To achieve this purpose some new definitions have been added to the Main Roads Act and others have been enlarged. For instance, there is a definition of the term "interest" in relation to land. When this is associated with other amendments proposed in this Bill, it will enable the Commissioner of Main Roads to acquire an interest in the aerial rights of the air space above any land. Then, again, the definition of "road" has been extended to include the definitions of viaducts, tunnels, culverts, etc.

The only section of the principal Act which requires amendment is section 29. This Bill proposes to repeal that section and re-enact it providing the Commissioner of Main Roads with the authority to grant a lease, license, or any interest over any land that he may acquire. It further provides that the commissioner may grant an easement over certain land, such easement not being revocable unless compensation is paid. A further clause enables the Crown to obtain a title under the Transfer of Land Act, 1893, for the air space above the land.

To illustrate: If the Commissioner of Main Roads wishes to construct a bridge over any property, the owner, on agreement with the commissioner, may retain the fee simple of such land, but a certain area of the air space above it is acquired and vested in the Crown. The air space is defined by survey which is related to the low-water mark at Fremantle, and the title of this air space then describes a certain area related to that survey point.

I would like to emphasise again the advantages which will flow from these amendments in that there will be a reduced element of disturbance to landowners, and the possibility of considerable saving in the payment of compensation.

It should be obvious that these amendments will, under certain circumstances in regard to road building, obviate the need to resume the whole of an area for the road. Instead, only the land on which the road supports will rest will be resumed, the air space over the land acquired, or ground space under the land acquired, and compensation paid on these acquisitions. Thus industry will be inconvenienced as little as possible and economies effected in road making.

Debate adjourned, on motion by Mr. Tonkin (Deputy Leader of the Opposition).

House adjourned at 11.35 p.m.

Legislative Council

Tuesday, the 22nd November, 1966

CONTENTS

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 4.30 p.m., and read prayers.

BILLS (7): ASSENT

Messages from the Governor received and read notifying assent to the following Bills:—

1. Medical Act Amendment Bill.
2. Optical Dispensers Bill.
3. Optometrists Act Amendment Bill.
4. Firearms and Guns Act Amendment Bill.
5. Fluoridation of Public Water Supplies Bill.
6. Financial Agreement (Amendment) Bill.
7. Rural and Industries Bank Act Amendment Bill.

ADJOURNMENT OF THE HOUSE: SPECIAL

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [4.35 p.m.]: It has been suggested that in order to facilitate the proceedings, and to enable members to know when the next sitting of the House will be, instead of moving the motion at the end of this sitting, I should do so at this juncture. I move—

That the House at its rising adjourn until 11 a.m. tomorrow (Wednesday).

Question put and passed.

SWAN RIVER

Inspection of Upper Reaches by Members of Parliament

THE HON. L. A. LOGAN (Upper West—Minister for Local Government) [4.39 p.m.]: I would like to inform members pursuant to a request made by Mr. Willesee the other evening in regard to a trip of inspection of the upper reaches of the Swan River, the Minister for Works has arranged such a trip for some time in March or April, 1967; and all members of Parliament will, in due course, be notified as to the exact date when that will take place.

QUESTIONS (4): ON NOTICE

CROSSWALKS

Perth College, Beaufort Street: Floodlighting

1. The Hon. H. R. ROBINSON asked the Minister for Mines:

   Will urgent consideration be given to the installation of the new sodium floodlighting at the pedestrian crossing located at Perth College, Beaufort Street, Mt. Lawley?

   The Hon. A. F. GRIFFITH replied:

   The full cost of installing sodium lighting on all traffic fee roads is met by the Main Roads Department and on all other roads the installation costs are shared on a fifty-fifty basis by the Main Roads Department and the local authority.

   Beaufort Street is the responsibility of the Perth Shire Council but, on application from that authority, the Main Roads Department is prepared to finance its share of this improved lighting as a matter of urgency.

2. *This question was postponed.*

KARRAKATTA CEMETERY BOARD

Funerals: Naming of Pall Bearers

3. The Hon. H. R. ROBINSON asked the Minister for Local Government:

   With reference to my question on Thursday, the 6th October, 1966, relating to the Karrakatta Cemetery Board in connection with the names of pall bearers to be notified to the board eight hours before a funeral, will the Minister inform the House—

   (1) Has the Karrakatta Cemetery Board cancelled such instruction to funeral directors, thus obviating embarrassment to bereaved families?

   (2) If the answer to (1) is "No," is it the intention of the board to discourage the age-old custom of pall bearers?

   (3) Has the eight-hour instruction the full support of the W.A.F.D. Association, or the Australian Funeral Directors Association?

   The Hon. L. A. LOGAN replied:

   (1) No. The board has resolved, however, to amend the requirement for eight hours' notice being given in respect of pall bearers. It has also resolved to prohibit the selection of pall bearers at the main entrance to the cemetery.

   (2) No. The desire of the board is to avoid delay at the cemetery gates.

   (3) The prohibition of the selection of pall bearers within the cemetery has the full support of the W.A. Funeral Directors' Association and members of the clergy.

4. *This question was postponed.*

METROPOLITAN REGION TOWN PLANNING SCHEME ACT AMENDMENT BILL

Second Reading

Debate resumed from the 16th November.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the Opposition) [4.42 p.m.]: I am indebted to the Minister in charge of the Bill for allowing, at very short notice, the debate to be postponed on Thursday last. This considerably inconvenienced another Minister who I see looking at me most intently at the moment. However, these things happen in the best interests of democracy and, having examined the Bill, I found that the time given to me was very necessary. Bills of this nature are always subject to considerable scrutiny because they affect so many people in various circumstances.

I intend to deal with three of the provisions of the Bill which to me are of real importance. The board of valuers is to consist of four members, including the chairman who will be nominated by the metropolitan region authority. The other three members will be nominated by the Real Estate Institute of Western Australia. At first glance this would appear to be adequate coverage for the purposes of the Bill, but I would like a member of the Institute of Surveyors of Australia (Western Australian Division) to be appointed. I hope that the constitution of the board

will be amended some time in the future to include a licensed surveyor who is or has been engaged in private practice, and is thoroughly versed in practices and problems associated with town and rural surveys. This person should be nominated by the Institute of Surveyors of Australia.

There is very little difference in the basic training for the two professions. However, because of his great additional knowledge, a surveyor-valuator would have an idea of the requirements not only of the present, but also of the future. In addition, he would be in a position to assess the true market value of land, whether it be in the metropolitan area or the country.

The Taxation Department is the largest valuation authority in the State and both the past and present chief valuers of that department have been licensed surveyors. The department has always had surveyors on its staff of valuers.

During the course of his academic training, a licensed surveyor has to pass examinations in land valuation, land utilisation, and town planning. He therefore has a knowledge similar to that gained by a valuer, but in addition he has technical training in engineering, roads, and drainage.

On the practical side, the private surveyor, during the course of his work, invariably covers every town and district in the State and therefore gains an intimate knowledge of conditions both in the metropolitan area and the country. In the metropolitan area he has an almost day-to-day contact with the requirements of town planning, local authorities, and other Government departments. Consequently the value of a surveyor on this board would be inestimable.

I have had a number of discussions with the Minister on this matter, and I have already pointed out that I believe the inclusion of a licensed surveyor on the board would strengthen it, not only in connection with assessing present-day market values, but also with the values in the future.

I will conclude my remarks on that issue by suggesting to the Minister that, when he replies, he gives his views whether or not this appears to him as a practical set-up of technical people. Perhaps the Minister might also give his views on the suggestion that, in the course of the trial of this piece of legislation, he may leave the door open to enable us to have a further look at this legislation within the next 12 months. If that were done, we could perhaps consider adding to this accumulation of technical people one of the representatives of a profession which has, over the years, been of incalculable value to Western Australia.

After all, marginal development—using the term "marginal" in the sense that it is the next area to be opened—has always been at the hands of a surveyor. It is always a surveyor who has reported on the possibilities of an area. Over the years, it has been found that if a report on an area has been somewhat unfavourable, then that area has suffered. If the surveyor has submitted an enthusiastic report, there has always been so much faith in his surveying capacity that the result has been an immediate concentration on the future of the particular piece of land which has been scrutinised by the surveyor.

I realise this Bill is somewhat limited in its context. On the other hand, I firmly believe that, by the addition of a nominated member of the surveying profession, there is much to be gained and absolutely nothing to be lost.

There is also a provision in the Bill which deals with the owner's decision to sell a property which is reserved under the general scheme of town planning. The Minister made some remarks as to what was applicable when this person received less than market value. The Minister said—

> He will be entitled to receive compensation equal to the difference.

That is the objective of this Bill. The Minister said—

> The Metropolitan Region Planning Authority has had discussions with the Real Estate Institute regarding the present provisions and owners are reluctant to sell properties under the present arrangement because they do not know what return they will receive from the property.

The Minister further said—

> Buyers do not know how long they will be able to use the property nor what deduction, if any, would be made from the eventual acquisition price if compensation were paid.

The Minister gave an example in which he used the term "unaffected value of property." This expression, in itself, gives rise to considerable thought, because is any property value unaffected when the hand of government and the stamp of government is put upon it? However, for the purposes of this piece of legislation, and in keeping with the spirit of the proposals in the Bill, let us assume that there is unaffected value on property.

In this case, the Minister quoted a person A who has unaffected property valued at some $10,000; B desires to purchase this land, but is prepared to pay only $8,000. The board says, "We will pay 20 per cent. of your unaffected value" and consequently the board makes up the difference of $2,000 with the result that A receives his $10,000. According to the plan of development we are looking at, B has a considerable period of assurance of tenure. We could assume this period to be 10 years. The board, in the course of its own affairs, acquires the land.

