

LEGISLATIVE COUNCIL

Tuesday, October 12, 1976

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

PETITION: SEXUAL OFFENCES

The Hon. J. C. BURDETT presented a petition signed by 28 electors of South Australia stating that the crime of incest and the crime of unlawful carnal knowledge of young girls are detrimental to society and praying that the Legislative Council would reject or amend any legislation to abolish the crime of incest or to lower the age of consent in respect of sexual offences.

Petition received and read.

QUESTIONS

PUBLIC HOLIDAYS

The Hon. R. C. DeGARIS: I seek leave to make a brief explanation prior to directing a question to the Chief Secretary.

Leave granted.

The Hon. R. C. DeGARIS: Several chambers of commerce in the South-East have for some time referred to the desirability of holding a public holiday on Boxing Day, instead of Proclamation Day. Also, interest has been expressed about a day to suit individual country districts instead of the Adelaide Cup holiday. Has the Government given any consideration to this matter?

The Hon. D. H. L. BANFIELD: The Government has considered the matter of the Boxing Day public holiday and will be making a decision in this regard. However, as this is a matter of policy, I will bring down a reply later.

DRUGS

The Hon. J. R. CORNWALL: I seek leave to make a short statement prior to addressing a question to the Chief Secretary.

Leave granted.

The Hon. J. R. CORNWALL: I refer to a report by Dennis Atkins in the *Sunday Mail* (October 10) headed "S.A. Drug Scene" which stated, amongst other things:

Drug pushing in the Adelaide drug scene is now almost totally under the control of a Sydney business man. Informed sources in legal and drug circles told me the business man had halted the supply of "soft" drugs to Adelaide and stepped up the supply of heroin and similar opiates. "This is borne out by the fact that for three weeks it has been virtually impossible to buy any smoking drugs in Adelaide," I was told.

Anonymous sources are then quoted, as follows:

For years we have heard rumours about this guy running things, and it has been proven time and again he is involved because you meet people who have dealt in his presence. All this year things have been becoming very strange, with only spurts of smoking drugs . . . but heroin, heroin, heroin, all the time. And bloody lots of it. Rumours about this guy controlling the supply and cutting smoking drugs so people will turn to "smack" usually have been written off as paranoid and drugged ramblings. But we have been told by people who know . . . there is no question.

Another source is quoted as saying that heroin is often more freely available than pot. The Head of the Drug

Squad (Inspector Peter Collins) is reported as saying that the increasing use of heroin and other narcotics in Adelaide was because of the great increase in availability. Information given to me previously suggests that the report is substantially correct and cannot be written off as a Sunday sensation in the popular press. My sources of information allege that the so-called business man has referred to Adelaide as the "last frontier". Obviously, because of the laws of libel, he could not be named in the article. Can the Chief Secretary tell the Council:

1. Whether the "business man" referred to is Abe Saffron, the same person whose nominee was recently refused renewal of several liquor licences by the South Australian Licensing Court?

2. Is Mr. Saffron known to police throughout Australia and overseas for his criminal activities?

3. Has every precaution been taken to stop Mr. Saffron, or his agents or any other heavyweights on the drug scene, from corrupting South Australia's excellent Police Force, especially members of the Vice Squad and Drug Squad as they are known to have done in New South Wales?

4. Is the Drug Squad being given the necessary financial and logistic support to cope with the present situation by the Police Department and the Chief Secretary's office?

5. Has the Government given the police any specific instructions to concentrate on the major distributors of hard drugs rather than harass the small and casual users of soft drugs?

The Hon. D. H. L. BANFIELD: I also read the report, and there is no doubt that the name "Abe Saffron" was the first one to come to mind but, of course, the report was not specific on that. I should not be in the least surprised if they were referring to Abe Saffron in this regard. Regarding the second question, Abe Saffron's activities are well known throughout the Commonwealth, and he is a person well known to the Police Department. In relation to the third question, we certainly are concerned about drug pushing in this State, and we also have the greatest confidence in the Police Force. We do not think the people concerned will "get at" the police in any way. However, certain safeguards are taken to ensure that from time to time there is a change of personnel making the investigations. In relation to question No. 4 we are giving the police every assistance in this regard and the Police Force has been advised to take whatever action is necessary to increase the squad from time to time. In relation to question No. 5, we have not given any special instruction to the police at this time. The Government has the greatest confidence in the police in this regard and they are doing an exceptionally good job. We do not believe it necessary to give any specific instructions.

The Hon. R. C. DeGARIS: Will the Chief Secretary agree that Abe Saffron is a business man?

The Hon. D. H. L. BANFIELD: It is the type of business that he is involved in that we are most concerned about.

WATER STORAGEES

The Hon. M. B. DAWKINS: Has the Minister of Lands a reply of my question of September 15 about water storages?

The Hon. T. M. CASEY: The storage holdings and the total capacities of the three reservoirs are as follows:

Reservoir	Capacity		Current Holding
	Megalitres	Megalitres	
South Para	51 300		26 170
Barossa	4 510		3 137
Warren	5 080		3 698

Warren reservoir is being supplemented from the Mannum-Adelaide main, and both Warren and South Para reservoirs are being supplemented from the Swan Reach to Stockwell main.

MODBURY HOSPITAL

The Hon. C. M. HILL: I seek leave to make an explanation before asking a question of the Minister of Health. Leave granted.

The Hon. C. M. HILL: An article, headed "Hospital work approved", in the *Advertiser* of August 5 states:

The \$5 600 000 construction of three new buildings at the Modbury Hospital was approved by the State Cabinet yesterday. Mrs. Byrne, MP for Tea Tree Gully, said the Minister of Health (Mr. Banfield) had told her tenders for this second stage of the hospital would be called soon. It included completion of the main buildings second floor (\$1 650 000); a new psychiatric unit (\$1 800 000); and an education block (\$2 150 000).

On examining the Loan Estimates presented a few weeks ago and approved by Parliament, I find that, of the \$33 000 000 approved for hospital buildings, only one item was included dealing with Modbury Hospital—Modbury Hospital additions, \$458 000. It would therefore appear that the Government has not sought Parliamentary approval for such funds as are referred to in the article for the year ending June 30, 1977. What is the Minister's explanation of this situation? Is the work really planned for 1977-78; if it is, is the announcement not somewhat premature, and is it unreasonable for Modbury residents to assume that it is being made at this stage for political purposes only?

The Hon. D. H. L. BANFIELD: I am surprised at the honourable member. During his contribution to the Loan Estimates debate, he advised the Government to start projects and not complete them; we are not doing that, but that was his advice. He must realise that the announcement related to the approval of the building of the project and that there are only seven months left in this financial year. It is therefore not possible to spend the money in this financial year. I thought that the honourable member was a business man but, despite his advice in the Loan Estimates debate that we should start buildings and then leave them incomplete, he is now suggesting that we should spend \$5 000 000 in only six months on a project that has only just been approved for the calling of tenders. He ought to know better than that.

WOOMERA

The Hon. A. M. WHYTE: Has the Chief Secretary a reply to my recent question about the comparison between using facilities at Edinburgh Airport and using those at Woomera?

The Hon. D. H. L. BANFIELD: The Government is not aware of a proposed extension of the Edinburgh Airfield, only a slightly increased usage of the existing facilities. In answer to the second part of the question, the Federal Minister, in response to approaches made to him in the Federal Parliament, has stated categorically that the relocation of the base to Woomera cannot be sustained, as the economics of the situation dictate the next best alternative to Edinburgh would be location in another State.

GOVERNMENT CARS

The Hon. M. B. DAWKINS: Has the Minister of Lands received a reply to the question I asked on September 15 regarding Government cars?

The Hon. T. M. CASEY: The Government Motor Garage is at present using four prestige cars manufactured by Chrysler Australia Limited and General Motors-Holden's. There are five spare cars, and this is the number considered necessary to provide a service not only for Ministers and members of Parliament but also for visiting dignitaries and Parliamentary committees.

FREEWAY EXPENDITURE

The Hon. C. M. HILL: Recently, I asked the Minister of Lands, representing the Minister of Transport, whether he could tell me the sum that the Labor Government had spent on freeway and expressway routes, as depicted in the Metropolitan Adelaide Transportation Study Report, from the approximate date that the Government came to office in 1970 until now. Has the Minister a reply to that question?

The Hon. T. M. CASEY: The Minister of Transport reports:

For the period June 1, 1970, to August 31, 1976, a total of \$14 875 929 has been expended on the acquisition of properties on proposed freeway and expressway routes, as defined by M.A.T.S. Sales of properties for the same period have amounted to \$760 888.

RURAL INDUSTRIES

The Hon. N. K. FOSTER: The Minister of Agriculture is no doubt aware of the rural industry information papers issued by the Primary Industry Department in Canberra in July, 1976. Does he agree that page 49 of that document represents the total sum that the present Federal Government has available for the rural industry? May I also move that page 49 of that document, which I should like to hand to the Minister before he replies, be incorporated in *Hansard*?

The PRESIDENT: The honourable member has asked that page 49 of the document to which he has referred be incorporated in *Hansard*. Is the honourable member given leave?

Several members: No.

