LEGISLATIVE COUNCIL

Tuesday, October 15, 1974

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

PETITIONS: LOCAL GOVERNMENT

The Hon. B. A. CHATTERTON presented a petition from 11 residents of the Cockshell Estate, Gawler East, stating that they were dissatisfied with the first report of the Royal Commission into Local Government Areas and praying that the Legislative Council would oppose any alteration in the location of the council offices and/or any change to the existing boundaries of the District Council of Barossa.

The Hon. B. A. CHATTERTON presented three similar petitions signed by 16 persons, 42 persons, and 24 persons respectively.

Petitions received and read.

QUESTIONS

RURAL UNEMPLOYMENT

The Hon. R. C. DeGARIS: Can the Minister of Agriculture, in the absence of the Minister of Lands, say whether there is any dispute or disagreement between the Lacepede District Council and the department relevant to rural unemployment relief expenditure in the Lacepede District Council? If such a dispute or disagreement does exist, will the Minister inform the Council of its nature?

The Hon. T. M. CASEY: I will obtain the information for the honourable member and bring down a reply as soon as possible.

BUSH FIRES

The Hon. C. M. HILL: I ask leave to make a short statement prior to asking a question of the Minister of Agriculture.

Leave granted.

The Hon. C. M. HILL: Reference has been made in recent weeks to the forthcoming fire danger throughout the whole of the State, and representations on this matter have been made to me by people who live in the Adelaide Hills. I acknowledge that the danger that exists is very real and, indeed, great throughout the whole State, but I refer especially at present to the Adelaide Hills region, where there are many houses; many people now live in that outer fringe of metropolitan Adelaide. Can the Minister say whether, with the approach of summer, any special campaign is contemplated to warn residents in the Adelaide Hills of the coming fire danger, or whether as a safety precaution there is any plan to require residents to clear undergrowth on or near their properties?

The Hon. T. M. CASEY: If the honourable member had read the *Sunday Mail* just over a week ago he would have seen on the front page a report to the effect that I had come out and made a statement on the danger of grass fires and bush fires that could be expected to occur this summer. I think this would have drawn the attention of many readers to the fact that bush fires would be a reality in this coming summer. Bush Fire Prevention Week is to be held either next week or the week after, and I understand it will be opened by His Excellency the Governor. No doubt there will be much press coverage of this event which will draw the attention of most residents in South Australia to the danger confronting the State regarding the possibility of grass fires and bush fires occurring during this coming season. I assure the honourable member that every effort will be made to alert the public to the dangers of fires occurring this summer.

HOUSING FOR ABORIGINES

The Hon. J. C. BURDETT: I seek leave to make a brief explanation prior to directing a question to the Minister of Agriculture, representing the Attorney-General.

Leave granted.

The Hon. J. C. BURDETT: Several residents of the town of Mannum have told me that they have heard reports that 25 additional Aboriginal families are to be housed in Mannum. So that I may inform my constituents, can the Minister say whether the report is true and, if it is, whether existing houses are to be acquired for such families or whether the families are to be settled in new Housing Trust areas that are being constructed in Mannum; and, if so, in which of those areas?

The Hon. T. M. CASEY: I will refer the honourable member's question about the township of Mannum to my colleague in another place and bring down a reply.

The Hon. J. C. BURDETT: I understand the Minister of Agriculture has a reply to a question I asked recently about Aboriginal housing in Murray Bridge.

The Hon. T. M. CASEY: The South Australian Housing Trust has acquired houses at Murray Bridge to let to Aboriginal people. At present there are 27 such houses. It is true that the houses are scattered throughout the town. A total of 16 unsatisfied applications by Aboriginal people is held by the Housing Trust. It is planned for houses to be provided as soon as possible, having regard to the availability of funds from the Australian Government and the needs of other areas.

HOSPITAL FACILITIES

The Hon. C. M. HILL: I seek leave to make a short statement prior to directing a question to the Minister of Health.

Leave granted.

The Hon. C. M. HILL: Questions have been asked from time to time over the past few years in this Council about the possible provision of public hospital facilities to serve the rapidly growing suburbs south of Tapley Hill in metropolitan Adelaide. Particularly do I refer to the areas centred on Christies Beach and Port Noarlunga. As I recall the situation, the Government hopes (it hoped in the past, at any rate) that the facilities at the Flinders Medical Centre will provide a satisfactory service for this rapidly developing region of metropolitan Adelaide. However, people in those areas to which I refer, and particularly around Christies Beach and Port Noarlunga, still seek information whether or not the Government contemplates or plans the provision of a public hospital to serve specifically that region. Therefore, I again ask the Minister: has he any plans in train to provide public hospital facilities specifically for that region?