The Hon. L. A. Logan: Use the word "authority," not "board."

The Hon. W. F. WILLESEE: The Minister used the word "board," and that is why I have been using it.

The Hon. L. A. Logan: Did I? I am sorry.

The Hon. W. F. WILLESEE: The authority acquires this land and either sells it, or sets a valuation of $12,000 upon it. From this amount, 20 per cent. is deducted and this percentage is equivalent to $2,400; B then receives $9,600. This is a very happy little situation, because B gains $1,600 and the authority gains $400. Under those circumstances, I think everyone would go home happy.

However, what happens if this probability does not eventuate? What happens if the valuation is a little less? The authority could say, "Well, things have changed and development has gone ahead in a different atmosphere and in a different area. We believe the acquisition price should now be $7,000." Who stands to lose if the authority were to take that attitude? On face value, B would have to lose $1,000 and the authority would lose $2,000. But, in fact, does it? Where is the 20 per cent. figure applied then? Is B even given the opportunity to get back his original purchase price?

It must be remembered that B bought the land in good faith; he bought it on the basis that, at the end of 10 years, he would have an increment and he believed this because, at the time he purchased the land, he was told the unaffected value of the property was $10,000. Also, at the time he bought the land the authority told him it had sufficient faith in the transaction to justify the advance of $2,000 to him which would enable him to complete the purchase from A. Obviously, a transaction conducted on that basis is one of extreme good faith. Under no circumstances could one imagine that B who had come into the field and helped the situation considerably, could possibly stand to lose.

When the Minister replies to this point, I anticipate him to say, "Well, the trend will be upward." Indeed, I hope it is. I hope that will be the simple situation and the simple answer to the problem. However, the practical situation has to be considered. Some syndicates might put money together; people's life savings could be invested; and a downward trend of only a few per cent. in value could be a matter of very serious import to the people concerned.

I do not intend to pursue this issue at great length, but I ask the Minister, when replying to the debate, to indicate if the board intends to return money it receives in any situation that arises. I would be pleased if he could inform me that if there be a loss in valuation at the time the board takes over, will the loss be shared on a twenty-eighty ratio? It seems to me that that should be the case if it were prepared to accept a profit when it gained an increment on the original value. Should this be the position that would represent some form of rough justice; but it would be very rough.

However, if it so happened the board could not protect itself to the extent of the amount it originally advanced, I feel this legislation may fall down, because we would be passing it on a premise; we would be passing it entirely on the assumption that there will be an upward trend in valuations, and that is not good enough to write into a Statute. Perhaps the problems I find in the Bill have answers, but I could not find them in the time I have had available to study the measure. I will therefore await with interest the reply to be given by the Minister, because I believe this amending Bill represents an interesting addition to a problem that increases as time goes on.

Any amendments we make to this legislation now must not be on a trial and error basis, but determined on the facts of the situation; because it is a question that is causing a great deal of anguish among members of the public from day to day.

I could not understand the explanation given by the Minister in regard to the third proposal in the Bill. From my understanding of what he said, it seems to me that if certain words are deleted from the Act it will remove a bar and the application of the Act will be effected more efficiently. As I see it, the deletion of the words will mean that one will not be bound to what is already written in the Act. The Minister stated that the Metropolitan Region Planning Authority would not be able to acquire, for the purposes of the Department of Industrial Development, any land that is not already zoned as industrial.

In many instances the words already contained in the relevant section of the Act could prove to be a considerable disadvantage to the community; there is no quarrel about that. I am concerned about the reference to high values. I am concerned about land being purchased from an unsuspecting owner under the proposed amendment. It is true that, in such circumstances, the owner would not receive a high value for his land, but an industrial project could be turned away from the first area that is already zoned for industrial purposes, and thereby create the possibility that many people could be adversely affected.

There is a reasonable probability that when steps are taken to designate a particular piece of land, the very fact that the industrial project may be moved to another area will, by this unexpected development, throw into confusion a much greater number of people than would be the case if the original plan were proceeded with under the present metropoli-

tan planning scheme. If the intention of this clause in the Bill is to obviate high values, I can only hope the objective will be reached. It happens now that A sells a piece of land to B, and B, on selling it to someone else, makes a very lucrative profit.

It seems to me that we are reaching the stage where we are saying to ourselves, "By this Bill we will obviate the existing legislation and move in a different direction into another field." I have no doubt that as the development of the city progresses everything will work out according to plan. However, I am concerned with the provision contained in the Bill because, to me, it does not appear to be particularly comprehensive in regard to its ultimate achievement. In that respect it leaves much to be desired. Therefore I am somewhat perplexed and I think the enthusiasm that has been generated over this legislation has been misplaced.

THE HON. R. THOMPSON (South Metropolitan) [5.7 p.m.]: I endorse everything my leader has said on the Bill. I intend to carry on from where he left off when referring to clause 7. Without hesitation, I intend to oppose strongly this part of the Bill.

Over the years we have been told that the present Government is a free enterprise Government. However it does not exhibit much free enterprise when it comes to dealing with the land of an individual. From personal experience I can cite many illustrations of people being unjustly treated under section 37A of the Act. Firstly, I will go back to the time when the railway line for the Cockburn Cement Company was put through the Spearwood district. At this time land in the area was acquired by the Government and ultimately sold to Co-operative Bulk Handling Pty. Ltd. to enable it to erect a machinery and repair store.

I do not know whether the owner of that piece of land is right or wrong, but he claims the department bought this land from him at a certain price, and sold it at a higher figure to Co-operative Bulk Handling Pty. Ltd. I can only accept the owner's word for that. But I have more evidence than the owner's word in regard to the next case I will bring before the House. In an area further east along Barrington Road, this year the Department of Industrial Development engaged the Florida Estate Agency to purchase properties from various owners so that the land could be used for industrial purposes. However the prices offered were based on rural valuations. That real estate agency has purchased quite a few properties.

The Hon. L. A. Logan: How long ago?

The Hon. R. THOMPSON: Some four or five months ago, and the agency is still negotiating to buy a property from a man named Dixon. Mr. Dixon and his father have owned this land for many years, and some time ago the son applied to the State Housing Commission for finance to construct a home on the land. When he applied to the Cockburn Shire Council for permission to construct a house on his block he was told that the land was subject to an I.D.O., and therefore his application would have to be referred to the Metropolitan Region Planning Authority. That authority, in turn, refused to permit Dixon to build a house on this block, which is zoned as rural land.

This was when the cat got out of the bag. He came to see me and asked why his property was zoned as rural land, because the Florida Estate Agency had approached him several times in an endeavour to purchase the block. Mr. Dixon did not want to sell the land, because he had struggled to buy it and he wanted to build a home on it and carry out his various pursuits. Nevertheless, his application to build was refused. I repeat that this land is zoned as rural land, and his block is the only one that has not been brought into line. I believe that to be true. It is a corner block and is the only one in the vicinity that has not been purchased. Possibly the price he is asking is double that which is being offered.

When he discovered that his land was required for industrial purposes, I am of the opinion he was entitled to place his own price on it. He has a clear title to the land. By its method of dealing with this particular owner, the department throws itself open to criticism, and even becomes suspect. In this instance the department negotiated with an outside body to purchase properties and owners sold them in good faith and without the knowledge that, when purchased, their their land would be placed in a category which would call for a higher valuation than was the case when they sold their land to the real estate agency which was acting on behalf of the Department of Industrial Development.

In my opinion, the department should now do the right thing. I am the owner of a quarter-acre block of land in this State, but if it were to be acquired from me for the purpose of erecting a service station, or if someone were acting as an agent on behalf of a Government department, and wanted to purchase it, I would consider that my block, on which I originally intended to build a home, would be worth 10 times as much as it would be if it were sold as a residential block. I would be very upset if, in the circumstances, I did not obtain such a price for my block.

When a real estate agency approaches the owners of properties on behalf of a Government department to purchase such properties, I think the owners are entitled to be told, when they are approached, that the land will be used for industrial

purposes; or alternatively, advised there is no particular project in mind. Four or five months ago I checked with the Department of Industrial Development in regard to the property owned by Dixon, and I was told over the telephone by a responsible officer that no project was planned to be built on this land, but the department was purchasing it so that it could be rezoned and made available to industry when the land was required for such purposes.

If owners are prepared to retain rural land and earn a living from it—as most of them are—are they not entitled, when the land is zoned for industrial purposes, to reap the benefit of increased valuations and the prices which industrial concerns are prepared to pay for it? I am definitely opposed to this part of the Bill, and I have no intention of giving it the slightest support, because the provision will not give justice to any owner.

I do not think any amount of explanation could make this fair to those people who own land. In regard to the Minister's opening remarks that a panel of valuers would be set up to make valuations when property owners desired to sell their land which was going to be affected by metropolitan region planning, at first I thought we had made a break-through, and that this was good. I am still going to support this part of the Bill, but I would like some questions answered by the Minister.

Firstly, I would like to know whether this applies only when a property is to be sold and when an owner has no knowledge that it is required for metropolitan region planning activities; or whether it refers to a property where the owner does know it is to be required. There is a difference here about which we should have some knowledge, because on the one hand the Public Works Department or the Taxation Department valuers would do the valuations, but on the other hand if it concerns an unsuspecting person who tries to sell his property, then the valuations would be done by the board of valuers.

Secondly, in view of the exercise that Mr. Willesee outlined to the House—in regard to the £1,000 differential mentioned by the Minister—a profit or a loss can be made. I would like to know who is to pay for these valuations.