The PRESIDENT: The Hon. Mr. Foster has asked for leave to incorporate in *Hansard* page 49 of the document to which he has referred. I put the question and, there having been a dissentient voice or voices, I consequently rule that leave has been refused. The honourable member can read the document, if he so desires.

The Hon. N. K. Foster: I can't read it. It represents the philosophy of the Liberal Party: I can't read it, because the page is completely blank.

The PRESIDENT: Order! I think the Minister had better ignore that question.

TRANSPORTABLE BUILDINGS

The Hon. A. M. WHYTE: Has the Minister of Lands, representing the Minister of Education, a reply to the question I asked some time ago regarding the transport to Coober Pedy of a school building?

The Hon. T. M. CASEY: My colleague reports that the additional cost incurred in redirecting a transportable classroom while en route from Ceduna to Coober Pedy was \$11 655.

SOUTH AUSTRALIAN GRANTS COMMISSION BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendments Nos. 1 to 9 and 11 to 13 but had disagreed to amendment No. 10.

Consideration in Committee.

The Hon. T. M. CASEY (Minister of Lands): I move:

That the Council do not insist on its amendment No. 10. I would ask that the Committee not insist on its amendment in this particular case because it has already been indicated that the Government believes very strongly that this clause should remain in its present form as contained in the Bill. The Government believes that it is its prerogative, as Government of this State, to make the appointments as set out under clause 9. I would also point out that I believe that the House of Assembly has acted in the spirit of the Bill, and accepted recommendations and amendments from this Chamber, but the Government believes that it is most important that this matter remain as it is in the Bill at this moment, particularly as an interim committee has been set up, and has been working very well. I believe it would be detrimental to the commission if this matter was altered now.

I think the Government has been very charitable in its attitude in accepting the other amendments that have been inserted by this Chamber, and once again, as I have indicated on many occasions, I believe that this Committee should not insist on amendments that are raised in this place. The Government of the State is in the Lower House, and it is for that reason that I would ask the Committee not to insist on this amendment.

The Hon. R. C. DeGARIS (Leader of the Opposition): The argument that the Minister has just put forward really is that the Government wants absolute domination over determinations made by the Grants Commission. The Minister said that he wants to control absolutely.

The Hon. N. K. Foster: You say that the Minister said that? He did not say that at all.

The Hon. R. C. DeGARIS: He said it is the prerogative of the Government to appoint the commission; that is what he said.

The Hon. T. M. Casey: That is right.

The Hon. R. C. DeGARIS: And that means that the Government wants to control, by the use of that prerogative, who goes on that commission.

The Hon. N. K. Foster: That used to be Bob Menzies' philosophy.

The Hon. R. C. DeGARIS: That is what the Minister has said, that it is the prerogative of the Government. What is the prerogative of local government? The Minister already has two nominations, and all we asked was that five years hence local government should have the right to appoint its nominee to the Grants Commission.

The Hon. M. B. Dawkins: The Minister has all three nominations at the moment.

The Hon. R. C. DeGARIS: Yes, that is right. Even after five years, we would still have two of the Minister's nominations on the Grants Commission. It is quite clear that the Government wishes to dominate this commission and it should not be in a position of having total domination. It is all very well for the Minister to say that this is a charitable Government, but the other amendments already moved were logical and the Government has accepted them; but not to accept this amendment seems to me to be a blow to confidence in local government in this State. All

of those honourable members of this Council who have served on local government and have a feeling for it examined the Hon. Mr. Hill's amendment when he moved it and decided that this was the form it should take. To say that this Committee should never insist on an amendment that has been moved is to state the ridiculous. We are here to do, and were elected to do, a certain job. If there is a situation where only suggestions can be made from this Council, we then have a dominance, a dictatorship, for a three-year period in one House, and that cannot be justified democratically.

I believe that the amendment moved by the Hon. Mr. Hill is perfectly logical and reasonable and takes into account the feeling of local government in this State; it does not place it in a situation of being dominated by a Minister or a Government. The Bill is required urgently. If it does not pass or if the Minister takes a dogmatic attitude on this matter, the State will suffer by not having a Grants Commission. On balance, I think the Bill should pass as it is, although other honourable members may make up their minds differently on that point. I hope that any future Government that may come into office in this State will amend this Bill to grant to local government the representation it justly deserves in its own right on the Grants Commission of this State.

The Hon. N. K. Foster: That is not in any clause of this Bill.

The Hon. R. C. DeGARIS: Yes, it is.

The Hon. C. M. HILL: The history of this matter is that, when the Bill came to us, the clause dealing with the constitution of the proposed local government Grants Commission provided that three members were to be appointed. The Government wanted, and still wants, the right to appoint those three members. The Minister is still insisting on the original provisions of the Bill. I believe it was reasonable to suggest that one of the members of the commission should be nominated by local government. Later, the Minister of Local Government pointed out that an interim commission was operating and that it would be in the best interests of all concerned if the person connected with local government carried on as a member of the new permanent body.

Although I do not object to that view, I ask the Committee to examine the amendment which has been now refused by the Government stipulating that the third person shall be a member nominated by the Minister after consultation with local government, but after the expiry of that person's term of office (it could be up to five years), the Government must go to the Local Government Association and ask for its nominee, who would be the third member of the commission.

That situation seemed to be a fair compromise as it met the Minister's concern about continuity, especially as he had great confidence in the existing members of the interim commission. The amendment ensures that in the future the association will receive the confidence and respect it deserves, because it could nominate the third member. The Government has said that it is unacceptable that the third member should come from local government and it is saying that the third member should not come from local government in the future, say, in five years.

That attitude is most unreasonable and difficult to understand. I am disappointed in the Minister's attitude, as he has no regard whatever for the association. He is showing no good faith in the association. He has no confidence in it and no respect for the collective association, representing the greatest number of local government bodies in this State.

Local government should be represented on the commission. In any discussions I have had with other members of my Party, everyone with whom I have discussed this matter believes that local government should be so represented. Anyone would think that the Opposition is seeking to obtain a majority of votes for members of the commission to come from local government, that we are trying to usurp the Minister's control over the commission and place control in the hands of local government. That is not so.

We have not sought to amend the provisions whereby the Minister nominates the first two members of the commission, and this clearly shows that we are not involved in any move seeking to give local government a controlling say.

The Hon. N. K. Foster: Who would be your nominee?

The Hon. C. M. HILL: I do not have any nominee. We are not seeking to allow the association or local government to control the commission—all we are asking is that someone chosen by the association becomes a member of the commission. Such a member could report back from time to time to local government regional bodies, could discuss problems facing the commission at such meetings, and he would be speaking as the person in whom the association had full confidence, because it would have nominated him. Such a situation would provide a splendid form of liaison and public relations between this important commission and local government and, more importantly, it would show that the Minister had faith in the association.

The Minister stands condemned and will stand condemned by the majority of councils comprising the association for his refusal to accept this fair and reasonable amendment. The importance to local government of the commission has not been fully appreciated. The formation of the commission is a milestone in the history of local government in South Australia as it is one of the most important bodies affecting local government that has ever been proposed. Having evolved a system whereby such a commission is at last established, to be faced with the Minister who refuses to accept a nominee from the association as one of the three members is a blow both to local government generally and to the association specifically.

In the future, Governments will change and I indicate now that, if ever I have the opportunity to change the commission's constitution in any way in the future, I will support the position that the association has a direct nominee on this body. I say that because, as a former member of local government, as a former Minister of Local Government, and as a member of this Parliament, I have always had the highest regard for local government, and I have high regard indeed for the Local Government Association. I would be prepared, as I have tried to do by this amendment, to back up what I am saying about that high regard for and confidence in local government by having one of its members come direct from the association.

The Hon. M. B. DAWKINS: I, too, am extremely disappointed that the Minister does not see fit to accept what I believe is a reasonable compromise. I compliment the Hon. Mr. Hill who in the first instance moved an amendment to provide that local government would nominate the third member of the commission. After the honourable gentleman had discussions and found out that the Minister wanted to retain certain personnel, the Hon. Mr. Hill bent over backwards to draw up an amendment that would take care of the Minister's present wishes and also provide that in future local government would have the opportunity to nominate the third member of the commission.

The amendment provides that at some time in the future, maybe in three years or in five years, local government will have the opportunity to nominate the third member, and, as the Hon. Mr. Hill has pointed out, this is only one member of the three. In the first place, the Minister wanted to nominate all three members of the commission, certainly one in consultation with local government but local government would have no direct say. The Minister still wants to nominate all three members. The Hon. Mr. Hill's present amendment provides for that, and only later would local government have the opportunity to nominate one of the three members.

I am disappointed in this Government, which recently gave statutory recognition to the Local Government Association. I believe that that statutory recognition, which probably was well deserved, was mere window dressing, when the Minister is not prepared to accept this reasonable amendment. I also believe that the Minister stands condemned. He pretends to be a democrat, but he is the antithesis of a democrat on this issue. When the Liberal Party gets back to office, it will correct this error.

