egg.

The Hon. A. F. KNEEBONE (Minister of Lands): I thank honourable members for the way in which they have dealt with the Bill. I think all members will appreciate that this is a fairly urgent matter. The Leader raised a query regarding the statement in the second reading explanation that the value of rural land had decreased by about 20 per cent. He asked whether the reassessment would be on a percentage basis. When the Bill was before the other House the Treasurer, in reply to a similar question, said that there would be a complete reassessment. When asked whether that was possible in view of the fact that there was a need to produce the new assessments quickly, the Treasurer said that it was possible because the Government decided some time ago to introduce this legislation and instructions were given at that stage to proceed with the reassessments.

The Hon. Mr. Kemp referred to anomalies caused by people investing in land to obtain Commonwealth taxation concessions. It is appreciated that this would affect land valuations. The Hon. Mr. Cameron referred to land sales in the South-East. Whilst I agree that anomalies can be caused, I point out that any person affected has a right to appeal against an assessment. That is the only answer I can give at this stage. Once again, I thank members for dealing with the matter expeditiously.

Bill read a second time and taken through Committee without amendment. Committee's report adopted.

SWINE COMPENSATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from September 2. Page 1334.)

The Hon. M. B. DAWKINS (Midland): I rise with pleasure to support this Bill, which reveals the state of good health, both financially and commercially, of the swine industry and the physical health of the swine population of South Australia. In his second reading explanation the Minister said that after consultation with the appropriate industry organization it had been decided to reduce the stamp duty payable on sales of pigs or carcasses from 5c for each \$10 or part thereof of value to 1c for each \$3 or part thereof of value, a reduction of about 40 per cent. On the face of it, that would appear quite a serious reduction and one needing close investigation. However, I am satisfied that the appropriate approaches have been made and that the industry itself requires and seeks this type of reduction, and also that it is justified.

I have from time to time over the past few years spoken on the various amendments that have been made to the Swine Compensation Act, and it is no surprise to me that the fund is in a most buoyant position. The situation at present is that there is more than \$500,000 in the fund, which has increased from \$354,000 in a matter of five years to the amount of about \$509,000 today. This is a matter for gratification in that the money does not seem to be needed as much as in the past. During the years 1967-68 and 1968-69, the average amount paid out in swine compensation was \$28,000 and in the same period the average annual income of the fund was about \$81,000, so that the fund is increasing by about three times as much in a year as it is being used, and therefore the suggested reduction is timely. The situation has come about to some extent because the health of the pig population of South Australia is as good as it is, and also I believe that the Pig Branding Act introduced in 1964 by the Hon. David Brookman, then Minister of Agriculture in the Playford Government, has had quite a bearing on the matter.

My friend and colleague the Hon. Mr. Story and some of my other colleagues and I may have had some slight influence on this legislation being brought forward. For some considerable time the people engaged in this industry were seeking pig branding legislation, and when finally it was brought forward it proved of great benefit, so I am reliably informed, to the industry, because disease can

be readily traced and eliminated. This is one of the reasons, and one of the important reasons, why the fund is not utilized today as much as in the past. Also, the fund has been allowed to accumulate to a considerable degree because if there had been an outbreak of swine fever in South Australia a large fund such as this could have been decimated overnight, but now that swine fever has been nominated as an exotic disease and comes under Commonwealth assistance the drain on the fund or the immediate need for funds to deal with an outbreak of swine fever has been reduced greatly, if not eliminated entirely.

The reasons for keeping the charges on the fund as they were therefore no longer really exist, and I believe that the reduction in payments envisaged will facilitate contributions to the new Commonwealth pig industry research scheme, for which a similar levy is paid by the producer at the point of slaughter. I am pleased to know of the healthy and strong state of the pig industry in South Australia. Producers who are generally in a situation in which there are difficult times can be gratified at the relatively buoyant state of this industry, and we can also take a lesson from the splendid publicity these people have given their product and the excellent increase which has followed in the consumption of pig meats. In these circumstances the Bill is amply justified and I have pleasure in supporting it.

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

FOOT AND MOUTH DISEASE ERADICATION FUND ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from September 2. Page 1334.)

The Hon. C. R. STORY (Midland): I rise to support this legislation, and in doing so I commend the Government for having brought it forward. It has been part of a policy adopted by all the Australian States and the Commonwealth, and I think most honourable members know that right back in 1958 this matter first came to the notice of the Agricultural Council following a meeting in Melbourne. The need for legislation of this type on the Statute Book became even more apparent following the disastrous effect of foot and mouth disease in Great Britain at that time or a little later. Then, of course, we have had one or two scares from time to time in this

part of the world, including one only three or four years ago in New Zealand.

The plain purpose of this legislation is that we should be prepared for an outbreak of foot and mouth disease. It is tremendously important that we should always be prepared for an outbreak of any of these exotic diseases that may find their way into this otherwise healthy continent of ours when compared with other nations and the diseases they suffer. It is pleasing that the Commonwealth Government has, to a large extent, come to the party financially. In the case of an outbreak of the disease anywhere in Australia, this State's contribution would be only 5 per cent of the total contribution required. That is based on the number of animals there are in each State. If, for instance, an outbreak occurred in Queensland, we would naturally be required to pay our 5 per cent of the total money required for compensation or for some means of eradicating the disease.

In common with other legislation that has been more or less taken over by the Commonwealth Government, I hope that before long further progress will be made in our quarantine measures so that we can more safely import the best stock from other countries but still leave ourselves with the margin of safety that I think is so important. When the Minister replies to the debate, I hope he can give us some assurance that more progress is being made towards getting our offshore quarantine stations, about which we have spoken for some time.

This Bill extends the definition of "foot and mouth disease" to include several other diseases that are equally obnoxious if they get out of control: rinderpest, swine fever, African swine fever, rabies, Newcastle disease (in its classical virulent form), fowl plague and blue tongue. All those diseases would be absolutely disastrous to the Australian primary industry should they occur and get out of control. I do not wish to delay this Bill. I commend the Government for introducing it. I am sure it will have the support of the whole primary-producing industry of the State.

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

ADJOURNMENT

At 3.55 p.m. the Council adjourned until Wednesday, September 15, at 2.15 p.m.