New section 36B(3) which is to be added to the Act by clause 5, reads as follows:—

> (3) Upon receipt of a valuation made by the Board under this section, the Authority shall advise the owner of the subject land of the minimum price at which the land may be sold without affecting the amount of compensation (if any) payable to him under section thirty-six of this Act.

Will the Metropolitan Region Planning Authority bear the cost of these valuations; or are they to be reflected in the offer or deducted from the differential that the Metropolitan Region Planning Authority will pay over and above the price of the land from a normal sale?

I do not wish to delay the passage of this Bill, but trust the Minister will answer the questions I have asked. I would like members to take a close look at clause 7 of the Bill, because if they allow the Government to get away with its provisions, it will be a disgrace, as people who sell with the best of intentions for a certain price may find within two or three months, or two or three years, that the land was planned to be rezoned the day after all land in the area was bought.

I think this is a three-card trick that is being put over people with small holdings who can ill-afford to lose money. They are people who have lived in a certain place for many years and it should be within their province to make a profit if a profit is to be made out of their holdings.

THE HON. L. A. LOGAN (Upper West —Minister for Town Planning) [5.20 p.m.]: Mr. Willesee raised the subject of a surveyor being a member of the panel of valuators. I do not hesitate for a moment to agree with what he said about a surveyor's qualifications, but we have to appreciate that this tribunal which is being set up will be composed of four people, each of whom has to be an Associate or a Fellow of the Commonwealth Institute of Valuers Incorporated in South Australia. Therefore, they will be men of high standing in the community, each of whom will have a claim in his own right to be a valuator.

We are not dealing with the subject of subdivisions. If we were, then a surveyor might find a place on the board at this time. We are dealing purely with valuations of properties on which there is a business or a commercial enterprise.

The Hon. R. Thompson: Some will be subject to subdivisions.

The Hon. L. A. LOGAN: They will not be affected by this.

The Hon. R. Thompson: My word, they will.

The Hon. L. A. LOGAN: No, they will not.

The Hon. R. Thompson: I will tell you in the Committee stage.

The Hon. L. A. LOGAN: We are dealing with commercial enterprises and business houses as such, which are subject to developmental control; and from an authority point of view, it is preferred that the enterprise, or business, should continue in operation. However, because it will be affected in the future, the people concerned want to get out. In a case like this the authority, because of the limitation of its funds, would prefer that some private person bought the business, or enterprise, or whatever it might be, and continue in that business or enterprise

until the property is required by the authority for whatever purpose it might be wanted. That is the reason for this provision and the setting up of the panel of valuers. It will give the owner of the property some confidence that the valuation will be adjusted fairly. This is being done in Melbourne and Sydney, and there are no problems.

I do not see where a surveyor would fit into the scheme of things under this legislation. If it were a matter of subdivision of, say, five or six acres, that would be a different proposition. The valuations will be such that we will probably be able to purchase these properties without any trouble. Up to date, because what is proposed is something new, property owners have been somewhat loth to sell. They have been frightened they would not get what they required. The purpose of this measure is to give both the buyer and the seller some confidence. A buyer will be told, for instance, that if he buys a property he will be given a tenure of at least 10 years. If it is necessary to take the property over, it will be valued by the board set up under this measure. If the property is acquired before the 10-year period which was promised, the valuation board will take that fact into consideration. Because the tenure of the person concerned was to be reduced, the valuation would be increased accordingly. In the first place, the individual may have to pay the board for a valuation, but when compensation is paid, this amount will be included in the compensation paid by the authority to the original owner.

The Hon. R. Thompson: That means the owner pays all the way along.

The Hon. L. A. LOGAN: No; when the compensation is paid to the original owner by the authority, the cost of the valuation will be added to it.

The Hon. R. Thompson: It will be in excess of the compensation.

The Hon. L. A. LOGAN: Yes. In the long run, the authority pays for this and not the individual.

The Hon. R. Thompson: Would it not be easier for the authority to pay for it originally?

The Hon. L. A. LOGAN: We have to remember that some people may go to the valuation board and get a valuation, but not go on with the sale. In that case they would get a free valuation, and it would not be right for the board to have to pay for it. This position has to be covered. If a person goes on with the sale, then the authority will pay for the cost of the valuation by the board. The position as regards the 20 per cent., as mentioned by Mr. Willesee, is quite true. If there was an upward valuation, the person concerned would reap the benefit; but if there was a downward trend that person would suffer according to the percentage paid.

In the first place, whatever the valuation is at the time the authority takes a property over, that valuation will be subject to the 20 per cent. This is just plain business. If a person is prepared to take a risk in order to make a profit, he must also be prepared to make a loss.

The Hon. R. Thompson: I hope you can say that when you get to clause 7.

The Hon. L. A. LOGAN: Clause 7 is something that is quite separate. There can be two businesses alongside each other. A may be prepared to take over one business for, say, £10,000, and the authority will say to B, "If you are prepared to pay £8,000 for the other business, we will pay the difference in the valuation by way of compensation."

The Hon. R. Thompson: You seem to be saying "business" all the time. Is it not applicable to a house?

The Hon. L. A. LOGAN: Yes; it is the same thing; it is property. If B is prepared to buy the property for £8,000, the authority will pay the other £2,000. In this way, both properties are bought for £10,000 at the same time. Surely the honourable member would not expect the fellow who bought the property at £10,000 of his own free will to suffer a loss if the other buyer who paid only £8,000 for his property is to be compensated for any loss. If the other fellow wants to buy, he will take the risk, just as anyone does who purchases a business.

The Hon. R. Thompson: If the sale falls through, the authority will pay the valuation price for the property, there and then?

The Hon. L. A. LOGAN: Not necessarily, although it may.

The Hon. R. Thompson: There are some "ifs" and "buts" about this.

The Hon. L. A. LOGAN: The owner may decide to carry on. All we are trying to do is overcome some of the financial difficulties involved, as it is not possible to buy everybody out.

The Hon. W. F. Willesee: I can see that.

The Hon. L. A. LOGAN: Even without an Act of Parliament there was a property over which we nearly came to an arrangement the other day; but as the margin was 40 per cent. the authority, at that stage, was not prepared to go that far. I think members will find people will obtain confidence as a result of this measure. Some sales will take place, and the authority will be relieved of a financial burden.

When speaking of clause 7, Mr. Ron Thompson said, "I have had experience of this." The honourable member has had no experience in connection with the provisions of clause 7, because no improvement plan has been presented to anybody. This clause applies only to any improvement plan laid down in the Act, as amended last year by the addition of section 37A.

The Hon. R. Thompson: You had better do your homework before you make a statement like that.

The Hon. L. A. LOGAN: There is no improvement plan, under section 37A, of which this is part and parcel.

The Hon. R. Thompson: You said it applied to land acquired for industrial purposes.

The Hon. L. A. LOGAN: I have not said anything of the kind. This comes under section 37A which deals with improvement plans of the authority, and there have not been any.

The Hon. R. Thompson: Of course there have not been any.

The Hon. L. A. LOGAN: The honourable member said he had had experience of such plans.

The Hon. R. Thompson: I said I have had experience of what is taking place.

The Hon. L. A. LOGAN: The honourable member said, "experience of this Act."

The Hon. R. Thompson: You are mincing my words.

The Hon. L. A. LOGAN: I am not mincing your words at all. The honourable member is dealing with something which has nothing to do with this.

The Hon. R. Thompson: Then your notes are wrong.

The Hon. L. A. LOGAN: They are not wrong at all; the honourable member has not read them properly.

The PRESIDENT: Order!

The Hon. L. A. LOGAN: One has only to read section 37A to see the procedure before an improvement plan can be put into effect. First of all, the authority has to be satisfied that the improvement plan is necessary, and the authority has to convince the Minister that it is necessary. The Minister then has to ensure that Cabinet considers the improvement plan is necessary before it is signed by the Governor. All that has to occur before an improvement plan can be put into effect.

The Hon. F. R. H. Lavery: What happens to the poor old citizen in the meantime?

The Hon. L. A. LOGAN: The same as happens today.

The Hon. R. Thompson: Why is there no classification?

The Hon. L. A. LOGAN: An improvement plan will not be put into effect except in certain circumstances, such as for the building of drains, roads, or the provision of a water supply, where a number of owners will not co-operate. It will then be necessary to put this into effect to make the situation worth while for everybody. This is the only way to put some of the local authorities' town planning schemes into effect.

This step cannot be taken unless the authority is satisfied that an improvement plan is necessary; and the Minister is convinced, and Cabinet is convinced. And then all the owners within the area have to be convinced that it is necessary, too.

All purchases will be done by negotiations, where possible. If negotiations break down then the individual has rights under the Public Works Act. I cannot alter that provision because it is already in the Public Works Act. Most of the transactions will be done by negotiation so I cannot see why Mr. Ron Thompson objects to this particular aspect, bearing in mind that reference must be made to section 37A of the Act.

I think those were the only angles raised, except perhaps that according to Mr. Ron Thompson it is right and proper for a speculator to buy from an individual to make a profit, but it is wrong for the Government to do the same thing for the benefit of the community.

The Hon. R. Thompson: Nobody said that.

The Hon. L. A. LOGAN: That is what the honourable member implied.

The Hon. R. Thompson: That is not what I said.

Point of Order

The Hon. R. THOMPSON: On a point of order, Mr. President, at no time did I say that a speculator was entitled to buy land and make a profit out of the Government. What I said was that a landowner could unsuspectingly sell land to an estate agent who was acting on behalf of the Government.

The PRESIDENT: What is the point of order?

The Hon. R. THOMPSON: My point of order is that the Minister accused me of saying that there was nothing wrong with a speculator buying land. I did not use the words at all.