The Hon. J. C. BURDETT: I am indeed disappointed that the Minister of Local Government has not enough confidence in local government to enable it to nominate a representative. What sort of democracy is this? Local government should have a representative. The Minister seems to be saying that local government shall have a representative but the representative shall be his nominee. Such a commission would not represent local government at all: it would represent the Minister. It is the pattern of this government to appoint commissions and committees as fronts, pretending that such committees or commissions represent various interests and are, in fact, truly representative, whereas they are not: they are appointed by the Minister.

In another Bill that is before the Chamber at present certain persons are referred to as representing various interests, and they are not elected or appointed by those interests but are appointed by the Minister. Whenever a committee or commission relating to local government is appointed, at least one representative should always be genuinely appointed by local government. The Hon. Mr. Hill was most moderate in his amendment.

The Hon. N. K. Foster: He is a typical moderate. He does not want to do anything.

The Hon. J. C. BURDETT: He wants to give local government a genuine voice on this commission, and that is more than the Minister would do. The Hon. Mr. Hill is being much more positive than the Minister. He also was moderate in agreeing to the Minister's suggestion that there ought to be a settling-in period, and the Hon. Mr. Hill agreed to allow such a period of up to five years so that during that period all the members would be the Minister's nominees, but he wanted local government after that time to have the right to elect only one member of the commission.

This suggestion was rejected arrogantly. The Minister has suggested that he knows better than local government who can represent local government. All that the Hon. Mr. Hill wants is that, after a settling-in period, one of the three members will be appointed by local government. That member would be in the minority. The request is not unreasonable, and to deny it is a denial of democracy.

The Hon. N. K. FOSTER: I desire, of course, to support the Bill as it was introduced by the Government. Members opposite have been using rather strong language because their amendment has not been acceded to elsewhere. It

surprises me and smacks of hypocrisy to hear members opposite decrying the fact that their amendment has not been accepted on the basis that they are the only people who are prepared to champion the so-called rights of local government.

Where, in any other field of community necessity and community endeavour, have we had such an apathetic attitude as the one that the Liberals have seen fit to adopt towards local government, whether the Liberals were in Government either in South Australia or in Canberra without a break from 1949 to 1972 and again at present? Once more, the present Federal Government, whilst making an attempt at window dressing regarding local government, has cut back the finances.

The Hon. J. C. Burdett: It was a 75 per cent increase.

The Hon. N. K. FOSTER: What members opposite are saying is untrue. It is like the hospital programme. Could they say that that was an increase? They should examine the matter in real terms and see what the money can achieve. They know that the amount represents a decrease, and they also have read the present Minister's press statements, clearly and properly pointing that out. I have drawn attention in this place to what was said when a conference was opened in this city a few months ago. Liberal members are frustrated, in that they are fighting for an amendment that does not mean anything. A few weeks ago they were complaining that the Government was delaying the Bill, but they themselves are now delaying it by shedding crocodile tears concerning the question of representation.

Members interjecting:

The Hon. N. K. FOSTER: I have yet to hear you, Mr. Chairman, ask members opposite not to interject when I am on my feet.

The Hon. M. B. Cameron: You stop, and we will stop.

The Hon. N. K. FOSTER: You are all frustrated, out-of-office Liberals. You are all fools.

The CHAIRMAN: Order! The honourable member should come back to the amendment.

The Hon. N. K. FOSTER: The Hon. Mr. Hill has said that the Opposition does not want local government to exercise control, and that that should be conveyed to the Minister. Evidently the honourable member has forgotten the philosophy of his great false god, Sir Robert Menzies: it does not matter how many members you have on a committee, as long as you have the man in control. An example of this set-up is the appointment of Sir Henry Bland as Chairman of the Australian Broadcasting Commission. That kind of set-up is what Liberal members have their sights on. They can see themselves in Opposition for many years.

The Hon. J. C. Burdett: Don't numbers count?

The Hon. N. K. FOSTER: Not necessarily. Liberal members have not even advanced an honest argument. It is not long ago that the Local Government Association did not represent 50 per cent of the total number of people in local government areas.

The Hon. J. C. Burdett: You don't know what you're talking about.

The Hon. N. K. FOSTER: I support the Bill. The Opposition should cease being petty, and it, too, should support the Bill.

The Hon. A. M. WHYTE: I support the Bill, and I also support the amendment, which creates a just situation in connection with forming the commission. The Minister wants absolute power. All the amendment does is merely say that local government should have the right to a voice on the commission. The Hon. Mr. Foster alleged that the

arguments advanced in support of the amendment were not honestly put, but I point out that the amendment simply provides that local government should have the right to nominate one of the three members of the commission. There is no intention of disrupting the passage of the Bill. In rejecting the amendment, the Minister shows that he intends to control the commission absolutely.

The Hon. M. B. CAMERON: It is always difficult to follow the Hon. Mr. Foster; the best description I can give of him is that he is the happy wanderer. One finds it difficult to know which Bill he is dealing with and what point he is making. The real point behind the amendment is this: should the body most affected by the Bill have representation on the commission? We are continually hearing from the Government that it believes in representation in all sorts of other ways, so surely we should extend the principle to this Bill. It is incredible that the Minister should want to retain absolute power in this respect. The erroneous suggestion that the Federal Government has cut back finance to local government is irrelevant and untrue. I therefore ask the Minister of Lands to take the matter back to his colleague again and persuade him that local government should have representation.

The Hon. T. M. CASEY: I thank the Committee for considering the amendment further. We know that the Committee will not insist on the amendment, and I congratulate the Committee on this attitude. It is wrong that the Minister of Local Government should be attacked unmercifully every time local government matters are raised in this Chamber.

The Hon. M. B. Cameron: He is an unreasonable man.

The Hon. T. M. CASEY: Some honourable members play politics. The Hon. Mr. Cameron is a complete chatterbox: they just wind him up, and he refuses to settle down. We have heard much about how democratic the Liberal Party is! The Victorian Liberal Government, which has a majority in both Houses of the Victorian Parliament, has included in its Bill a stipulation that two members of the Victorian commission will be appointed by the Victorian Government after consultation with local government authorities; in fact, I do not think the Victorian Government even has to consult local government authorities. The Opposition's argument seems inconsistent with the policy of its political mates in Victoria. I think the Hon. Mr. Hill said that a member appointed by the Minister is considered to be a very good representative of local government; the honourable member went even further and said that, if a local government member was to be reappointed to the commission, there was no doubt that Mr. Wirth would be reappointed. That means that the Minister has made an excellent choice. If he has done it once, he will do it again. Therefore, honourable members opposite cannot say that the Government is dictatorial. If they say that, they are also saying that the Victorian Government is dictatorial.

The Hon. R. C. DeGaris: I am saying that I would make the same speech in the Victorian Upper House as I would make here.

The Hon. T. M. CASEY: That would be the greatest statement I have ever heard this side of the black stump. I never thought the Leader would try to put that one over. I hope that the Committee will not insist on its amendment.

The Hon. C. M. HILL: The world will not come to an end if this Bill is not passed. The interim commission has already been established, and I am told that it is operating very well. Honourable members will have seen

last week that the commission has already made its allocations to councils throughout the State. The Minister is assuming too readily that this Bill will have a safe passage. I have heard from all honourable members on this side of the House who have served on local government, and I commend them particularly, because they have had experience in this area.

The Hon. N. K. Foster: Those who serve on local government on this side don't count?

The Hon. C. M. HILL: I challenge any Government member who has served or is serving in local government to get up and give his view on this matter. There is an honourable member on the Government benches who is at present a member of local government, and I think his views on this question whether or not the Local Government Association should have representation on this commission ought to go on record for the whole of local government to see. Why does that honourable member not get up and say, before this vote is taken, whether or not he agrees with local government having representation on this commission and whether he agrees with the views of his dictatorial Minister, who has no respect for local government? Indeed, local government has no respect for him. This whole matter has been brought to a head by this Bill and the Minister's attitude towards it, and it will go down for all time where he and the present Government stand with regard to local government.

The Hon. M. B. CAMERON: In his rather weak reply, the Minister said that he had made an appointment that had the support of local government. However, after seeing the two people who have been nominated to the water resources tribunal (I refer to the President and Secretary of the local branch of the Labor Party), I do not trust the Government to make a proper appointment. I ask the Minister once again to give local government some rights under this Bill and let the person who is appointed not be subject to his direction.

The Hon. R. C. DeGARIS: I agree with what the Hon. Mr. Cameron and the Hon. Mr. Hill have said. No valid argument has been advanced by the Government against the amendment. We heard the usual tirade from the Hon. Mr. Foster, who did not argue the case at all. We also heard the Minister refer to Victoria. However, that does not affect what may happen here. I was genuine when I said that, if I was in the Upper House in Victoria, I would take the same view as I am taking on this Bill. Although there is a chance that the Bill may be lost if the Council insists on its amendment, I understand that honourable members support this amendment strongly. If the Council wants to insist on its amendment, we must continue the fight with the House of Assembly. I strongly support the amendment and, even at this stage, I would almost beg the Government to reconsider its position. There is no doubt that in the debate so far not one valid argument has been advanced by the Government in support of its position.

Motion carried.

LAND TAX ACT AMENDMENT BILL

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

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

That this Bill be now read a second time.

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

Leave granted.