The Hon. D. H. L. BANFIELD: It is not expected that a hospital will be built in that area before the completion of the Flinders Medical Centre. Land is reserved for a hospital to be built in that area but I think it will be more a type of subsidised hospital than a public hospital. This question is being looked at. Eventually, a hospital will be built in that region, but not before the completion of the Flinders Medical Centre.

HISTORIC KETCH

The Hon. R. C. DeGARIS: I seek leave to make a brief statement before asking the Acting Chief Secretary a question.

Leave granted.

The Hon. R. C. DeGARIS: I do not know whether I am directing this question to the correct Minister. If I am not, I ask the Minister to refer it to the Minister responsible.

I believe the previous owner of Wardang Island operated a ketch from the island to the mainland, and that this ketch, which is of historic interest to some people in South Australia and which would, no doubt, be of interest to the Ketch Preservation Society, is at present filling with water and in danger at its mooring. Will the Acting Chief Secretary ascertain whether the information that I have been given regarding this ketch is correct?

The Hon. T. M. CASEY: I will try to obtain that information for the honourable member and let him have it as soon as possible.

HOUSING TRUST

The Hon. C. M. HILL: Has the Acting Chief Secretary a reply to my recent question regarding the numbers of houses built by the Housing Trust?

The Hon. T. M. CASEY: The trust completed a total of 812 single-unit houses of either solid, veneer or timber frame type construction during 1973-74. For the first three months of 1974-75, completions have been as follows:

Single units (all types)	215
Double units	63
Villa flats	19
Cottage flats	15
Total	312

As well as double units of brick veneer and timber frame construction, the figure for "double units" includes single-storey maisonettes and single-storey flexible units.

LAND TAX

The Hon. M. B. CAMERON: Has the Minister of Agriculture a reply to the question I asked recently regarding land tax?

The Hon. T. M. CASEY: I refer the honourable member to recent comments on the rural situation made by leaders in the field and printed in the press. The July 10, 1974, issue of the *Financial Review* states:

The gross value of Australia's primary production increased 23.8 per cent in 1973-74 in a period of fluctuating fortunes for the primary sector. The wheat and barley industries showed substantial increases in their gross value of production throughout the entire period. The Bureau of Statistics estimates that the gross value of wheat production for 1973-74 was $1 246 000 000—an increase of 348.9 per cent on the previous year. The industry earned more than the wool industry, which increased its production value by .7 per cent to $1 230 000 000. The estimated gross value of rural production for sheep slaughtered in 1973-74 was $336 000 000—an increase of 2.6 per cent on 1972-73. The gross value of whole milk production was expected to be $479 000 000, a marginal increase on the 1972-73 figure of $446 000 000. The gross value of pigs slaughtered was $180 000 000—a rise of 38.6 per cent on the previous record. The figures for barley showed an increase of 103 per cent in 1973-74 to the value of $200 000 000.

I refer also to the September 6, 1974, issue of the *Financial Review,* as follows:

Rural land values appear to be holding up well in the face of the tight liquidity situation and a slump in beef and wool prices. In fact, price levels are still at about the high levels of 1972-73. There is probably more confidence in the future for wool and beef now than there was for wool and wheat during the period 1970-71. And with a gradual easing of credit over the next few months the likelihood of the bottom falling out of rural land values is remote.

Recent statements made by Mr. P. Bidstrup, Manager, Land Department, Elders-G.M., and reported in the *Sunday Mail* of September 8, 1974, include:

The peak of land values before the 1970-71 recession was reached in 1967. Generally it may be said that in late 1973 and early 1974 prices recovered to the pre-recession levels and in some cases, particularly in the Adelaide Hills, exceeded these levels quite considerably. Recent auctions of properties have confirmed that values are still being fully held both in the country where the main income is from cereal growing and wool growing. Sales have been assisted by sellers agreeing to allow up to 50 per cent of the total purchase money to remain with interest at rates slightly below those charged by lending institutions.

Recent rural property sales notified to the Valuation Department confirm these comments and are higher than valuations, so that the current rural valuation programme being undertaken by the Valuer-General is quite reasonable and needs no revision. The rural areas being revalued in 1974-75 are at about the same level as those valued in 1973-74 which were considerably increased above the 1971 level and are well supported by the market prices being paid for rural properties in South Australia.

BOWDEN CROSSING

The Hon. C. M. HILL: Has the Minister of Health a reply from the Minister of Transport to my recent question concerning safety precautions at the Bowden railway crossing? My question was prompted by the recent fatality there.

The Hon. D. H. L. BANFIELD: My colleague reports:

In addition to the flashing lights installed at the Gibson Street level crossing, there are directional flashing arrows to give additional visual warning should two trains be approaching the crossing at the one time. Half boom gates at Gibson Street are not considered satisfactory because of the narrow width of the road. Some motorists, despite receiving a 20-second warning from flashing lights before the boom gates commence operation, will persist in attempts to "beat the gates". On a wider road, such a motorist can manoeuvre round the distant gate but this would not be possible at Gibson Street, and a car could be trapped between the two booms.