The PRESIDENT: I will take your remarks as a personal explanation.

Debate (on motion) Resumed

The Hon. L. A. LOGAN: As I said, it was stated that it was wrong for the Government to speculate, but speculators are carrying on their business every day of the week. I think if one checks back it will be found that what I have said was implied.

I think I have explained to the House, to the best of my ability, the questions raised. With reference to Mr. Willesee's inquiry, the term of the valuation board is for two years at the moment. I am quite prepared to look at this situation to see if a valuer would be an asset to the board. If so, arrangements can be made accordingly. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (The Hon. F. D. Willmott) in the Chair;

The Hon. L. A. Logan (Minister for Town Planning) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Section 7 amended—

The Hon. W. F. WILLESEE: I thank the Minister for his remarks in connection with the proposed additional member to the board. The Minister has indicated that he is prepared to look at the situation on its merits.

The Hon. L. A. Logan: I think you should be speaking to clause 4, which deals with the board of valuers.

Clause put and passed.

Clause 4: Sections 36A added—

The Hon. W. F. WILLESEE: I was saying that I thank the Minister for giving consideration to the proposals put forward; and the fact that he is prepared to look at them objectively before this Bill becomes law, indicates that there would be some hope of improving the constitution of the board of valuers.

I believe that one is inclined to use the word "valuer" in connection with "surveyor" somewhat out of context. The secondary consideration of "valuer," as applied to a surveyor, becomes much more important as the experience of the surveyor develops.

There is no greater field of education than that of experience. One can go so far with academic qualifications, but it is the application of those academic qualifications, together with the basic principles of experience, which ultimately turn out the finished article. Without being pedantic, I feel the addition of a highly trained man who was—or is—a surveyor and who has had wide Western Australian experience in the overall practice of his profession must, of necessity, bring some benefit to this proposal. Such a man would not have an overriding authority; he would be only one member. However, he would be able to assess the possibility of a subdivision, and his basic knowledge obtained from continual survey work must be of inestimable value.

Clause put and passed.

Clause 5: Section 36B added—

The Hon. R. THOMPSON: During the course of the Minister's speech I said this clause could be applicable to subdivisional land, but the Minister said "No." I differ. On the 15th April, this year, I sent a letter to the Minister stating the case of a person who had been held up by the authority for some three or four years. The person concerned had a large area of zoned residential land. We tried time and time again to have a subdivision plan approved by the Town Planning Board. It is useless for the Minister to say that such subdivisions would not be affected, as a study of the amendment will demonstrate they will be affected.

It is not always a quarter of an acre of land which is taken; six and 10-acre blocks still zoned for residential purposes are affected. The Minister should not make statements that this provision will not affect such land. There are many examples of where it would.

The Hon. L. A. LOGAN: I cannot see that anybody in his right mind would negotiate with the authority and with an owner to buy 10 acres of vacant land under such conditions. Unless he is a speculator of the first order he would be taking the risk that in 10 years' time he would get sufficient from his return to pay for the capital outlay. That is the reason I said this type of land will not be subject to negotiations—because nobody will buy it.

However, if a house or a commercial enterprise of some sort, which has some monetary value, is involved then a speculator would get value all the way. Only purely revenue-producing enterprises, from which the purchaser will get some benefit, will be involved.

The Hon. R. THOMPSON: My final word is that if the Minister checks his files, and the letter I wrote to him, he will find that exactly what he said would not happen, was proposed in the letter. A development company wanted to buy the residue of an estate, and the planning authority would not allow the sale to take place.

Clause put and passed.

Clause 6 put and passed.

Clause 7: Section 37A amended—

The Hon. R. THOMPSON: I am not going to be confused by what the Minister says regarding redevelopment schemes. This clause deals with section 37A and that section deals only with land that is being replanned under a development scheme, as members will see if they refer to the three proposed amendments in the clause. Members can also see that the amendments will do away with any rezoning and any capital investment gains that a person might make by being the owner of land.

The land about which I am talking is land which the Department of Industrial Development has purchased, and it is land on which both small and large houses have been built; but it could quite easily be said to be redevelopment and rezoning because possibly 80 or 100 acres of land will be joined to make one area, and the houses on the various lots concerned will be demolished, roads constructed, and so on. In fact, everything that is mentioned in the clause could relate to rural land.

The Hon. C. E. Griffiths: What is this land zoned as at the moment?

The Hon. R. THOMPSON: Rural land. It was purchased as rural land by the Department of Industrial Development, to be zoned as industrial land, and the people who owned the properties concerned have had it put over them. They have sold their properties in good faith as being rural land when all the time the idea was for this

area to become industrial land. I am not going to argue the point any more. This is a confidence trick which is being put over the people and I shall divide the Committee on the clause.

The Hon. L. A. LOGAN: I did not ask for a retraction of those words because they are just too silly and I do not intend to take any notice of them. If the honourable member reads section 37A of the Act he will see that it deals with improvement plans—nothing more and nothing less than that. It has nothing to do with the Department of Industrial Development purchasing this land or any other land. None of what the honourable member says could happen unless it took place under an improvement plan, which has to be approved by the authority, by the Minister, by Cabinet, and then signed by the Governor-in-Council.

The Hon. R. Thompson: Neither can zoning. That has to be approved by you.

The Hon. L. A. LOGAN: This is zoning under an improvement plan. A plan has to be drawn up to show what is intended, and that plan has to be supplied to everybody concerned. If the honourable member looks at the amendments which were made last year he will find that that is so. I can assure members that in this regard we are dealing only with section 37A of the principal Act, and this can have effect only where an improvement scheme has been approved by the authority, by the Minister, by Cabinet, and then has been signed by the Governor. The plan must be properly presented and show all that is intended for the area in question. The only time zoning is affected is under such an improvement plan.

The Hon. R. THOMPSON: My last word on this matter is to say that if one reads section 37A one can twist and turn it to suit one's own ends. An improvement plan can be made for vacant land and, mark my words, what I have said will come to pass.

Clause put and a division taken with the following result:—

Ayes—17

Hon. C. R. Abbey	Hon. A. R. Jones
Hon. N. E. Baxter	Hon. L. A. Logan
Hon. G. E. D. Brand	Hon. G. C. MacKinnon
Hon. V. J. Ferry	Hon. N. McNeill
Hon. A. F. Griffith	Hon. T. O. Perry
Hon. C. E. Griffiths	Hon. J. M. Thomson
Hon. J. Heitman	Hon. R. K. Watson
Hon. J. G. Hislop	Hon. H. R. Robinson
Hon. E. C. House	*(Teller.)*

Noes—8

Hon. J. Dolan	Hon. R. Thompson
Hon. E. M. Heenan	Hon. W. F. Willesee
Hon. R. F. Hutchison	Hon. F. J. S. Wise
Hon. F. R. H. Lavery	Hon. J. J. Garrigan
	(Teller.)

Pair

Aye	No
Hon. S. T. J. Thompson	Hon. R. H. C. Stubbs

Clause thus passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by The Hon. L. A. Logan (Minister for Town Planning), and transmitted to the Assembly.

PETROLEUM ACT AMENDMENT BILL

Second Reading

Debate resumed from the 17th November.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the Opposition) [5.55 p.m.]: When the Leader of the House introduced this Bill he took the opportunity to relate the historical background of the oil search at Barrow Island and, to some extent, oil search in Western Australia generally; and his address was most interesting. As legislators we can only congratulate the company concerned for its great efforts and the zealous way it has searched for oil from the first day it started its operations in Western Australia. In the course of time other companies have joined with Wapet, and the fact that this organisation has continued its search so diligently and enthusiastically makes one believe that there is still more oil to be discovered in this State, and that the company will be successful in its further efforts. It is to be hoped that this success is only just around the corner.

The purpose of the Bill is to provide for certain alterations regarding the classification of Barrow Island. At present it is an "A"-class reserve and, as everyone knows, these reserves are closely guarded by all Governments, and for obvious reasons. However, when we have a matter of national importance, and the State is involved in making a decision on priorities, and whether certain areas should still be classified as "A"-class reserves, it is incumbent upon the legislature to find ways and means of overcoming the difficulty. Under this Bill there will be every safeguard for the flora and fauna on the island, and the natural habitat will, as far as possible, be protected. One realises, however, that where development such as this takes place on an island there will be some intrusion in this regard, but I am sure that neither the flora nor fauna will suffer unduly because of the assurances that have been given by the company.

The provisions of this legislation will at some time in the future be terminated, because the life of the Barrow Island oil field is not endless; it will have a reasonably short term as compared, probably, with some other fields. However, in the course of its development I hope ways and means will be found to extend its life, not only for the betterment of Western Australia, and Australia as a whole, but also because it will enable the company to undertake further research and extend its search for oil in this State.

There is one point of interest which I would like the Minister to explain when he replies to the debate. Perhaps this is a

side issue to the provisions of the Bill but I have heard from what I consider an authoritative source that the oil from Barrow Island will cost more to land at the refinery at Fremantle than the imported product. There are probably many good reasons behind this state of affairs, but on the face of it it seems somewhat surprising that oil which is discovered so close to home should be more expensive, in its original state, than is the imported product. I join with the Minister in my support of the Bill because I believe it will clear the way and assist what I consider to be a very great project.

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [6 p.m.]: I thank Mr. Willesee for his remarks. The only question I think he raised, and upon which he asked me to give him an answer, was in relation to the cost of Barrow Island crude oil. I cannot accurately advise the House what the cost of Barrow Island crude oil will be; nor do I know offhand the price that is paid in Western Australia for imported crude oil. I do know however, that the cost of Australian crude oil is fixed by Tariff Board regulation.