EXPLANATION OF BILL

It gives effect to the Government's undertaking of September 2 to abolish land tax for genuine farmers in rural areas and to reduce land tax rates at the top end of the scale. The Government has already eased the incidence of land tax on farms very greatly so that, in fact, only a small proportion of rural landholders was liable to the tax in the 1975-76 financial year. Even so, depressed prices in the rural sector, coupled with the severe drought that has affected most of the State, have now produced a situation in which the whole rural community is facing considerable hardship. The Government has decided, therefore, to take what measures it reasonably can to alleviate these problems and to assist people in country areas to overcome their present difficulties.

The effects of the decision should be measured not simply in terms of the immediate relief which it brings to those farmers still liable for land tax, but also in terms of the assurance which it gives to other farmers that increasing land valuations will not result in their becoming liable for land tax at some future date. In this way, the Government is making a very real contribution towards encouraging those who so desire to remain in the rural industry. In the metropolitan area, owners of business and commercial properties have borne the main impact of rising land values. The Government is conscious of the effects of its taxation measures on private enterprise and, at all times, tries to strike a balance between the need for revenue and the need to encourage industry to develop. In the present budgetary circumstances, the Government feels justified in offering certain concessions to the private sector, thereby making it somewhat easier for businessmen to expand their activities and to create more jobs.

Apart from the direct effects that the concessions should have on the unemployment situation, it is also the Government's hope that, by reducing business costs, the measures will help to stabilise prices and so assist in the fight against inflation. This will naturally have beneficial secondary effects on employment. Previously, properties valued at more than \$200 000 were taxed at the rate of 38c for each \$10 over \$200 000. Between \$150 000 and \$200 000 the marginal rates increased in steps of 28c to 38c for each \$10. The top marginal rate will now be 27c for each \$10 over and above \$150 000, and for values between \$40 000 and \$150 000 the marginal rates have each been cut by 1c for each \$10. Together, the abolition of land tax for farmers and the reductions in the rates for other landholders are expected to cost the Government about \$6 200 000 this financial year.

In the light of certain comments that have been made following my announcement of several weeks ago on this matter, I should make it clear that the measure is not intended to reduce the liability of the average suburban householder for land tax. For most people, land tax is a relatively small liability, and any reduction would have an insignificant effect on their financial position. Further, the last adjustment of the scale of land tax was most favourable to those whose properties are assessed for tax at the lower end of the scale.

Clause 1 is formal. Clause 2 provides that the Act shall be deemed to have come into operation on June 30, 1976. This date ensures that the concessions provided by this Bill will apply during the current financial year as land tax is calculated on the aggregate taxable value of all land held by a taxpayer at June 30 preceding the financial year for which the tax is levied. Clause 3 varies the definition of "declared rural land" to limit its application to land so declared before the date of operation of this Act. Land tax

will not be payable on declared rural land in future years, although the differential tax outstanding in respect of past years will become payable if such land ceases to be "declared rural land" under the existing provisions of the Act. Clause 4 exempts land used for primary production from land tax. Clause 5 deletes the existing provisions reducing the taxable value of land used for primary production by the previous statutory exemption of up to \$40 000. Clause 6 provides the new rates of land tax.

Clause 7 varies the existing provisions of section 12c of the Act which contains special provisions for rural land within the "defined rural area". Land used for primary production within the defined rural area will be exempt from land tax in future. However, it is necessary to continue certain provisions of that section in operation so that differential tax in respect of past years will become payable on any land which ceases to be "declared rural land". Clause 8 contains an evidentiary provision facilitating proof of the service of notices in cases where court action is taken for the recovery of unpaid tax. Because land tax accounts are now prepared for despatch by computer, it is extremely difficult to prove posting, and hence service, of the account in a particular case. It is hoped that the provisions of this clause will overcome the problem.

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

STATUTES AMENDMENT (GIFT DUTY AND STAMP DUTIES) BILL

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

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

That this Bill be now read a second time.

Its purpose is to extend the period during which gift duty and stamp duties on the transfer of an interest in the matrimonial home from one spouse to the other are reduced. Originally this concession was to have effect from July 14, 1975, until July 14, 1976. It has been decided to extend that period for six months, ending on January 31, 1977, and, in order to ensure the continuity of the operation of the section, this Bill has been made retroactive to July 14 this year.

Clause 1 is formal. Clause 2 provides that the Act shall be deemed to have come into operation on July 14, 1976. Clauses 3 and 4 are formal. Clause 5 amends section 11a of the Gift Duty Act to continue the operation of the provisions remitting gift duty on the transfer of an interest in the matrimonial home until January 31, 1977. Clause 6 is formal. Clause 7 amends section 71 of the Stamp Duties Act by similarly extending the remitting provisions of that Act.

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

ART GALLERY ACT AMENDMENT BILL

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

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

That this Bill be now read a second time.

It is a short Bill giving to the Art Gallery Board the facility, enjoyed by other similar boards, of borrowing money, subject to the consent of the Treasurer. Provision

is made for the repayment of any such money borrowed to be guaranteed by the Treasurer and the effect of this guarantee is to give the board access to funds at rates of interest well below "commercial rates". If this amendment is agreed to the board's continuing acquisition programme can proceed without increasing its subventions from the Government.

Clause 1 is formal. Clause 2 provides for the board to be able to borrow money, with the consent of the Treasurer, upon security if it thinks fit, and for the Treasurer, upon such terms and conditions as he thinks fit, to guarantee the repayment of any loan, such guarantee to be paid from general revenue.

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

MARINE ACT AMENDMENT BILL

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

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

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

Leave granted.

EXPLANATION OF BILL

It makes a number of miscellaneous amendments to the Marine Act. The major amendments relate to section 63 and section 110 of the principal Act. Section 63 requires that, wherever it is practicable to do so, the master of a ship that has been involved in a collision should stand by to aid any ship that may have been damaged in the collision. It goes on to provide that if a certificated officer fails to observe that requirement his certificate may, after inquiry, be cancelled or suspended. Section 63 does not, however, say by whom the inquiry is to be conducted. The Bill therefore removes the provision for an inquiry from section 63 and widens section 110 to make it clear that an inquiry into a matter covered by section 63 may be held before a court of marine inquiry.

The Bill repeals section 67f of the principal Act. This section at present provides that the regulations applying to fishing vessels do not apply to fishing vessels used solely on the Murray River. The Government believes that, in the interests of safety, these regulations should apply to all fishing vessels and, accordingly, section 67f is removed. The Bill inserts a new section 145 in the principal Act. This new section gives the Minister immunity in civil actions in respect of certificates and other documents issued under the Act. At present, it is possible that if a vessel in respect of which a certificate of survey had been issued proved to be unseaworthy, or, if an officer holding a certificate of competency issued under the Act proved to be incompetent, an action in negligence could be maintained against the Minister or the officer who issued the certificate. The Government believes that the possibility of such actions is undesirable and hence the new section conferring immunity upon the Minister and officers acting in the administration of the Act is proposed by the Bill.

Clause 1 is formal. Clause 2 suspends the operation of the new Act until Her Majesty's pleasure thereon has been signified in the State. This provision is included in view of section 734 of the Merchant Shipping Act. Clauses 3 and 7 confer the power to make investigations into a failure of duty under section 63 upon the court of marine

inquiry. Clause 4 repeals section 67f of the principal Act which at present exempts from the fishing boat regulations vessels that operate only on the Murray River. Clauses 5 and 6 are designed to make it perfectly clear that the provisions of Part V relating to investigations by the court of marine inquiry apply to fishing vessels and their officers and crews. Clause 8 exempts the Minister and officials acting in the administration of the Act from liability flowing from the issue of certificates and other documents under the Act.

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

SALARIES ADJUSTMENT (PUBLIC OFFICES) BILL

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

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

That this Bill be now read a second time.

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

Leave granted.

EXPLANATION OF BILL

It repeals the Salaries Adjustment (Public Service and Teachers) Act, 1960-1975, and makes further provision for the payment of retroactive increases in salary. The repealed Act dealt with the situation that arose where a retroactive increase in salary of an office was provided for, and between the time that the increase was expressed to take effect and the time that the instrument granting the increase was made the officer or teacher concerned had vacated his office. The repealed Act provided that payment of that retroactive increase would be made if the officer or teacher retired or died but not if the officer or teacher resigned. In the Government's view this situation requires a remedy since it is inconsistent with the principle that a retroactive determination is intended to adjust the salary for work in relation to a period antecedent to the time at which the determination was made. It follows therefore that a person who was performing that work during that period is entitled to the salary as so increased notwithstanding the circumstances in which he ceases to perform the work. The present measure is intended to achieve this end.

Clauses 1 to 3 are formal. Clause 4 deals specifically with the Superannuation Act; in this case retroactive increases are not taken into account in adjusting contributions. Clause 5 makes it clear that rights to salary that arise apart from this Bill are not affected by the enactment of this measure into law. Clause 6 sets out the definitions necessary for the purposes of the measure. In general, these are self-explanatory. Clause 7 provides that in all circumstances retroactive salary increases will be payable to people who occupied the relevant offices at any time during the period of retroactivity. Clause 8 is a regulation-making power in the usual form. Finally, it is pointed out that this measure does nothing more than make it clear that public employees are in no different position in this area from persons employed in the private sector. The "rights" asserted to in this measure have long been available to persons engaged in private as opposed to public employment.