LAND ACQUISITION

The Hon. C. M. HILL: Can the Acting Minister of Lands say whether the Land Commission has purchased any land in or near metropolitan Adelaide which is zoned rural land and, if the commission has purchased any such land, what is the extent of such acquisition?

The Hon. T. M. CASEY: I will obtain the information for the honourable member.

SOUTH-EASTERN DRAINAGE

The Hon. M. B. CAMERON (on notice):

1. How many appeals have been heard by the South-Eastern Drainage Board?
2. How many appeals are still to be heard?
3. How many appeals have been dismissed in part?
4. How many appeals have been dismissed as a whole?
5. How many appeals have been accepted as a whole?
6. Whathas been the total costto the Government of the appeals already heard?
7. What is the average cost for each sitting week to the Government for each member of the Appeals Council?
8. Where an obvious anomaly appears in the determination, can the person concerned seek correction from the Ombudsman?

The Hon. T. M. CASEY: The replies are as follows:

1. The South-Eastern Drainage Appeal Board has heard 1 270 appeals.
2. There have been 248 appeals.
3. There have been 701 appeals.
4. There have been 215 appeals.
5. There have been 354 appeals.
6. The total cost of hearing appeals to September 30, 1974, has been $85 466.
7. The average cost to the Government for a sitting week for a member of the Appeal Board is $197.

8. The Crown Solicitor is of the opinion that the South-Eastern Drainage Appeal Board is acting in a judicial capacity and, subject to this, section 3 (1) (*a*) of the Ombudsman Act, 1972, applies.

CHILD CARE

The Hon. V. G. SPRINGETT (on notice):

1. Is it correct that a child who has suffered brain damage has access only to the Adelaide Children's Hospital for treatment?

2. Is it also true that there is no centre or institution organised to care for such cases when the patients have grown too old to allow them to remain in the care of the Adelaide Children's Hospital?

The Hon. D. H. L. BANFIELD: The replies are as follows:

1. No.

2. A patient who has been under the care of the Adelaide Children's Hospital and who becomes over-age has clinical care referred within the public or private sector of practice as by traditional ethical arrangements between colleagues. The Adelaide Children's Hospital is quite flexible and does not adhere rigidly to a specific age limit, particularly in the case of a chronic disability. According to the clinical needs of the patient, should long term institutional care be required, facilities are available through the Intellectually Retarded Services, the long-stay wards (at Northfield) of the Royal Adelaide Hospital and in certain private charitable institutions, including the Home for Incurables.

FLEURIEU PENINSULA

The Hon. R. C. DeGARIS (on notice):

1. Is it true that the firebreak referred to by the Minister on Wednesday, October 2, in reply to a question asked by the Hon. B. A. Chatterton is in fact within or on the boundary of the area covered by the tender called to clear natural scrub on the Fleurieu Peninsula?

2. If so, can the Minister explain why firebreaks were being made within this area on September 30 or October 1, when early in September tenders had been called to clear the whole area?

3. Was the clearing work for a firebreak or a track for access for fire-fighting vehicles, or a track to demarcate the area proposed to be cleared for planting?

The Hon. T. M. CASEY: The replies are as follows:

1. The firebreak is on the boundary.

2. In this type of country it is customary to demarcate areas by a fire line on a location best suited to the topography. This was done after it was known no tenders had been received.

3. The clearing work was primarily for a firebreak and access track for vehicles.

BEVERAGE CONTAINER BILL

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

That the time for bringing up the report of the Select Committee on the Bill be postponed until Tuesday, November 26, 1974.

Motion carried.

APPROPRIATION BILL (No. 2)

Read a third time and passed.

WHEAT INDUSTRY STABILISATION BILL

Adjourned debate on second reading.

(Continued from October 10. Page 1412.)

The Hon. B. A. CHATTERTON (Midland): The Bill has two main parts, the first dealing with wheat marketing, which has received much support from the agricultural community. I have been surprised to see how much support such a Socialist-type organisation has received. I do not want to say much about wheat marketing, because it has been so widely acclaimed. Secondly, the Bill deals with the stabilisation of wheat, and this raises certain interesting questions, especially in the light of the political guidelines and discussions raised by the Green Paper. The Green Paper is a document which has been produced for the Australian Government to develop policies and other guidelines on agricultural policy. The first thing that is most important is the need for a stabilisation of incomes, or rural incomes generally, and the table given in chapter 4 of the Green Paper shows this need quite clearly. In the period between 1969-70 and 1970-71, primary producers who had what we call a relatively stable income (that is, the income varied only about 10 per cent) comprised roughly 15 per cent of the primary producing population, compared with 25 per cent of other businesses with a stable income and 31 per cent of salary and wage-earners with a stable income.