The cost of Moonie crude oil is $3.50, and the Tariff Board fixes the price on the quality of the crude oil. The price being fixed by the Tariff Board provides a protection for the Australian company. I think it would be true to say that foreign crude oil can be imported into Australia at a figure which is cheaper than that for crude oil produced in our own country.

The Hon. J. Dolan: Would that be because of the established organisation they have?

The Hon. A. F. GRIFFITH: I think it would be to give the exploration company a certain specified time, and in relation to Moonie crude oil the price has been fixed for five years. It is in the interests of the exploration company to have a guaranteed price.

Naturally enough we cannot expect any decrease in the price of our petroleum products from Barrow Island. I do not think I am qualified to say this, but my personal view is that it will be some time before we can expect a reduction in the price of petroleum products refined from our own crude oil. This will not occur until we are producing a very much greater proportion of crude oil in Australia than we are at the moment.

The Hon. F. J. S. Wise: So it must be, otherwise the tariffs will be seriously affected.

The Hon. A. F. GRIFFITH: I think I am safe in saying that it will be a totally different story when we reach the stage in our economy where we are self-sufficient in the amount of crude oil we produce.

I cannot give any further information in relation to the price of Barrow Island crude oil, because, to the best of my knowledge, the price has not yet been fixed by the Tariff Board. If it has been fixed, I am not aware of it. It certainly was not fixed when I last inquired, but no doubt it will be fixed in the course of time.

The Hon. W. F. Willesee: I raised this purely as a point of interest.

The Hon. A. F. GRIFFITH: Incidentally I might add that Barrow Island crude oil is superior to Moonie crude oil, so the price may be a little more than $3.50.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (The Hon. F. R. H. Lavery) in the Chair; The Hon. A. F. Griffith (Minister for Mines) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Section 5A added—

The Hon. A. F. GRIFFITH: I apologise to the Committee for the necessity to place amendments on the addendum to the notice paper. The amendments I have on the notice paper are due to the draftsman having another look at the Bill. Although clause 2 empowers certain Crown land to be proclaimed as Crown land for the purpose of the Act, it does not expressly say that the proclamation shall declare that the Crown land be land which applies to this Act. I would draw the attention of members to the definition of Crown land at page 3 of the Petroleum Act. The draftsman is anxious that the matter should be put beyond doubt, and I move an amendment—

> Page 2, line 13—Insert after the word "Act" the words "and is land to which this Act applies."

Amendment put and passed.

Clause, as amended, put and passed.

Clause 3: Section 5B added—

The Hon. A. F. GRIFFITH: My next amendment is in three parts. In its terms this clause applies to all Crown land that is not Crown land for the purposes of the Act. We are particularly aiming to exclude from present permits and Crown licenses land that is reserved and classified as Class "A"; namely King's Park, Yanchep Park, and Rottnest Island.

By way of explanation, a permit to explore under the Petroleum Act may be granted, say, over a large area of land which might include King's Park, Rottnest Island or, in fact, any "A"-class reserve. As Mr. Willesee said we must guard these "A"-class reserves, and the amendment will make it clear that for the purposes of petroleum search an "A"-class reserve can be made Crown land for the purposes of this Act; it can be taken in and out by proclamation. If there were need to drill for petroleum on an "A"-class reserve the matter would be looked at very closely. I recall having been taken down town in Los Angeles and while having lunch on the

45th or 54th floor—I am not sure which—we looked down on a drilling rig nicely housed and camouflaged drilling for oil right in the centre of the city. The real estate value of the block was apparently poor by comparison with its value for purposes of oil search.

The Hon. R. F. Hutchison: There are many such rigs in Los Angeles.

The Hon. A. F. GRIFFITH: I am glad the honourable member is able to confirm what I say as a result of her travels.

I move an amendment—

Page 3, line 22—Insert after the word "Act" the words "and classified as of Class "A"."

Amendment put and passed.

The clause was further amended on motions by The Hon. A. F. Griffith as follows:—

Page 3, line 33—Add after the word "dedicated" the words "and so classified."

Page 3, line 36—Insert after the word "dedicated" the words "and so classified."

Clause, as amended, put and passed.

Clause 4 put and passed.

Title put and passed.

Bill reported with amendments.

Sitting suspended from 6.14 to 7.30 p.m.

CRIMINAL CODE AMENDMENT BILL

Second Reading

Debate resumed from the 17th November.

THE HON. E. M. HEENAN (Lower North) [7.30 p.m.]: In his introductory remarks to this Bill the Minister said the Government had been greatly concerned with the number of attacks on police officers of late. He went on to say that some attacks had been of a serious nature. I feel the majority of well-meaning citizens would agree that the Government's concern is well justified, and that any reasonable proposals which are put forward to correct the position should receive support. I also gather from the Minister's remarks that the Police Union is greatly concerned with the present trend, and it asks for greater penalties to be imposed for the offence of assault.

The Hon. A. F. Griffith: That is correct.

The Hon. E. M. HEENAN: I am one of those who believe that the work of the Police Force is not always given sufficient credit and understanding by the general public. The public does not always realise that the primary function of the police is to ensure law and order, and in so doing to protect the lives and property of the people. In carrying out these duties police officers often find themselves in a position of great danger and peril, and frequently they suffer severe injury and even loss of life.

At this stage I will read a paragraph from the annual report of the Commissioner of Police for the year ended the 30th June, 1966, wherein the Commissioner states—

> During the year the department has been subject to some adverse criticism. I refer particularly to the unfortunate incident where a man was accidentally shot dead by a police officer; to certain court cases involving breaches of the licensing and gaming laws; and to police actions in controlling demonstrations and unauthorised marches in the city. It is the prime duty of any Police Force to uphold the laws passed by Parliament; to bring offenders to justice and to maintain good order. My officers are pledged to those duties and are expected to use their utmost endeavours in the execution of them. There will be some occasions when their actions may appear unethical to some persons, or when they may be required to use force, but their actions are directed towards one end—the unbiased discharge of their duties for the benefit of society as a whole.

Most members will agree that is a correct and a reasonable summary of the duties of the Police Force. Unfortunately there always seems to be an element in the community which is not prepared to abide by the laws, and which takes any opportunity that comes its way to abuse and to humiliate the police officers, and to hinder them in the carrying out of their duties. If the community generally is not prepared to abide by the rule of law then the only alternative is either a dictatorship or chaos.

Any amendment to the Criminal Code requires careful consideration, and as this Bill proposes to increase the penalties, mainly for assault, it is deserving of a careful approach. First of all, we have to be satisfied that a situation exists which requires an increase in penalties. On this aspect we have the viewpoint of the Government plus that of the Police Union, supported by a committee which was set up to consider the position. If members care to peruse the annual report of the Commissioner of Police and to analyse the statistics contained therein, they will come to the inevitable conclusion that some of the penalties provided in the Criminal Code are due for review.

At the present time the penalty under section 321 of the Criminal Code provides for a maximum fine of £10 when an assault case is dealt with in the Police Court. The second amendment in the Bill proposes to increase this amount to $100, and that will be the maximum monetary penalty, or an increase from the existing £10 to $100. The alternative penalty is a term of imprisonment with hard labour for six months; and this penalty is not to be altered. So anyone who is charged with assault and is dealt

with in the Police Court will be liable, if this Bill is passed, to a monetary penalty of a fine of $100, whereas previously it was $20.

The next amendment proposes to repeal and re-enact section 322 of the Criminal Code. If adopted it will mean that assaults which are accompanied by circumstances of aggravation; or in cases where a female, a male child under the age of 17 years, or a police officer is involved, can be dealt with summarily. The magistrates will be able to impose a fine of $200 or inflict a term of imprisonment with hard labour for one year.

This is the provision which has particular application to assaults on police officers. Instead of such cases being dealt with as indictable offences under the Criminal Code, magistrates will have the power to deal with them summarily and impose those fairly heavy penalties—a fine of $200, or a term of imprisonment with hard labour for one year. These penalties are not only imposed when police officers are involved; they are also imposed in respect of assaults against females, and against males under the age of 17 years.

I seem to think—for reasons outlined by the Minister, for reasons outlined by myself, and from a reading of the annual report of the Commissioner of Police—that this amendment is probably justified.

The police must be protected. We want to recruit decent men into the Police Force—men who can make it an honourable career; and, because there are in the community those who break the law by assaulting the police officers, we are justified in protecting the police officers in this way.

These penalties are the maximum to be imposed. It is not mandatory for the magistrates to impose them. They can use their own discretion according to the circumstances of the case.

There are a couple of other amendments which are more or less of a formal character, and I do not think it is necessary to deal with them because the Minister has already done so. Members will realise that I believe the Bill is justified. It is a pity we must increase the penalties. It would give us all much more pleasure if the community in general were more law abiding as we could then perhaps reduce penalties; but I am afraid we have not reached that stage. It is obvious to us all, apart from what the Minister has told us, that certain elements in our community are behaving in such a way and, to some extent getting away with it, that we are justified in passing this measure; and I therefore propose to support all the clauses in it.

THE HON. C. E. GRIFFITHS (South-East Metropolitan) [7.48 p.m.]: I want to add a few words in support of this Bill, and in particular in regard to clause 4 which increases the penalties in relation to offences against policemen in the execution of their duty. Unfortunately over the last few years this offence has become more prevalent. People who are apprehended by the police from time to time resort to using physical violence against the constables concerned, and I believe there is no penalty which is too great for someone who attacks a police officer who is performing his duty.

Like Mr. Heenan, I believe it is a shocking state of affairs that society has reached when it becomes necessary to institute penalties such as this. However, these assaults do occur and the members of our Police Force should receive every protection possible.