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

APPROPRIATION BILL (No. 3)

Adjourned debate on second reading.

(Continued from October 7. Page 1390.)

The Hon. R. C. DeGARIS (Leader of the Opposition): The debate on the Budget in this Chamber never attracts any great attention. I think there are two reasons for that. First, the lines are not debated and questioned in this Chamber as closely as they are in the House of Assembly debate. The debate, therefore, in this Chamber is confined to the general construction and philosophy of the Budget. Secondly, over the period of our history, no Budget has ever been defeated in the Legislative Council.

On one occasion (1910) amendments were made to the Budget which is the only time I can find that any action has been taken by this Council in relation to a budgetary matter. For the first time since I have been in Parliament, the thought crossed my mind that this Chamber did have a case to exert some pressure in relation to the passage of this Budget.

The Hon. Anne Levy: November 11 again?

Members interjecting:

The PRESIDENT: Order! I think the Hon. Mr. DeGaris should be heard in silence.

The Hon. R. C. DeGARIS: Perhaps I should repeat what I have said, Mr. President. For the first time since I have been in Parliament the thought crossed my mind that this Chamber had a case to exert some pressure regarding the passage of the Budget. I think it fair to say that, if the new boundaries had been in operation now, we would be facing an election on those boundaries probably before Christmas. I think that is a reasonable assessment made by most people who make any study of the political scene in South Australia. On any correct analysis, the proposed new boundaries favour the Australian Labor Party to a degree that must concern all those who believe that the majority voting for a certain type of Government in the House of Assembly should, under any democratic test, have the right to elect that style of Government.

The Hon. J. E. Dunford: What about in Queensland?

The Hon. R. C. DeGARIS: The Hon. Mr. Dunford wants to look at Queensland. He will find out that by the application of any reasonable test to the Queensland situation the Australian Labor Party is over-represented in that State.

The Hon. J. E. Dunford: Wrong!

The Hon. R. C. DeGARIS: Do not make any mistake about that. The Australian Labor Party at the present time, applying the law of cubic law proportions, is over-represented in Queensland. Let that be said straight away. If one wants to talk about the percentage of votes, one should look at South Australia where we have a minority Government. Do not go any further than that. The question arises as to how the point can be made so that the voters of South Australia understand that the distribution does not satisfy the first fundamental of democracy, the right of the majority to elect the Government of their choice.

The Hon. Anne Levy: You are impugning the Electoral Commission.

The Hon. R. C. DeGARIS: I am not impugning the Electoral Commission. To use the word "impugning" is totally wrong about the Electoral Commission. Having this deep-seated belief in the true meaning of one vote one value and knowing that the proposals for redistribution will not produce that desirable end, one's mind turns to

ways and means of attracting public attention to this fundamental principle. At the beginning it crossed my mind that one way to attract attention might be to take some action in regard to the Budget. Also, before the House of Assembly at this stage is a Bill, which passed this Council without division, to remove the anomalies existing in the present voting procedures for this Chamber. There can be no argument that the amendments proposed ensure a more democratic form of voting; yet, so far as I can see, the House of Assembly does not seem inclined to deal with that amending Bill. The only real pressure points that this Council has are the annual Budget and Supply Bills, and that pressure has never been used to its full extent in the history of South Australia, as far as this Council is concerned.

The Hon. C. J. Sumner: Did you not agree last year to a motion that Upper Houses should not reject Supply?

The Hon. R. C. DeGARIS: I most certainly did not agree; I would never agree that that should be the situation.

The Hon. F. T. Blevins: Of course you wouldn't.

The Hon. R. C. DeGARIS: Much argument has been heard over the years about the powerful Upper House that we have in South Australia. If we examine it, we see that the Upper House is not and cannot be powerful. When tremendous pressure is placed on this Council, in no way, except in the Budget and Supply Bills, can this Council retaliate to such pressure. No matter what democratic measure passes this Council, it can be rejected in another place and no action can be taken to put that matter before the people of the State. Only the House of Assembly has that right of challenge.

The Hon. F. T. Blevins: Quite right, too.

The Hon. R. C. DeGARIS: Maybe so; I am not saying it is not right. I am just stating a fact. As regards the argument advanced that this Council is such a powerful Upper House that its powers must be trimmed, when one examines the position under the Constitution of South Australia and in the pact of 1857, one sees that this Council is nicely balanced in its powers.

The Hon. F. T. Blevins: Nonsense!

The Hon. R. C. DeGARIS: To reduce those powers any further would make a mockery of the situation. The powerful House always in South Australia has been the House of Assembly.

The Hon. F. T. Blevins: And so it should be.

The Hon. R. C. DeGARIS: I am not saying it should not be but I am saying that the argument advanced by the Hon. Mr. Blevins and his friends that this Council has been all-powerful in South Australia is not correct.

The Hon. J. E. Dunford: It has been rigged.

The Hon. R. C. DeGARIS: The only pressure points this Council has, when it comes to the crunch, are the Budget and the Supply Bills; there is no other pressure point. Faced as we are at present with probably one of the most vicious gerrymanders this State has seen, it may be appropriate for this Council to take some action on the Budget.

The Hon. F. T. Blevins: Go on—why don't you?

The Hon. R. C. DeGARIS: I said it "crossed my mind". Let us now look at this Budget. The proposed expenditure is expected to be about \$1 171 000 000, an increase of \$120 000 000 over last year. As usual, I should like to examine for the moment the allocations that have been made to the various departments, and also the areas of State taxation. First, I look at the estimated receipts compared with those of other years. State taxation in 1973-74 was \$137 700 000; in 1974-75, it was \$208 900 000; in 1975-76, it was \$275 500 000; and, in 1976-77, it is estimated to be

\$271 500 000, a fall of about \$4 000 000. The decrease in State taxation amounted to 1.5 per cent. However, one must note the rise in State taxation from 1973-74 to the proposed figure for 1976-77, from \$137 700 000 to \$271 500 000.

I turn now to public undertakings. I do not know whether the Minister could find me an explanation for this. In 1975-76, receipts were \$134 100 000, whereas in 1976-77 receipts are estimated to be \$96 200 000. I assume that is due to the loss of railway revenue, which amounts to about \$38 000 000, which is a remarkable drop in revenue. For recovery of debt services, in 1975-76 the receipts were \$51 000 000, and in 1976-77 they are estimated to be \$60 400 000, an increase of \$9 400 000, or 18.4 per cent. "Territorial" remains about the same as last year, being \$3 850 000 in 1975-76 and \$3 820 000 in 1976-77, a decrease of \$30 000. Departmental fees is an interesting item in this Budget. I should like to go through the whole series from 1973-74 to 1976-77. In 1973-74, departmental fees returned \$81 700 000; in 1974-75, the figure was \$74 600 000; in 1975-76, it was \$164 300 000, and for 1976-77 the estimated figure is \$260 900 000, an increase of \$96 600 000, or 58.8 per cent. So, whilst we have a slight reduction in State taxation there is an increase of almost \$100 000 000 in departmental fees.

Commonwealth reimbursements rose from \$222 000 000 in 1973-74 to \$268 100 000 in 1974-75, to \$422 200 000 in 1975-76, and they are estimated to be \$478 200 000 in 1976-77, an increase of \$56 000 000, or 13.3 per cent. Total receipts in this year's Budget increased from an estimated \$1 051 000 000 in 1975-76 to \$1 171 000 000 for 1976-77, an increase of \$120 000 000, or 11.4 per cent. I comment particularly on the rise in departmental fees, which I think everyone would agree is a heavy increase.

On the expenditure side, we find there have been general increases over a number of years but once again I make the comment (and I will expand on this later) that still we appear to have a gradual lack of increase, shall I say, in the development departments. The Premier's Department expenditure goes from \$12 820 000 to \$14 410 000, an increase of \$1 590 000, or 12.4 per cent. The Chief Secretary's Department goes from \$48 840 000 to \$52 680 000, an increase of \$3 840 000, or 7.86 per cent. The Treasurer's Department expenditure increases by 27 per cent, the Works Department is up by 20 per cent, the Education Department is up by 15 per cent, and the Labour and Industry Department is up by 15 per cent. The Agriculture, Forests and Fisheries Department sees a slight decline in expenditure. The Environment Department is up by 29 per cent, the Marine Department is up by 13 per cent, and the Transport and Local Government Department expenditure is down by 16 per cent. The Attorney-General, Prices and Consumer Affairs Department sees a fall of \$14 220 000 in expenditure, a decrease of 52.9 per cent, but there is a corresponding adjustment elsewhere. Tourism, Recreation and Sport Department expenditure is up by 42 per cent, Health Department expenditure is up by about 20 per cent, and Mines and Energy and Minister for Planning Department expenditure is up by 260 per cent.

Certain adjustments must be made to those figures because under the Lands, Irrigation and Repatriation Department new areas are included in the allocation; for example, drought relief moneys have been received, as was the case last year, when about \$15 000 000 was made available for unemployment relief. The allocation to the department last year was \$10 000 000, and this year it is \$26 400 000, but \$28 000 000 was spent because of the funds that were received for unemployment relief.