Looking at the figures for unstable incomes (those varying by more than 50 per cent), primary producers comprised 40 per cent of this group, while other businesses comprised 22 per cent and salary and wage-earners 17 per cent. That shows clearly the urgent need for stability in rural or farmers' incomes. However, the provisions of the wheat stabilisation scheme that have attempted to stabilise prices in the wheat industry have not achieved these aims. Economists involved in the drawing up of the Green Paper have looked into this and have tried to find out what would have been the effect on gross incomes of farmers with stabilisation and without it. The figures are most interesting. Between 1960-61 and 1972-73, a period of a little more than 10 years, with stabilisation the gross income from wheat varied by 25.4 per cent. Calculations showed that, if there had not been a stabilisation scheme, the income would have varied by 27.2 per cent; in other words, the stabilisation of incomes under the wheat stabilisation scheme has had little effect on the actual income.

That is quite easy to understand, because the main variable in terms of wheat income is production, not price, and this makes the whole argument over wheat stabilisation somewhat academic. We should be looking much more closely at the stabilisation of the income of the farmer, and not at the stabilisation of the income from the various products that he sells. Those of us who are connected with agriculture know that frequently the income from one commodity balances out that from another and that, therefore, the production of a stable income from wheat or from wool is often an unnecessary exercise because of the balancing effect from some other source of farm income. I think the stabilisation of income will have to be done much more directly through income tax assessments, but the present system of the averaging of the farmer's income is working in quite the opposite direction.

While farmers benefit from the effects of averaging tax rates and do not pay as much tax as if they paid tax on each individual year's assessment, the effect on the net disposable income works in the reverse direction because the average rate of tax applied to income each year means that, in a year of low income, he is in fact paying a slightly higher rate than if he had been assessed on that

year's income alone, and so in a year of low income he has a slightly lower net disposable income. During the years of high income he benefits because his average rate of tax is lower than if it had been assessed on that year's high income. The effect of the averaging scheme, although it is of overall benefit, is not a benefit to the farmer in providing him with a stable income. We will have to look much more deeply into this to try to provide a taxation scheme that averages the income tax itself rather than the income tax rate, and to try to produce a scheme of greater benefit.

The Hon. R. C. DeGaris: Do you think he would prefer to have a few of the benefits on taxation returned to him by the Commonwealth Government?

The Hon. B. A. CHATTERTON: I think he gets the benefits of taxation returned to him.

The Hon. R. C. DeGaris: He has lost a lot in the last couple of years, though.

The Hon. B. A. CHATTERTON: He has lost a number of exemptions received in the past, because those were often leading to a poor allocation of resources within the community and a poor allocation of the resources within the farming community itself.

The Hon. R. C. DeGaris: Can you explain that?

The Hon. B. A. CHATTERTON: The way the taxation system has worked, with tax deductions being given on items, for example, of new investments, such as farming plant, has caused farmers to invest very heavily in new plant because this has given them a great deal of tax rebate, and it has not necessarily been the wisest form of investment, nor is it necessarily a help for all farmers. Those who have been in a position to purchase new machinery have benefited from the depreciation rates and the investment allowance, whereas small farmers purchasing second-hand machinery have not benefited from such tax deductions, and so the distribution of tax advantages within the community has been most unfair.

The Hon. R. C. DeGaris: Do you think it is fairer now?

The Hon. B. A. CHATTERTON: I think it is moving in a direction much fairer than it was. The implications for the wool industry are interesting because, superficially at any rate, the wool industry would benefit greatly from price stability. Looking again at the Green Paper and the items in connection with the wool industry, the biggest area of income instability in the wool industry has been price; if the wool industry had received a stable price it would have received a stable income, because production levels have been remarkably stable. One could say the proposals put forward about stabilising wool incomes would be of great benefit, but my own personal view is that a single industry cannot be taken in isolation. We should be looking at the stabilisation of the whole farm income, not at the income derived from one item of production.

I think a great deal of difficulty is put into the hands of the wool authority or of any marketing authority if it has two separate aims to work for; in other words, it has to market the commodity with the best possible return to the grower, at the same time having as a function the necessity to stabilise the grower's return. Those two aims do not necessarily run in conjunction with one another; the highest return to the grower might not be a stable return. The marketing authority should be given a single role of marketing the farmer's produce in the best possible way and achieving the highest possible return for him; the second role of trying to stabilise incomes should be done through some form of income tax scheme.

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

LOCAL AND DISTRICT CRIMINAL COURTS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 10. Page 1416.)