The duties of the policeman are not very enviable. He has all sorts of duties to perform in the protection of our society. The members of the Police Force are not particularly well paid for the work they do and the protection they afford us. Also we should have a greater number of them. I cannot speak too highly of the work they do, and I think the Minister should be commended for taking the step he has taken to amend the Criminal Code in this way.

With those remarks, I have much pleasure in supporting the Bill.

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Justice) [7.50 p.m.]: I thank Mr. Heenan and Mr. Clive Griffiths for their support of this Bill.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (The Hon. A. R. Jones) in the Chair; The Hon. A. F. Griffith (Minister for Justice) in charge of the Bill.

Clauses 1 to 3 put and passed.

Clause 4: Section 322 repealed and re-acted—

The Hon. J. G. HISLOP: I wonder whether the punishment of hard labour for one year is sufficient for this offence. Looking at this matter from a psychological point of view, many of these individuals are not mentally disordered, but they have an objection to the law and an objection to policemen. They feel a policeman is good game.

What worries me is that because of the legislation we have passed concerning parole, these individuals might act as the perfect prisoners and be allowed out in a short time. I was wondering whether the Minister might consider increasing this sentence, because with time off for good behaviour, an offender might be in gaol for only three or four months, which I do not think is sufficient.

Although these offenders are not mentally disordered, they are psychologically disordered, and they should be made

to pay the penalty to some extent. Three or four months would not be sufficient time to allow a psychologist to effect any change in the offender's personality or nature.

The Hon. A. F. GRIFFITH: I would remind the honourable member that section 318 (2) of the Criminal Code deals with an assault on a police officer while he is executing his duty. Under that section, such an assault is a misdemeanour, triable on indictment, and the punishment is three years. I think we must leave this matter to the common sense of the police to pursue trial by indictment in the Criminal Court if the severity of the attack warrants it.

The Hon. J. G. Hislop: That makes me happier.

The Hon. A. F. GRIFFITH: The Police Force itself prefers the matter to be dealt with arbitrarily and therefore we propose to increase the penalty. I cannot say what penalty the magistrate is likely to impose, but if the penalty imposed is under twelve months, then it is not a matter for the parole board. A recommendation must be made to me and I, in turn, must recommend to His Excellency the Governor that some portion of the sentence be remitted. This is a matter that must be dealt with entirely on its merits in the event of such an application being made.

I appreciate the words of the honourable member, but with the section 318 (2) in the Code, and section 322 being repealed and re-enacted, both the inferior court and the superior court will have a better opportunity of dealing with the offenders.

The Hon. J. G. Hislop: Thank you.

Clause put and passed.

Clauses 5 and 6 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Justice), and transmitted to the Assembly.

LAND AGENTS ACT AMENDMENT BILL

Second Reading

Debate resumed from the 17th November.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the Opposition) [7.58 p.m.]: This is a small Bill to rectify a situation which has developed as a result of legislation passed in 1964 when it was found necessary to tighten up the law relating to land agents, and stipulate that the land agents must have certain qualifications.

However, as is often the case when measures are put to the practical test, it was found that some of the bigger firms were not able to appoint their principals in the manner desired under the 1964 legislation. This Bill seeks to provide that in a stock and station company or a statutory trustee company, instead of the manager of such company being the person to be registered, a nominee of such company will be registered.

The Hon. A. F. Griffith: It could be the manager, of course.

The Hon. W. F. WILLESEE: Yes. However, it is rare for the manager of a major company to undertake this minor facet of company organisation.

As I see it, this is a simple and reasonable proposal. I think the only point to watch would be that the qualifications of the nominee must be consistent with the qualifications of the representative of a sole enterprise body or a small firm.

As the Minister said, if it is the company's will that its manager should be the nominee then, of course, there is no problem. However, where by virtue of the ramifications of the business concerned, there is only a very small section of the business associated with land agency work, then this Bill provides that a suitable nominee shall be appointed. Therefore, I support the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Justice), and transmitted to the Assembly.

STAMP ACT AMENDMENT BILL

Second Reading

Debate resumed from the 16th November.

THE HON. F. J. S. WISE (North) [8.3 p.m.]: In introducing this Bill, the Minister stated that the imposition of its provisions were necessary in order to improve the State's financial position. Special grants from the Commonwealth were referred to by the Minister. In the early part of his speech, he said—

> The Treasurer has pointed out that the special grant paid to Western Australia is made pending development of her resources to the point where the State can provide comparable services without relatively greater revenue-raising effort than the major States of New South Wales and Victoria. The Treasurer pointed out that as Western Australia develops and more income is generated by this development, those additional earnings would result in a reduction in the special grant and, therefore, would not aid the State's total income.

That presents a rather incongruous situation. Very much of what the Minister said in his speech touched on very many avenues of taxation which affect almost

every section of the community. It is strange, I think, that in the midst of much vaunted prosperity, the Government continues to bring forward money Bills each year which impose new taxation—a taxation which affects the individual from the cradle to the grave; indeed, as this one does, from before birth to after death.

I very much doubt the need for, and the wisdom of, this burden. When a full year's taxation is applied under the terms of this Bill, it will mean an added $2,000,000 a year to the revenue which is received from stamp duty.

If we add that figure to the present burdens of non-income taxation, it presents a very disturbing picture. Indeed, there is an alarming upward tendency and to illustrate this I refer to page 19 of this year's Auditor-General's report where it shows very clearly that there has been an increase in stamp duty of $2,600,000 in the last two years. As I have said, this enormous increase is from stamp duty. There has been an increase of $5,000,000 over the last two years in all State taxation.

Even if we could convince ourselves that new taxation in this volume is necessary —and I am not convinced it is—stamp duty is not the field to invade. There are other possible avenues for taxation, and I propose to touch on these a little later. I strongly hold the view that stamp duty was never intended to be a media for a taxing machine. Stamp duty initially had a specific purpose; that is, recognition of the Crown and of the State for transactions upon which a very small levy was imposed.

Since the Government has the habit nowadays of dragging in the Grants Commission as a reason—or as an excuse—for many taxes, I think it is very interesting to point out that, on this occasion, the Grants Commission gave to the State $526,000 as a favourable adjustment for non-income taxation. This can be found on page 116 of this year's Grants Commission report. This favourable adjustment of $526,000 was given because of the relative severity of State non-taxation as applying to Western Australia.

It is interesting, too, to observe comparisons between States in regard to stamp duty and, to this end, I would refer to page 171 of the Grants Commission report which reads as follows:—

> It will be seen in appendix No. 3, table No. 7, that stamp duties from the various States are as follows:—

State	State duty per capita $
Western Australia	9.63
New South Wales	9.62
Queensland	7.86
Tasmania	6.96
South Australia	6.96
Victoria	10.85

Victoria is the highest, but Western Australia already is above the average of all the States. The source from which I am quoting is an extract from the Commonwealth Statistician's State Public Accounts.

The Hon. A. F. Griffith: It is not above the average of Victoria and New South Wales, though, is it?

The Hon. F. J. S. WISE: Western Australia is identical with New South Wales and our State is approximately 75c above the average. However, if one were to take the average of all the States in Australia, Western Australia is higher. I will deal with the aspect of standard and other States a little later on. If the Minister wants the actual figure of the average of the two, it is simply a matter of adding $10.85 and $9.62 and taking the average which is $10.23. As I have said, Western Australia's figure is $9.63. Therefore, this indicates a very close position.

The Hon. A. F. Griffith: Ours is more than 50c lower than the average of the two standard States.

The Hon. F. J. S. WISE: Yes, but well above the average of all the Australian States. In any case, there is still no justification for this burden to be placed on stamp duty. As is clearly demonstrated in the Auditor-General's report, the State taxation has increased $5,000,000 in two years. To obtain a guide as to the burdens which are being imposed in wholesale fashion, to this figure one must add a 50 per cent. increase in hospital charges: these charges affect even the unborn child. Domestic water costs are higher now than ever before. The changed basis is being used to cover these increases and many others. There have been serious increases in both bus fares and train fares which have made these services almost unusable to the person who receives a small income, and to the young people in employment. Of course, motor vehicle users in all categories are being fleeced in all directions. The surcharge on third-party insurance alone brings in over $600,000 a year. Should the motorist be involved in this dreadful predicament because, in addition, the State has agreed to find matching money?

Quite apart from all those things to which I have referred, this Bill allows the Government to tax the child's toffee apple, his ice-cream, and his Christmas stocking. All these items are involved. I think it is most interesting that year after year we should have the example before us of the necessity to remind ourselves what the present Treasurer (Mr. Brand) said in 1959. He said—

> Taxes and charges have been pressed to breaking point. The prospect of reducing the impact of taxes and charges through economy and efficiency seems foreign to the whole Government's thinking.

How true those words would be if we were to substitute the word "Brand" for the word "Hawke."

As I have said before in this Chamber, and on more than one occasion, this Government has a sadistic approach to the imposition of taxes. This Government employs all the ingenuity which the human mind can devise in evolving new taxes and it enjoys levying them on those least able to pay. What is this all about? No-one could possibly be impressed if he carefully read both the Minister's speech and the Treasurer's speech. When referring to expanding economy and improved services, the Minister said—

> Very desirable benefits can only be provided by the people themselves being prepared to pay for them.

I think it is not very far from the point to say the Government will find the people are not prepared to pay for them in a manner such as this. The Government will find that, even now, this is the public's impression and this attitude will become more intense.

Some of the methods used by this Government mean that taxes will fall most heavily on those who are easy prey to taxing; and on those who are easy to get at—in spite of their being least able to bear them.