The allocation to Attorney-General and Minister of Prices and Consumer Affairs Department has dropped by more than 50 per cent, but part of that department has been transferred to the Minister of Mines and Energy and the Minister for Planning, which in turn accounts for the steep increase in that allocation. The same general pattern is as I have stated: the developing departments (departments involved with State development) do not appear to have maintained their position in the Government's thinking or in relation to the allocation to other departments. Therefore, in comparing the allocations between this year and past years it is necessary to take into account the adjustments to which I have referred.

In comparing this year's Budget with last year's Budget one sees that the amounts voted last year and printed in the latest document do not compare with the sums given in the Budget last year. This is because some moneys have been received by departments in the way of Commonwealth grants for specific purposes, for example, for unemployment relief, and because there have been certain departmental changes with some responsibilities being transferred to other Ministers, and changes that have transpired during the year have been adjusted in the figures contained in this year's Budget. Therefore, I warn anyone seeking to make such comparisons to take these points into consideration. I have already commented on the fact that development departments seem to have suffered over the last five or six years—

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

The Hon. R. C. DeGARIS: I refer to Agriculture and Fisheries Department and Woods and Forests Department. This is the only area that has had its allocation reduced. The allocation this year results in a decline of \$300 000 and it must be agreed that there will be less done this year than in the past year as a result of inflation and increasing costs encountered by that sector. The same position has applied over the past four or five years. We can see that the escalation of expenditure has been less in agriculture, marine and lands than has been the case in other departments, for example, the Premier's Department and the Treasury, which has steadily increased by 25 per cent and 33 per cent, whereas, the allocation to agriculture has increased by only about 11 per cent and 12 per cent in the same two years.

However, comparative past increases have been more dramatic than this year's. The balance point has been reached. In the future we will see more rapid escalation in expenditure in the development departments. I now describe the Budget as a "stay-put" Budget. I hesitate to refer to it being a "conservative" Budget because honourable members opposite may not like that word, but the Budget has shown a generally steady trend in expenditure without the usual excesses of expenditure in the "emotional" departments. In the past there has been pressure both on the Commonwealth Government and the State Government to increase Government spending rapidly.

As most Western countries are finding, if we are to grapple effectively with inflation, Governments must be the first to curb their expenditure. Unless that is done there will be no real solution to inflation. The present financial problems confronting Great Britain stem from several sources, one of which is the attitude of Governments to public expenditure. I commend the Labour Party in Great Britain for its present attitude, unpopular though it may be. The British Labour Party has realised that its major problem is inflation and, although its realisation is a little late, I commend it for its attitude.

Over the past few years Australia has been following the same economic path taken by Britain in her economic

decline. It is now up to the Commonwealth and the States to ensure that Government expenditure is kept to a minimum to ensure that inflation is curbed. Inflation in the long term, so far as Governments are concerned, is only another hidden means of taxation. It strikes at people who are the least able to protect themselves from that insidious economic disease. It is a strange phenomenon, but politicians tend to gloat over increases in expenditure. How often have we heard in this Chamber, "Yes, but we spent three times as much as a previous Government on something or other."

The Hon. F. T. Blevins: You've just been advocating that.

The Hon. R. C. DeGARIS: This is the question that Governments—

The Hon. F. T. Blevins: You've just been saying that.

The Hon. R. C. DeGARIS: If the Hon. Mr. Blevins seeks to examine over-expenditure by the Commonwealth Government, he should not look at the Fraser Government: let him look elsewhere for that. Politicians tend to gloat over the fact that they have spent more in an area than has someone else. That is a tragic outlook.

The Hon. F. T. Blevins: You've just been saying that yourself.

The Hon. R. C. DeGARIS: As I said to the honourable member a moment ago, if he wants to look at extravagant expenditure, let him look at the Whitlam Government. Although expenditure has been increased in relation to local government, the overall—

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

The Hon. R. C. DeGARIS: Yes.

The Hon. N. K. FOSTER: If the Leader wants to look at extravagant expenditure, I remind him that he has been part and parcel of wasting millions and millions of dollars (and millions of pounds before that) on defence, and later on the Vietnam war. If the Leader is not sincere, he should keep quiet. He has wasted millions and millions of dollars of other people's money. I refer to the suffering that has resulted from this action. The Leader should not stand as a hypocrite and ask that Government members should listen to such tripe about the Whitlam Government when he and his colleagues wasted money and did not even have the guts and courage of their convictions in fighting that war.

The Hon. R. C. DeGARIS: I do not know what that has to do with this question.

The Hon. N. K. FOSTER: You're very dumb. Go and talk with 600 parents who lost their sons—you might know then.

The Hon. R. C. DeGARIS: I point out to the Hon. Mr. Foster that many families of honourable members of this House have lost people close to them in wars.

The Hon. N. K. FOSTER: I'm not talking about other wars—I'm talking about the Vietnam war: the artificial war you people created.

The Hon. R. C. DeGARIS: The position is that, if one examines the real question of inflation, it is directly related to the degree of taxation in relation to the gross national product, and that cannot be denied.

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

The Hon. R. C. DeGARIS: No.

The Hon. N. K. FOSTER: Of course, you will not give way again, because my comments could be related to the expenditure just referred to; non-productive money.

The Hon. R. C. DeGARIS: I will not give way. I gave way once and the point that the Hon. Mr. Foster made was not relevant. Inflation is directly related to the degree of taxation.

The Hon. N. K. Foster: Will the honourable member give way, because he is wrong?

The PRESIDENT: I think the Hon. Mr. Foster had better hear what the Hon. Mr. DeGaris has to say first.

The Hon. R. C. DeGARIS: No, I will not give way. The degree of inflation is directly related to the amount of taxation in relation to the gross national product and, when taxation goes above a certain agreed limit, usually between 22 per cent and 25 per cent, unless we have an almost totally dictatorial position taken by the Government, inflation will be produced. Keynes agrees with this principle. If Governments cannot see it in themselves to contain Government expenditure and public expenditure, there is no way in which we will contain this vital question of inflation.

We, as members of a Parliament, must realise that not all Government expenditure is wise expenditure and that Government expenditure beyond a certain percentage of the gross national product is a root cause of inflation. This State already has set its economic policies in a position that makes its competitive position with other States less advantageous than it was, and Australian policies have made our competitive position on the world market less advantageous than it was. There is a need for all Governments to adopt economic policies that ensure that we do not follow the same economic paths that have resulted in near disaster elsewhere. I hope that this Government will play its part in the overall scene of Government economic management in Australia so that we in this nation can achieve economic stability.

The Hon. J. A. CARNIE: There has been much speculation recently about whether the Government intends to call an election before the normal time, and, whilst this Budget does not guarantee that there will be an election, the Treasurer has made clear that he is keeping his options open, because the Budget is a classic example of a pre-election Budget.

The Hon. J. R. Cornwall: It is a very good Budget.

The Hon. J. A. CARNIE: I will come to that. The Treasurer predictably spent much time in his explanation in blaming the Federal Government for certain things, but the sting was taken out of his attack by the splendid Commonwealth Budget brought down a short time ago. Doubtless, the Treasurer was hoping for an unpopular Federal Budget so that he would have something to kick during the election campaign. However, that did not happen and the Federal Budget was a model and a step in the long-term Federal policy.

It is not possible, in the economic state of Australia, to reverse, in three months, the disastrous effects of the past three years. Even if the State Government cannot use the Federal Budget as a pre-election issue, it is still possible that it may find another can to kick, and so we have this neutral, non-controversial State Budget. Certainly, nothing pleases the voter more than to have no increases in State taxes and charges and to be given reductions in some fields, with the State balancing its books.

However, just what are these supposed reductions worth, and how has the Treasurer achieved this balance? First, the Treasurer did not need to increase charges in this Budget, because he already had done so over previous months. Let us compare the Estimates for this financial year to actual receipts last year. For waterworks and

sewers, the Government estimates that it will receive \$68 800 000, an increase of 11½ per cent over receipts last year. Regarding the contributions by statutory authorities, I refer first to the Electricity Trust. The amount that the trust pays to the State Government coffers is directly related to the trust's charges. The amount contributed this year will be \$6 700 000, an increase of 15 per cent.

The contribution by the State Bank was down by 26 per cent but, to offset that, the contribution by the Savings Bank increased by 234 per cent. The total statutory contributions expected this year are 13 per cent more than receipts last year. Regarding pay-roll tax, concessions were announced, but the Government will still collect \$136 000 000, or 14.3 per cent more than last year. For motor vehicle registration and licence charges, there is an increase this year of 40.6 per cent. These increases are extremely large. The Treasurer did not increase any of these charges in the Budget; he had no need to do that, because it is commonly known that, while people may complain about an increase in a charge at the time, when the increases come one at a time over a period, they tend to forget them.