The Hon. F. J. POTTER (Central No. 2): I support the second reading of this Bill. It is refreshing to see that the Labor Government has at last taken some ideas from the Liberal Party policy, because the suggestion of setting up a small claims court in this State was first mooted (and I claim to have had something to do with it) when the Leader of the Opposition gave his policy speech at the last general election in South Australia. For a long time, I have been advocating the setting up of a small claims court in South Australia, which is principally what this Bill does. It makes some additions, too, to the jurisdictional amounts in certain instances, but I will say nothing about that now, because I think they are all timely. Indeed, in some other Bills recently we have been up-dating the amount of money that previously had existed as barriers in various Acts. I will not say much about that, although one important matter I will deal with is the raising of the jurisdiction of the Local Court to a $20 000 limit. I leave that for the moment and return to where I started, namely, the setting up of a small claims court in South Australia.

I am pleased that this is being done in the Bill, although I am not exactly sure whether this is entirely the best way of doing it. Nevertheless, I am prepared to welcome it and see how it will work in practice and whether or not any modifications will need to be made in the future. The Minister, in introducing the Bill, gave us two reasons why people were unwilling to go to court on small claims. He said, first, people were afraid of going to court and, secondly (which is, of course, the more cogent reason of the two), there was the expense involved. I think it is true that small claims inhibit people, for both those reasons, from trying to recover the amount that may be owing to them and to get justice. Indeed, for many years solicitors have said to clients, "Well, if you have a claim for $100 or $200, forget about it, because it will cost you more money to go to court and try to recover that amount than the amount itself." It is regrettable that solicitors have had to give this kind of advice to clients for so long. In his second reading explanation, the Minister said that, because people did not want to risk losing money in a claim and because they had some fear of courts, it was necessary to devise "a nice simple system".

The Hon. R. C. DeGaris: Are those the Attorney-General's words?

The Hon. F. J. POTTER: I am reading from the Minister's explanation, so I presume that he has, in this Bill, got "a nice simple system". I am not so sure about that, because it seems to me we are still unfortunately having to have the matters decided in a court. I would have liked to see perhaps a little less court atmosphere. I am not, of course, entirely sure that the setting up of a lay tribunal, which was the system adopted in Queensland, is altogether a good thing. Perhaps it is necessary to have a trained and qualified legal person to make an award or adjudication in a small claim, and I would have liked to see the matter dealt with, say, in chambers rather than in open court.

Secondly, I would have liked to have some provision for such claims to be heard in the evenings, and I do not think that would be very difficult to organise. Thirdly, I would have liked to see some help extended to litigants in the formulation and initiation of their claims. I read that the Attorney-General had said, "Well, the court staff will be prepared to extend help to members of the public who come in with a small claim, and in actually

issuing the summons and formulating the statement of claim in the first instance." That may very well be true, but I hope the Government will at least see that this is publicised in some way, because, unless it is publicised, the people will not know about it. I know the Government has in the past taken steps to publicise the activities of the Consumer Affairs Branch, which I think is all to the good.

It may be necessary to have an assistant clerk of court or someone like that whose duty it will be to look after the initiation of small claims. Apart from the points I have mentioned (the need to have someone to help in the first instance, the need perhaps to get away from the court atmosphere, and the need to have some of this work done at night sittings), I think the general scheme outlined is as good as we can expect at this point of time, because I recognise that, as with everything else, we have to experiment with this kind of litigation and see whether or not it works as effectively as we hope it will.

The Bill provides that a small claim may be heard by a court, and a small claim is defined to be a claim of up to $500. It may be heard by a court, where the magistrate or the person constituting the court (undoubtedly, he will be a magistrate in every instance) is permitted to help the applicant, to amend the statement of claim as the case proceeds, not necessarily to apply strict rules of evidence, and to allow the person who is appearing to conduct his own case or to have someone assisting him who is not a legally qualified person. Of course, what is more important than anything else in this jurisdiction is that no costs are to be awarded for or against the persons involved.

The other thing is that there is to be no appeal from a judgment on a small claim except by leave of the Supreme Court, which I think is a desirable and necessary provision. Perhaps it seems a little anomalous that another clause (clause 9) raises from $200 to $300 the limit below which an appeal may not lie to the Supreme Court in the limited jurisdiction. Perhaps that sum could have been lifted to $500 so that it matched up with the new limit for the small claims jurisdiction.

The only other matter on which I should like to comment is the general lifting of the Local Court's jurisdiction to $20 000 in lieu of the existing maximum, which varies in relation to the various causes of action. The Minister went to the trouble of quoting at length a letter written by the Attorney-General to the Law Society on this matter, and the latter's reply to that letter. Having read both of them, I am inclined to think that the Law Society is taking a fairly conservative attitude on this matter, and its objections to increasing the jurisdiction limits are not persuasive to me.

It is certainly true that some of the Local Court rules need to be examined in the light of the raising of the general jurisdiction. However, this is not a difficult matter, and the Attorney-General has, I understand, already asked the senior judge of the Local Court to see what can be done about altering the court's procedures and rules. The Law Society's letter seems to indicate that one gets a lower standard of justice from a Local Court judge than one gets from a justice of the Supreme Court. I find this a difficult argument to accept.