In many of its particulars this tax must be regarded as a sales tax, as a turnover tax, and as one that will invade spheres which are approaching the borderline, and are possibly very questionable. It must occur to many people that in spite of the repeated advertising of the prosperity we are enjoying—and thank goodness we are enjoying this prosperity in a general expansion of industry—the State finances must be in a fairly desperate position when the Government is prepared to dig into a child's money box to obtain stamp duty, because that is the level we have reached with this tax.

To me it is seriously obvious, when we deal with State taxes year after year, that three matters are most outstanding. The first is the lack of appreciation by Commonwealth Governments of the serious effects on all States as the result of the retention by them of moneys collected from the States and rightfully belonging to the States, but which are retained by the Commonwealth. The second outstanding matter is the domination by the Grants Commission of the internal policies of the various States which almost forces the claimant States into government subject to the approval of the Grants Commission.

The third outstanding matter is that far too many taxes are being imposed on those people on the lower rung of the ladder; those who are easy to get at when other fields of taxation may be available. We should ask ourselves: How do we overcome these situations? If both claimant and non-claimant States can for a time forget their petty jealousies we can make progress. I appreciate that all States' resources are threatened and they could take some joint action. They would then more readily begin to face up to the serious situation which confronts each and every State in the Commonwealth.

I think Victoria and New South Wales will have to combine forces, or they, too, will become claimant States. The words of Mr. Renshaw, as outlined by Mr. Watson recently, show very clearly the thinking in New South Wales and the disturbed minds among not only members of Parliament, but also the members of the Government in that State in regard to the intrusion and invasion—in the financial sense—by the Commonwealth into the State's taxation field.

Members should take the opportunity to study what New South Wales is thinking. I know what Queensland is thinking, because recently I had lunch with both the Premier of Queensland and the Leader of the Opposition of Queensland and they expressed their personal feelings to me, and they are greatly concerned about the situation. I contend that if interstate differences were resolved and a united front could be put up by State Premiers and State Parliaments the Commonwealth would be forced to recognise the serious plight which the States are in today—but which was never intended—simply because the Commonwealth controls the purse-strings.

Another generation could easily see the domination of all States, and eventually the disappearance of State Parliaments. The west, the east, the south, and the north could be combined by all States coming to an agreement for a motion to be passed in all State Parliaments by people of all politics—and I am sure it would be agreed to by all Parliaments—in an endeavour to make the Commonwealth realise the true position in which the States are placed. I think the contention put forward by Mr. Watson concerning our being short paid by several hundred million dollars by the Commonwealth is a very modest estimate, because there are many other avenues in which the States are not receiving their just due.

I know there are many difficulties in the way of promoting something which could receive Commonwealth recognition, let alone Commonwealth attention. If we look at the Commonwealth Constitution, at first glance it could be thought that section 101 might help us in regard to the appointment of an interstate commission, for which there is authority; but as yet no appointments have been made. Perhaps the Statute itself would not suffice in that regard, but nevertheless the idea is there and I could imagine that men with legal qualifications could be appointed; for example a judge; and I could suggest, perhaps, two ex-members

of the Grants Commission; Mr. Phillips, and Sir Alec Fitzgerald.

If such men were permitted to probe into the Commonwealth's financial affairs as the Commonwealth Grants Commission probes into the affairs of the States, I think findings of inequity would be astonishing and alarming.

The Hon. H. K. Watson: I think you have something there.

The Hon. F. J. S. WISE: We must realise the tremendous advantage of the Commonwealth not only in holding the purse-strings, but also in having a complete knowledge of all the intimate and domestic details concerning the thinking of State Governments. Officers of the Commonwealth Treasury sit in on inquiries conducted by the Grants Commission. They are there to see the claimant States justifying to the Grants Commission the things they do. The officers of the Commonwealth Treasury, as advisers to the Commonwealth Government, have an enormous advantage in pinpointing that part of the State's administration which, I contend, should be left entirely to the State itself.

On the second point, why are all these taxing measures needing the support of the statement that the Grants Commission, in some way, will penalise the State unless it does this, that, or the other thing? It seems to me that nowadays, before endeavouring to give effect to Government policy, the dominating thought of the Government and its advisers is: What will the Grants Commission do or say?

The Hon. A. F. Griffith: You don't think that is a new concept, Mr. Wise, do you?

The Hon. F. J. S. WISE: Unfortunately it is a concept that has developed for this reason in particular: That the present generation of Governments have no buttress to their revenues other than the Grants Commission; they have never had the responsibility of carrying on under their own resources. So it is a new concept! It is a development and an atmosphere in which, unfortunately, Ministers and officers of claimant States have been reared. I am not blaming them for this reaction, because surely when a State—as this State has—has enjoyed up to $24,000,000 in one year from advances from the Grants Commission it may not respect the body but it must respect its opinion.

In 1965-66 and 1966-67 Western Australia is to receive $43,000,000 from the Commission. So to a considerable extent we cannot but have the concern that we must surely call a halt somewhere in regard to instructions and recommendations. It is a serious matter to which all State Governments—particularly claimant States—must give early consideration. As members know, section 96 of the Commonwealth Constitution gives authority to the Grants Commission to do certain things. When the Grants Commission was appointed under the Statute of 1932 it was given no specific instructions; no direct charter, excepting that which is contained in the Act which gives it jurisdiction. Section 96 reads very smoothly, as follows:—

> During a period of ten years after the establishment of the Commonwealth and thereafter until the Parliament otherwise provides, the Parliament may grant financial assistance to any State on such terms and conditions as the Parliament thinks fit.

Not as the Grants Commission thinks fit; but as the Parliament thinks fit.

The terms and conditions applying to the grant are not affixed by the Commonwealth; they are affixed subject to certain conditions, with or without penalty, by the Grants Commission. It is important that we ponder that situation. On no occasion has the Commonwealth Government refused to pass legislation granting to the claimant States the amounts recommended. It has never applied conditions to those grants, and the Commonwealth Parliament I contend, is the only authority that can attach conditions, and grant moneys as it thinks fit.

No one will deny the enormous industry and capacity of members of the Grants Commission. No one will deny the ability of the officers comprising its staff and the remarkable compendium of information that can be found in any one of the commission's annual reports. Both the members of the commission and the officers assisting it are a group of extremely able people and in the exercise of their authority they probe into the domestic details of the affairs of State Governments.

There is room for considerable doubt as to whether the Commonwealth Grants Commission Act, 1933-1957, was ever intended by Parliament to cover an ambit as wide as has been assumed. The principles and methods adopted by the commission have varied through the years. In fact, they have varied substantially, and I can quote from the current report by the Grants Commission on that point. At page 55, paragraph 76, of the present Grants Commission report will be found these words—

> During the initial period of its work the Commission considered compensation for disabilities arising from Federation as a possible basis upon which its recommendations should be made. It considered also the basis of financial need.
>
> In its Third Report (1936) the Commission finally rejected the principle of compensation for disabilities arising from Federation, and chose in place thereof the principle of financial

need, which it expressed in the following terms:—

> "Special grants are justified when a State through financial stress from any cause is unable efficiently to discharge its functions as a member of the Federation and should be determined by the amount of help found necessary to make it possible for that State by reasonable efforts to function at a standard not appreciably below that of other States."

That principle has remained unaltered as the basis upon which the Grants Commission works. The Grants Commission in the methods adopted, uses such things as States selected as standard States. The present selection is New South Wales, and Victoria, although at other times it has been Queensland, New South Wales and Victoria. Now, there are four non-claimant States; namely, New South Wales, Victoria, Queensland, and South Australia. Only two States are used as standards.

In addition to that point—the selection of the standard States and their results—the commission makes budgetary comparisons between the States, and simple comparisons are subject to qualification. The commission makes modifications called corrections, and also adjustments to the Budgets of the claimant States to make allowance for their relative effort, or lack thereof, in raising revenue, and their relative success or failure in controlling expenditure and, in many ways, fixing the rules the commission will use to adjust a State's situation.

A State can be severely prejudiced in trying to attempt to compare things which between the States are not comparable. I think it is pertinent to observe the Grants Commission does not necessarily obey the Commonwealth Treasury and openly disagrees with both the States and the Commonwealth. At the same time, I suggest the Commonwealth Treasury's submissions on State claims after annual hearings must have an effect on Commonwealth thinking.

I often wonder whether the Commonwealth Treasury's generosity under section 96 is made to appear largesse from the Commonwealth in order to cloud the issue in regard to the hundreds of millions of dollars that would be involved if the States had their just dues. I would like members to ponder that thought. I think it might well be that the Commonwealth is depriving the States knowingly of money —their rightful moneys—by having the States in the mood to appreciate that they are receiving so much through section 96 that they will be happy at least for the moment.

I think it is a safe contention that the Commonwealth Government, through the Grants Commission, is influencing desperately the financial position of the States; and the Grants Commission and not Parliament is predetermining the conditions which are restricting the freedom of State Governments to govern. This is something which is wholly wrong in its concept. A State must surely be without pressure to decide it will risk an unfavourable decision or an unfavourable adjustment and sometimes defy what the other States do. Is there any particular merit in Western Australia having to adopt the things that New South Wales believes in? Is it necessary for us to do those things which are done in New South Wales, but which are entirely unnecessary in our case? Indeed, what are the correct standards of the standard States? Which of their standards are wholly right and entitled to be imposed upon the claimant States?