In contrast to the increases in State charges, let us consider the much-publicised remissions announced by the Treasurer either in the Budget or in the week preceding its introduction. Succession duties on properties passing between spouses were to be abolished, but this year the State will collect about \$500 000, or 2.6 per cent, more than it collected last year from succession duties. Concessions in stamp duty were announced, and much was made of the help that these would be to young people. However, I understand that, on a \$40 000 house, the remission will be about \$40, which is not a large amount. This year the Government has budgeted to receive \$8 800 000 more in stamp duty than it received last year.

The corrections to land tax anomalies and, particularly, the abolition of rural land tax (a policy fought for on this side of the Council for many years) have been held up as forward-thinking Labor Party policy. However, this year the estimated receipts from land tax are only \$1 240 000 less than receipts last year and, in a Budget of \$1 700 000 000, this represents 0.1 per cent. It is offset by increases in other Government charges. In framing this Budget, the Treasurer is cynically counting on gaining a lot from inflation. He knows that values and wages will increase and he knows full well that he can afford to introduce these so-called concessions, but they are only window dressing.

The Hon. B. A. Chatterton: You mentioned only half of them.

The Hon. C. M. Hill: The Treasurer is getting \$50 000 000 more.

The Hon. J. A. CARNIE: Everyone in the State will be paying more in taxes and charges than ever before.

The Hon. J. R. Cornwall: Put that figure into real terms. Would you clarify that?

The Hon. J. A. CARNIE: This is the third highest taxed State in the Commonwealth. The Hon. Mr. Cornwall cannot deny that. While this is bad for the average man, in that he is paying more directly from his own pocket, there are even more serious connotations; for example, the overall effect on the economy of this State. After the Second World War, South Australia had remarkable industrial growth, based mainly on the automotive and white goods industries. It had this growth for one main reason: South Australia was a low-cost State. We were able to convince industry that there were cost advantages in coming to South Australia that overcame the freight costs to the main markets, which for these goods were in Melbourne and Sydney. This no longer applies.

We are now an expensive State, and our record for industrial harmony is broken. The policies of this Government are not only causing industries to examine their position in South Australia critically but also acting as a deterrent to new industries coming here. It is just basic common sense that, without growth in industry in South Australia, unemployment will continue to increase. Private industry is the heart of our country, three-quarters of the work force being employed in that sector. However, that heart is being slowly destroyed. All sections must bear some of the responsibility.

After the Second World War, with the exception of 1961-62, Australia experienced almost continuous and apparently effortless prosperity. Because economic progress seemed automatic, attitudes changed. The old goals of economic growth, full employment, and export earnings began to seem less important: it seemed that they happened, anyway. People began to talk of new ideals: quality of life, open communication, more equality, better education, and more participation. These things are fine and important, if they are dealt with alongside the old aims. But they are not. They are being promoted at the expense of the old ideals. As a result, economic progress has almost stopped. Certainly, wages and conditions have improved over the past few years, and there was need for them to improve. I have said that all sections have some responsibility to bear. Australian wage rates are as high as those in America, but Australian productivity remains low; our wage costs are among the highest in the world. Capital costs in Australia are 30 per cent or more above those of comparable plant in America. All this leads to one thing: a reduction in profits.

Too many people in the unions and elsewhere do not seem to have grasped the basic economic fact that we cannot have more jobs without more investment, and we cannot have more investment without more profits. Simply put, there can be no production without investment in plant and raw materials. That investment will not be forthcoming unless there is some assurance of a fair economic return, and that means selling the goods at a profit. The profit ensures that the jobs created by the investment will continue and, if demand is assured and if profits are adequate, profits can be ploughed back to expand production and provide more jobs.

For a Government to squeeze profits and redistribute the proceeds to society in the form of bigger and better welfare schemes may be politically popular for a time but if, in the process, the productive capacity of industry is undermined, the consequences are inevitable. This is what has happened in South Australia. This Government, by its blind and headlong rush into socialism, has forced South Australia to give up one important thing: its competitive position in Australia. This loss of competitive position is partly brought about by an attitude that stems from the basic belief that Australians have always had: that there should be equality of opportunity for all who are willing to work. This developed into a belief that our expanding economy could provide a rising standard of living for all, and rightly so. However, this has developed into the belief held by many that equality should come whether we work or not, into the belief that the State owed them a living: expectations have become entitlements.

Earlier, I blamed industry's problems on those who did not understand that for economic growth there must be incentives (profits). But others must take a large measure of blame. If the community does not understand the problem, management has failed to defend adequately the

system of private enterprise. If the Government's demands on private enterprise overload the system's capacity to pay and still retain an incentive for expansion, private enterprise has the responsibility to educate the public to have a greater understanding of the economy. The media also have a role to play by seeing that a true picture is given to the community. For example, the media do not help by emphasising profit in terms of total dollars, unrelated to capital investment. The facts that the Broken Hill Proprietary Company Limited makes \$50 000 000 profit and that G. J. Coles and Company Limited makes \$18 000 000 profit make eye-catching headlines but, unless those profits are related to the total capital invested, they mean nothing.

The Hon. F. T. Blevins: The B.H.P. Company has just been granted its ninth price increase in three years.

The Hon. J. A. CARNIE: The honourable member knows full well that, to obtain a price increase, the company must satisfy the Prices Justification Tribunal. If it has been granted its ninth price increase, it must have been able to prove that its costs have increased.

The Hon. F. T. Blevins: Yet the Federal Government submits to the Arbitration Commission that workers do not need any wage increases.

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

The Hon. J. A. CARNIE: No. The honourable member can have his say later. It is only when profit is expressed as a percentage that the true picture emerges. Unless private enterprise survives, the State and the country cannot survive. Private enterprise is under pressure from Government policies; for example, workmen's compensation, high State taxation, and unreasonable union demands. The Minister of Labour and Industry himself has said that there are too many anomalies in the Workmen's Compensation Act, and the Hon. Mr. Foster knows it. A Bill now before another place seeks to remedy some anomalies, but the Government is not doing anything about it. All these factors are eroding business profits, both large and small.

Unless profits can be assured, investment in companies will dry up and, if investment dries up, the number of jobs will be curtailed. It is not much good having high wages and good conditions if there are no jobs. The responsibility lies with both management and employees. They are not natural enemies, as many on both sides seem to think. If this State and this country are to survive, all sections of industry must work together for the mutual good. I do not intend to deal specifically with the details of the Bill at this stage.

The Hon. F. T. Blevins: Can you read any of those debates that took place when they dealt with those lines?

The Hon. J. A. CARNIE: I make my own decisions on things. On that note, feeling strongly as I do about what is happening in industry in this State, I support the Bill.

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

POULTRY PROCESSING ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from October 7. Page 1376.)

The Hon. J. C. BURDETT: I support the second reading. Several times in the last few years, when speaking on Bills relating to agricultural matters, I have said that the Minister and the former Minister had consulted the industry concerned before introducing the legislation. I

also said on those occasions that they had acceded to the requests made by the industry concerned. This has not always been the case, although it has happened several times, when I have made that statement. This is a most commendable practice.

This Bill is an example of such co-operation, and I again commend the Minister for having consulted the growers and the processors before introducing it. As a result of my inquiries, I am satisfied that the producers and processors want this Bill. So, the Minister has listened to what they have said. The producers have been pressing for this kind of legislation for some time, having considered that they have to some extent been under the control of processors. However, they would prefer to be under the control of a committee instead. They will therefore change from processor control to committee control. I hope that the producers do not find in the future that they have jumped out of the frying pan into the fire. This Bill represents a complete socialistic control of industry, vested in the committee. A right of appeal to the Minister will be contained in the principal Act.

The Hon. N. K. Foster: Did you say "socialist"?

The Hon. J. C. BURDETT: I said "socialistic". The key clause in the Bill is clause 8 which, amongst other things, creates a new section 11j, which provides for the approval of the agreement between the growers and processors. It is necessary for that agreement to be approved in order for it to be lawful. The Bill provides that such an agreement shall be approved by the committee, provided that the committee is satisfied about certain matters. It then sets out the guidelines, which can be read in the Bill.

This formula, "provided that the committee is satisfied that" is a familiar one: one finds it in taxation and all other types of legislation. It means that, if the committee has expressed that it is satisfied, one cannot go behind that and ascertain the truth of the matter. One cannot go to a grower and say, "There was no justification for the committee's being satisfied." It is necessary merely for the committee to express the fact that it is satisfied, and that is the end of it.

The Hon. M. B. Dawkins: There is no right of appeal against it?

The Hon. J. C. BURDETT: There is a right of appeal to the Minister, but not to the court. This sort of formula is well recognised. Similar formulae provide that the Minister, Commissioner, committee, and so on, must be satisfied on reasonable grounds. However, that is not what is provided in this case: the committee must merely be satisfied. If the committee says that it is satisfied with an agreement, that is that, and one cannot go behind it, subject, of course, to a right of appeal to the Minister.

I understand that it is likely that Mr. Ray Fuge, the present Chairman of the Egg Board, will be a member and, indeed, the Chairman of this committee. I have every confidence in this gentleman. However, we must remember that, although the Act, in the form of the Bill, is likely to function satisfactorily while that gentleman is its Chairman, he may not always be its Chairman. We must understand what power this Bill gives to the committee.