The standard set by the judges in the Local Court since the new Local and District Criminal Courts jurisdiction was created and appointments made to it has indeed been high. Since the new court started about three years ago, there has been a change in the value of money, and I think the general raising of the jurisdiction to $20 000 is a wise move. It has my support, and I see no reason why we should object to it.

I think I have said all I want to say about this matter. This is a good Bill, and I hope it will fulfil the need that exists in the community for this kind of jurisdiction. Many people have had small claims for damages done by motor vehicles, for instance. Perhaps they do not want to run the risk of losing their no-claim bonus or, for one reason or another, they do not have insurance, yet they clearly have a claim that should be taken to court. Even if such people do not recover all their damages, they are entitled at least to a percentage of them and for an assessment to be made of the blame between the two parties concerned. I hope the scheme works well. I will certainly follow it with interest. I hope the Government will publicise widely the fact that this new jurisdiction exists so that people can take advantage of it. I support the second reading.

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

SWINE COMPENSATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 9. Page 1368.)

The Hon. B. A. CHATTERTON (Midland): I support the Bill, as I believe that the increased expenditures contemplated for pig improvement and research are of vital importance to the continuing viability of the industry. As the Hon. Mr. Geddes said earlier in the debate, the mainstay of the industry has always been the sideline production of pigs on cereal farms. This has had many advantages, as producers have been able to feed pigs with grains such as screens, or grains which are cracked or which are in some other way unsuitable for sale through marketing boards. This has given pig producers on cereal farms an economic advantage.

Recently, we have seen the growth of the intensive type of industry using the methods to which we have become accustomed in the poultry industry. For some time, poultry has been kept under intensive conditions and in large establishments. This same sort of thing is happening in the pig industry. However, the industry is experiencing many problems in obtaining cheap feed. Indeed, many growers have been buying feed on the black market. In fact, this is the way in which the various marketing authorities operate, making it difficult for them to obtain feed cheaply. This is of great importance in the pig industry, as food costs involve about 80 per cent of the total cost of pig production.

The important point is that these intensive industries have produced pig meats of a much higher quality. A farmer who produces pigs as a sideline must improve the quality of his product if he wants to stay in the most profitable part of the pig industry. If the normal standards of quality are applied in relation to fat cover or the size of the eye muscle, one must admit that the average bacon produced in South Australia has indeed been poor. It is interesting to compare our situation with that of some countries that have acquired a high reputation for good quality bacon, and to note what a marketing advantage this has been to them.

The Hon. R. A. Geddes: Do we sell bacon with too much fat on it?

The Hon. B. A. CHATTERTON: Yes, too much fat and with too small an eye muscle. In this way it is of poor quality. The Danish experience is interesting. The Danes have traditionally been breeders of bacon, having produced most of their bacon for the English market. Although I am going back some time, in 1934, when rural

conditions throughout the world were depressed, British farmers lobbied their Government and ensured that a quota was placed on Danish bacon, the sale of which was thereafter restricted on the English market. The interesting result was that the Danes suddenly found that they had a higher reputation for their bacon than they had ever expected to have. Although their volume of sales was restricted, they found that they could charge a higher price for their product. As a result, their total income from bacon sold on the British market increased. If something like this was to happen in Australia, the people producing quality bacons in the intensive industries might be able to do the same things as the Danes did. They might be able to corner the high quality, high price market, very much to the disadvantage of the ordinary farmer with a mixed enterprise farm raising pigs as a sideline. I therefore believe that increased expenditure on pig research and pig improvement will be of great advantage.

The way in which the Danes have achieved a great improvement in their pigs is interesting. The whole Danish breeding programme is based on large stations, to which each stud breeder has to submit a litter of nine or 10 pigs. They are all reared under conditions identical to those under which pigs from other breeders are reared, and they are then assessed and slaughtered. The quality of the bacon, the food intake, and all other items of interest in economic pig production are assessed. The breeders who do not reach the required standard lose their licence and, until they can produce pigs of that standard, they are not allowed to sell boars to the ordinary commercial farmer.

This system has been followed in Denmark for at least 50 or 60 years, and it has certainly improved the standard of pig breeding there. This has all been done with the advice and at the request of members of the farming community, who have seen this as a way of indirectly improving their livelihood. This system is perhaps not necessary at this stage in South Australia, but I believe that we need to spend more money on research and on improving our breeding programme. A similar kind of policy has been followed in the poultry industry, and it is being done with good results in the pig industry in intensive industries. If the mixed farmer who has pigs as a sideline does not produce better quality pigs, he will be left at a disadvantage.

The Hon. G. J. GILFILLAN secured the adjournment of the debate.

SAVINGS BANK OF SOUTH AUSTRALIA ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 10. Page 1413.)

The Hon. R. C. DeGARIS (Leader of the Opposition): This Bill imposes a tax on the trading profits of the Savings Bank of South Australia. The tax will result in the payment by the bank of about $500 000 a year to the revenues of the State. Neither the State Bank nor the Savings Bank of South Australia pays any income tax or company tax. If those banks were required to pay the rate of taxation applicable to private companies in their business activities, they would be taxed at between 45 per cent and 50 per cent.

The Hon. Sir Arthur Rymill: You have straddled the correct figure.

The Hon. R. C. DeGARIS: I am told by my honourable friend that 47½ per cent is the correct figure. I raise no objection to the principle behind this Bill. It is reasonable that instrumentalities in direct competition with the private sector should not be in a better trading position than are their competitors. This philosophy was followed by this Council when it dealt with the State Government Insurance Commission legislation, when honourable members ensured that the commission was in no better trading position than were insurance companies that had to meet all forms of taxation.

I wonder when the Government intends imposing a tax on the State Government Insurance Commission for a share of its profits to assist the revenues of the State. If one refers to the Auditor-General's Report, however, one understands why the Government has not moved in that direction. The Bill does a little more than simply impose a tax on the net profit of the Savings Bank of South Australia. I have not yet checked the Bill thoroughly, but I believe that it does what the Chief Secretary's explanation says it does. True, over the years the Savings Bank of South Australia has made money available to the State Government, the Housing Trust and maybe other semi-government institutions at very favourable rates of interest. It therefore seems realistic that, when the Government imposes a tax on the bank, the advances made by the bank at extremely low rates of interest should be considered as a contra entry.

In 1952, a 30-year loan was made on a credit foncier basis at 1½ per cent per annum interest. It is reasonable that such advances should be considered when a tax is imposed on the bank's net profit; that is the complicating factor here. The Bill is not simple; it is rather difficult to read but nevertheless straightforward. I support the second reading, but I may ask questions about some clauses in the Committee stage.

The Hon. G. J. GILFILLAN secured the adjournment of the debate.

GAS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 10. Page 1414.)

The Hon. C. R. STORY (Midland): This Bill is in line with several other Bills currently on the Notice Paper that increase taxation. In common with these Bills, this Bill has not been given much publicity by the South Australian media and, as I have previously complained on several occasions, if one seeks to have information provided to the public one should have a small box of carrier pigeons available.

The Hon. T. M. Casey: They're on strike, I've been told.

The Hon. C. R. STORY: I believe that is so, although no-one in this Chamber would notice the difference, because as far as we are concerned they are constantly on strike. My complaint relates to the fact that members of the press no longer work as they used to, because the Government has many people issuing the press with hand-outs, and these hand-outs refer only to the Bills about which publicity is sought. This system keeps the boys in a job, and the public is not well informed at all.

The Hon. M. B. Cameron: You'll have to complain to the board, won't you?

The Hon. C. R. STORY: I might have to write a letter to the press, which is something I have never done and which is something I suppose one should do at least once in a lifetime. In his second reading explanation the Minister said:

> It is one of a series of measures intended to enhance the revenue position of the State. The need to find new sources of revenue, particularly those which have a "growth" element, has, it is suggested, already been amply demonstrated.

That has been amply demonstrated, and any undertaking having a growth element should be warned that it is in for

trouble. It is bad enough when this involves a semi-government instrumentality or an organisation guaranteed by the Government, as is the South Australian Gas Company, but the situation is even more frightening to the people who seek (and this is in line with everyone's ambition) to run a profitable business, and to expand that business if possible. This is the cornerstone on which South Australia's prosperity has been built, and the State has developed by allowing people to develop and enlarge their undertakings.

It now seems that any undertaking with a growth element is to be penalised. This, of course, is Socialist philosophy. I am pleased always to hear any honourable member stand up for his convictions, whatever they may be, but this is socialistic legislation, which taxes one section only of the gas industry. A tax is to be applied on gas supplied through pipes, while gas supplied in bottles is not subject to this tax. This Bill deals entirely with that section of the industry supplying piped gas to the consumer. In his explanation the Minister said that the consideration to be paid for the granting of a licence would be a fee related to the gross amount received by the proposed holder for the price of gas supplied during a period antecedent to the period to which the licence related. If the Minister has an hour to spare, perhaps he will expain that to me in simple layman's terms, because I cannot easily interpret it. From my reading of the Bill, I imagine that the structure of this licensing system is to be broken up into quarters, a certain day marking the commencement of a quarter. I presume that the antecedent period mentioned in the second reading explanation refers to the fact that this Bill is not to be retrospective to the last quarter, as it will commence at a future time to be proclaimed and will commence operation in one of the quarters set out in the legislation.