When approving an agreement, the committee could impose any sort of condition. It could say, for instance, that it will not approve an agreement unless certain things are done. By this means, the committee could exercise complete control over the industry. It could refuse to approve an agreement and bring the whole industry to a halt, unless

the grower on the one hand and the processor on the other hand did what it said. By this means, it could control the whole industry.

In the course of my inquiries, it has been said by people engaged in the industry that the main issue involved is the price of the birds. It has also been said that the growers welcome this legislation because they have had to argue for a long time to get a one-tenth of a cent increase in price. That is the most contentious issue that will come before the committee when it is considering agreements and whether or not to approve them.

It occurred to me when this was first said that there could have been a simpler solution to this than introducing this complex Bill, under which fairly wide powers are being given to the committee. I had in mind the wine-grape industry, in which there was an argument about price. There was a simple procedure in that industry: the Commissioner for Prices and Consumer Affairs fixed the minimum price. The growers on the one hand and wineries on the other hand make submissions to the Commissioner, and under the Prices Act he has power, in appropriate cases, to fix a minimum as well as a maximum price. As it seemed that price was the main problem in this issue, I wondered whether that simple procedure would not have been the better one to adopt in this case. I was told, however, when I made that suggestion, that so many variables were involved in the broiler industry that this was not practicable. It was said to me that in some cases the processor may supply the fodder, and in some cases he may provide the birds, and in others not. Therefore, the question of fixing a price in this way was not practicable. As there are only five processors, I cannot really see why this sort of procedure would not have sufficed, but I am satisfied that both the growers, on the one hand, and the processors, on the other, do want this kind of Bill. For that reason I certainly will not vote against it.

I draw attention to the proposed new section 11i (4), which deals with applications by intended new growers for a licence for registration to enter the industry. It provides that the committee may grant approval if it is satisfied that there is a demand for the supply of chickens for processing that cannot reasonably be met by the operators of approved farms. In other words, if an application is made by a proposed new grower, the committee is entitled to grant the approval only if it is satisfied that the demand cannot be met by the operators of approved farms. In other words, no new person can come into the industry unless the committee is satisfied that the existing demand cannot be met by the existing operators.

The Hon. N. K. Foster: It is a closed shop.

The Hon. J. C. BURDETT: I did not use that term.

The Hon. N. K. Foster: I did because you ought to bear it in mind in matters of an industrial character.

The Hon. J. C. BURDETT: I am simply drawing the Council's attention to this fact. It has happened in primary industry in the past, and the same sort of thing, in effect, results under the Wheat Delivery Quotas Act and the Egg Industry Stabilisation Act, which makes it virtually impossible for anyone else to come into the industry. I make no adverse comment on that.

The Hon. N. K. Foster: It is a great principle in private enterprise.

The Hon. J. C. BURDETT: It is not a private enterprise principle, and this is not a private enterprise Bill. I make this comment simply to point out to the Council

that this is the effect of the Bill. I might say that the effect will be that in practice, in the foreseeable future, no-one else will be allowed to come into the industry. In light of the absolute control exercised over the industry by the committee, which I have outlined, it is important, in my opinion, that the committee be truly representative.

This is the second time today that we have dealt with this kind of matter. It seems to be a pattern of this Government that, when anyone who is appointed to a committee or commission is supposed to represent a group, it is the Government that appoints him, and not the people interested. That is what one finds in this Bill. The Minister appoints someone to represent the growers, and the Minister also appoints someone to represent the processors: they cannot appoint them for themselves. This was one of the matters that the Hon. Mr. Dawkins, who led for the Opposition on this Bill, pointed out, and he foreshadowed amendments to cure this situation, and to make the committee truly representative. Because the committee itself has such wide powers, and because it can really control the industry, I think it is essential that it should be representative, and that the people who are appointed and are supposed to represent growers are appointed by them, and not by the Minister; and the same applies to the processors.

I appreciate that there are difficulties in this industry. In the Bill there are difficulties in being precise on many aspects. I hope that the difficulties can be ironed out, and that the Hon. Mr. Dawkins, with the assistance of the Parliamentary Counsel, will be able to devise an amendment that will provide for true representation. I believe that the difficulties can be ironed out. The main difficulty is that there are, I understand, about five processors, and in the industry they talk about "processor-grower units". Each grower provides birds to only one processor: if he grows for Windsor, he is in the Windsor group, providing chickens only for Windsor. If he grows for Manos, he supplies only Manos. Windsor and its growers are considered in a unit, and Manos and its growers are a unit, and so on, throughout the remainder of the industry.

Whilst I acknowledge it will be complicated, I think it will be possible to devise an amendment. It is said, and I suppose with some justification, that if, for example, Windsor has a processor representative on the committee then it is necessary that the Windsor growers be represented. This will make the drafting of the amendment difficult, but I believe that it can be done. I have also noted that in this Bill there is no kind of mathematical quota system, unlike the provisions in the Wheat Delivery Quotas Act and the Egg Industry Stabilisation Act. This method of quotas has some disadvantages, but it does mean that, if one did one's maths correctly, that is the end of it: there is no other discretionary matter.

In this case I am told it is not possible to provide for quotas, and I accept that. Both processors and growers have told me that. But the fact that it is not possible to have quotas and have some mathematical calculation does mean that the committee has considerable discretion. I believe that, because of that discretion, because there are no quotas, because there is a real decision to be made, and because of the almost absolute power over agreements and the conditions attached thereto, there should be an effective independent appeal.

The Hon. B. A. Chatterton: They would not have any more discretion than a marketing board. If you had a marketing board situation the same sort of powers—

The Hon. J. C. BURDETT: I believe that there is more discretion than in the case of a marketing board, because

of the wider powers of this committee. The committee, in the first place, registers the farms, registers the processors, and also approves the actual agreements, and that is the thing. All the conditions of the agreements it can fix, and that is why I consider that this committee can be said to have such wide powers and to exercise such a wide discretion, something that cannot be tied up mathematically, as can be done in a Bill where there are quotas. I hope that the Minister will accept this. I think that where there is such a wide power, and the only appeal is to the Minister, there ought to be an independent appeals tribunal.

I have given notice of an amendment today, and I foreshadow that in Committee I will move an amendment to provide for an appeals tribunal comprising a legal practitioner, as exists in the case of the Egg Industry Stabilisation Act. I understand from inquiries I have made that that tribunal has functioned quite satisfactorily in regard to that Act. One has someone who is independent and does not simply have an appeal to the Minister. As I have said before, I have confidence in the people who will be administering this measure now, but we do not know who the Government appointees, the Chairman, or the Minister will be in the future, and I do not think that it is a correct principle in the last resort, and that would apply under this Bill as it now stands. I do not think that the Minister should have control of the industry. I think it should be someone independent.

The Hon. B. A. Chatterton: Are you foreshadowing amendments?

The Hon. J. C. BURDETT: Yes, I am, but I am certainly open to suggestions about that. If the Minister thinks there are some matters that should be able to be referred to the appeals tribunal, perhaps they can be encompassed by this Bill and, as regards others that should not be, I am prepared to listen to the Minister's suggestions.

The Hon. B. A. Chatterton: I was only taking up your parallel with the egg industry, where quotas are the subject of an appeal, and prices are determined by the board.

The Hon. J. C. BURDETT: In the case of the Egg Industry Stabilisation Act, the controlling thing is quotas.

The Hon. B. A. Chatterton: Yes.

The Hon. J. C. BURDETT: In this case, for the sake of simplicity, the amendments foreshadowed will encompass an appeal from every decision of the committee which may be appealed against under the Act; but, if the Minister thinks that that may be reasonable in regard to the matters encompassed by this Bill but not reasonable in regard to other matters, I am willing to listen to him. It was mainly in discussion with the Parliamentary Counsel that we decided, for the sake of simplicity, that we would make all matters subject to appeal to the appeals tribunal.

Finally, I mention that there is no provision in the Bill for transfers of approved farms to people who buy approved farms, or for transfers of processing farms. Especially in the case of approved farms, I wondered what would happen if there were no specific provisions. In the Wheat Delivery Quotas Act, there is provision for transfers and a method of having them registered and approved. In the Egg Industry Stabilisation Act, there is also reference to a property being transferred, but there is no reference in this case. I have discussed this with the growers but not with the processors, and the growers think it will work itself out, so I do not intend to press this matter; I merely draw the attention of the Council to the fact that there is no provision in the Bill for transfers.

I hope this Bill works well, as I certainly think the Egg Industry Stabilisation Act has worked well so far; I hope, for the sake of the industry and the people concerned with it, that it works well. If it works as well as I think it will, the appeals tribunal will not have much of a job to do, but it is necessary that two things should apply: first, that the committee be truly representative of the industry (the growers, on the one hand, and the processors, on the other) and, secondly, that there be a genuine independent appeal. I support the second reading.

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

JOINT COMMITTEE ON SUBORDINATE
LEGISLATION

The House of Assembly intimated that it had appointed Mr. C. A. Harrison to be one of its representatives on the Joint Committee on Subordinate Legislation, in place of Mr. C. J. Wells.

ADJOURNMENT

At 4.39 p.m. the Council adjourned until Wednesday, October 13, at 2.15 p.m.