In his explanation, the Minister referred to the recent High Court decision of *Dickensons Arcade Pty. Limited v. The State of Tasmania*, testing the constitutional validity of the Tobacco Act, 1972, a matter about which all honourable members have heard. The Minister referred also to the case of *Dennis Hotels Proprietary Limited v. The State of Victoria* (1960), that case being affirmed by the High Court, thereby being binding at that time. The Victorian Government and the Tasmania Government are benefiting from the decisions on those cases. Now it appears that South Australia also will benefit, under a different guise, as a result of the High Court decision.

In his second reading explanation, the Minister did not say whether the industry had been consulted about the Bill. The South Australian Gas Company and the Mount Gambier Gas Company are affected, and so far I have been unable to determine whether this legislation, if it is passed in its present form, will be satisfactory to the South Australian Gas Company. That company has share and debenture holders. Indeed, before the company can change its interest rates, it must seek approval from Parliament, and earlier this year a Select Committee was established to consider this matter. As this is an important consideration, I believe the Government should assure the Council that the South Australian Gas Company and its board, representing its share and debenture holders, has thoroughly examined the Bill.

Although I know that the company would not be in agreement with the principle contained in the Bill (no-one can agree to the principle of a Bill that seeks to extract additional taxes from hard-earned profits), we should be assured, at least, that the company and its shareholders are reasonably satisfied that this Bill will not provide too great a burden by the new changes in respect of the licence fee in order to legitimise the company's supplying gas from the city gate to its consumers. No doubt this tax on gas distribution will have some real effect.

First, it will increase the cost of gas to the consumer; secondly, it must change the status of the company as a borrowing authority when it becomes a taxable instrument, and therefore it is not likely to be an investment so much sought after by the public; thirdly, it seems that, if these are to be temporary measures (as we have heard) to get us over this inflationary period, it is being done in a very strange way. I think it will be like most other taxes inflicted on people; it will be permanent. It is a creeping up of an insidious taxation that must sound the death knell of private enterprise in the long run if there are not sufficient strong people about to offer resistance at every possible turn. I cannot report that I have been successful in ascertaining the feelings of the people most involved in this legislation. Until I am so satisfied, I seek leave to conclude my remarks.

Leave granted; debate adjourned.

STATE BANK ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 10. Page 1414.)

The Hon. G. J. GILFILLAN (Northern): I support the Bill, which is a short measure to raise from 45 per cent to 50 per cent of its net income the contribution made by the State Bank to the Treasury. The rate is a little higher than that paid by public companies, which is 47½ per cent, but of course this is by way of a dividend to the Government. The State Bank has a surplus of assets over liabilities of $11 731 180, and its net profit for the past year was $2 023 735, quite a high percentage of profit on the net assets. The bank has other responsibilities. Apart from its trading bank operations, it handles many Government avenues of finance such as loans to primary producers, home builders' loans, advances for homes, loans to producers, advances to settlers, loans for vermin-proof fencing, loans for fencing and water-piping, advances for student hostels, and Commonwealth loans for re-establishment and employment. The bank is reimbursed for actual administrative expenses in State and Commonwealth activities. It carries out many functions and it is financially guaranteed by the Government of the day.

As the private sector pays company tax, and as the State Bank is competing with private enterprise banks and is a competitor with some advantages in the way in which it obtains its finance, I do not object to the increased contribution, but I object to some of the charges made to other instrumentalities not trading in competition but supplying services to the public. I have in mind the South Australian Gas Company, the Electricity Trust of South Australia, and others. We have so many instrumentalities in the State working under different Acts that we must watch closely to see that unfair use is not made of these financial advantages by putting pressure on members of the public. I believe that at least one State lending instrumentality has been suggesting to intending borrowers that finance would be more readily available if the borrowers were to insure with the State Government Insurance Commission. I have not got that in writing, but I have heard it from extremely reliable people who were personally involved.

The Hon. C. M. Hill: The Savings Bank insists on it. There is no doubt about it; it insists.

The Hon. G. J. GILFILLAN: This is an unfair use being made of the powers Parliament has given various Government departments and instrumentalities. However, I do not object to the increase to 50 per cent provided in the Bill.

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

MORPHETT STREET BRIDGE ACT AMENDMENT BILL

Second reading.

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

That this Bill be now read a second time.

Following discussions with the Corporation of the City of Adelaide as to the corporation's present and future financial position, the Government is minded to free the corporation from its liability to make further repayments pursuant to section 9 of the Morphett Street Bridge Act, the principal Act. These payments of $120 000 were, pursuant to that Act, recouped to the Highways Fund, which was the original source of funds for the Morphett Street bridge reconstruction. Clause 2, which enacts a new section 10 in the principal Act, effects this discharge of liability. The Bill has been considered and approved by a Select Committee in another place.

The Hon. Sir ARTHUR RYMILL secured the adjournment of the debate.

ADJOURNMENT

At 3.45 p.m. the Council adjourned until Wednesday, October 16, at 2.15 p.m.