There is reference on page 60 of this year's Commonwealth Grants Commission report to the practices of the standard States and matters which the claimant States are expected to follow. But what practices of the standard States permit them to have budgetary equilibrium; and would those practices be endorsed by the claimant States? I refer to such things as poker machines. They have a reference in the Grants Commission report. Their income is very clearly set out. The income of New South Wales from poker machines last year was $3,290,000. In the discussions by the Grants Commission on lotteries with which I may be dealing later this evening—

The Hon. A. F. Griffith: This poker machine income, of course, has to be regarded by the non-standard States also.

The Hon. F. J. S. WISE: The Minister must regard that as a very serious matter.

The Hon. A. F. Griffith: We do not have poker machines.

The Hon. F. J. S. WISE: So far we have had no impact—

The Hon. L. A. Logan: Let us hope we never have them.

The Hon. F. J. S. WISE: —from the structure known as the "Opera House," but would anybody in his sane mind claim that all of these things which are still not affecting us, but which may if the trend continues, should be disregarded entirely?

One thing is obvious: We are more and more being governed from afar, and very influential decisions are not being made by State Governments. I think that is a very serious circumstance. I repeat: I would like to see some entity or authority recommended by joint action of the States to force an inquiry at some level to see whether the States are receiving justice in finanace from the Commonwealth sources. Whilst I am not in any way detracting from the enormous capacity of the Grants Commission, I think section 96 of the Constitution is not being used

as Parliament thinks fit, but in a manner which the unfortunate trend of inquiry has taken.

In the Grants Commission report of this year there are some very special forebodings which cannot escape attention. There is special probing to take place into our education costs and into our University fees. This is the reason for its ceasing to be a free University. There is to be a probing into the higher school-leaving age and the penalty which may soon be imposed because Western Australia has such a policy as against the other States. There is mention in this year's report in relation to expenditure on school buses; and special attention is drawn to railway accounts. Public health, medical, and dental services get a mention as does social services expenditure, and particularly the police and relief of the aged. They are mentioned as being subject to a very close scrutiny in the future. In the field of miscellaneous expenditure, it is clear which way the Grants Commission is thinking.

The Hon. L. A. Logan: The greater the efficiency the greater the penalty.

The Hon. F. J. S. WISE: The Government cannot be very efficient, because it is getting a lot of money! In the field of miscellaneous expenditure it will be found on page 89, paragraph 171, that these words appear—

> For several past years, the Commission has given close consideration to the practicability of making adjustments to the budgets of the claimant States for expenditure in the miscellaneous or "unadjusted" field. This field of expenditure includes general costs of Government administration, unrecouped debt charges and expenditure on various departments such as Agriculture, Mines, Lands and Survey, etc.

There is no limit, and I will not weary the House by reading all of them. They are in the report to be seen; and in that reference to the field of miscellaneous expenditure, it is obvious the commission is to examine many things. Before closing this book, I will read part of paragraph 175—

> Examination of the movement in expenditure on general administration, that is the total of items comprising Legislative, Auditor-General, Public Service Board, Chief Secretary's Department (other than police) Premier's Department and Treasury Department, etc., indicate a disquieting feature.

Is there to be any discretion left without the fear of a penalty? When I said the other evening in speaking to another motion that it is time the States got together in an endeavour to get justice, even to the point of bucking the Grants Commission, the Minister in his reply said that this was something that could not be faced. I suggest that the situation is so desperate it must be faced.

The Hon. A. F. Griffith: You suggested we should let the State get into a state of chaos to bring it under notice. I do not agree with that.

The Hon. F. J. S. WISE: I did not quite use those words. I do not like being misquoted; but I feel very strongly on the point, that some States must take action to rectify a very desperate situation.

To deal with the third and last point, I mention that far too much tax is being imposed on those people in the lower income groups and the Government may be deliberately overlooking other fields where taxable capacity is available. The Land Tax Act Amendment Bill, which is to come forward, is most interesting. I am glad the Minister is checking. I know what is going on; I do not know what the Minister is thinking but I know how he is acting. I am sorry about that aside, Mr. President, but some things are obvious.

The Hon. A. F. Griffith: I do not mind that being obvious.

The Hon. F. J. S. WISE: Neither do I. The Land Tax Act Amendment Bill, which is to come forward, is most interesting. I think the statement by the Premier the other day, dealing with the need to scrutinise many aspects of land development, was also very interesting.

On many occasions in this House I have raised the need to look at the returns from State undertakings which show a very substantial loss, and I will continue to point out, I hope, on Supply Bills and in the Appropriation Bill that there is not sufficient opportunity in this House for members to understand or debate State financial matters. We do not deal with the Estimates, and no Minister presents the accounts of his department to Parliament in this House. It is all done in the Legislative Assembly.

If we had a motion, as I suggested, based on the motion which is moved in the Senate when papers are tabled, we would find much to discuss, and such discussion would be of advantage to the State. We have to search diligently to find information which would otherwise pass by. For example, the Auditor-General's report for this year draws attention to the fact—and I am sure the Grants Commission will notice this—that $1,000,000 from railway revenue was paid into a special trust account to provide for replacement of badly depreciated rolling stock.

Of course, that money belongs to revenue, and the replacement of depreciated rolling stock belongs to a loan programme. When we consider that such instrumentalities as the Metropolitan Water Supply Department has a nice surplus of $4,700,000 after the provision for all charges including interest and depreciation, we realise what moneys are not being paid into revenue.

Through the years we have set up several separate instrumentalities handling their own affairs and retaining their revenues internally, such as the harbour trust, the water supply department, the electricity commission, and the harbour board.

All of those instrumentalities have borrowing powers but in spite of that, their loan requirements have to be buttressed by State borrowings. There are many such instrumentalites. I ask: Is the Government satisfied that such concerns are being fairly charged when they do not meet interest and sinking fund charges? The Metropolitan Water Supply Department had an accumulated surplus, but the country areas water supply shows a deficit of $52,000,000, and a loss of $5,500,000 last year which includes a deficiency of $1,350,000 on working expenses.

I ask: is it right that the irrigation and drainage concern should show an annual loss? We are dealing with an era when it is possible to pay for services. We are not dealing with an era when $54,000,000 had to be written off for land development and other costs. We are not dealing with an era when millions of pounds had to be written-off for group leases—and I am not criticising that writing-off because I think it was the right thing to do at the time for the development of the State.

We are dealing with an era of opulence; when individual incomes are high, and where high land values have been created by Government expenditure—which has been enormous. We are dealing with an era when milk quotes change hands at $100 or $150 a gallon, much of which asset and prosperity has been created by State expenditure.

It is not good enough for the Government to wait for probate from such districts. It is important that where the ability to pay exists, that ability to pay should be fair to the Government. I am saying there should be no privileged area or privileged people in regard to charges and taxes, when the under-privileged are so easy to get at that they pay all the time. Metropolitan taxpayers evade very little, and I will have much more to say on this subject on a later Bill.

I assume there will be much debate on this Bill in Committee, but in a general analysis it can be said the increase in the burden of taxation, as applied by this Bill, will apply to trade, commerce, and industry in this State, in some form or other. When this Bill is passed it will impose a heavy overall tax on the public generally. The new stamp duty will invade every field and affect every article sold. In a full year it will take $2,000,000 from the general public of Western Australia. It will be an additional food cost because it will increase the cost of every article in the average home.

In leaving the details of the Bill to the Committee stage, I would say I do not like the Bill at all and we must remember that the Grants Commission did not suggest or recommend these increases. We must remember that the methods used in this Bill are unfair and distinctly inequitable.

I oppose the Bill.

THE HON. H. K. WATSON (Metropolitan) [8.53 p.m.]: With very much of what Mr. Wise has just said, I find myself in substantial—if not, complete—agreement. My agreement applies particularly with respect to his discussion on the Federal and State Taxation relations, and the operations of the Grants Commission.

In my first speech in this House, I expressed the view that I knew of no job more calculated to give a man ulcers than the job of Treasurer, or Under Treasurer, of Western Australia. The passage of time, and a perusal of the current Budget, has not changed my mind on that observation.

As I said when speaking to the Supply Bill (No. 2), I do hope it will be made very clear that all these current taxes which are being imposed are rendered necessary only because this State, in common with all the other States, does not have returned to it its just share of the revenue—the taxation revenue—which is collected by the Commonwealth for the joint purposes of the Commonwealth and of the States.

In my opinion, the amount being short-paid to the States by the Commonwealth out of taxation collected by the Commonwealth is to the order of $700,000,000 a year. If that amount—or even half that amount—were returned to the State Treasuries in accordance with the principles of the Constitution, not one of these taxes would be necessary. However, the fact remains that we are not receiving our full share of the revenue so collected by the Commonwealth.

It is worth while recalling that yearly Commonwealth taxation collections have risen from $1,995,000,000 in 1955-56 to $2,862,000,000 in 1962-63; and from there to $4,147,000,000 in 1965-66. That is an increase of $867,000,000 between 1956 and the 30th June, 1963; and an increase of $1,285,000,000 between the 30th June, 1963, and the 30th June, 1966. When those figures are considered, and it is realised that only $1,000,000,000 of the $4,000,000,000 is returned to the States for their collective purposes, one has a pretty good idea —as I said the other night of what Sir James Mitchell meant when he said that the Commonwealth reaped the harvest and the States are the gleaners. So far as I see it, all this legislation is certainly of a gleaning nature.

I can sympathise with the Treasurer in the predicament which has been disclosed in this year's Budget and which has prompted him to bring down this Bill. On a question such as this there are certainly two points of view. On the one hand, it

is the bounden duty of the Treasurer to balance the Budget of the State; and in order to do that he is required to prune his expenditure as much as possible to see he produces sufficient revenue to meet expenditure.

On the other hand, there is the angle of the taxpayer—of John citizen—and it is not good enough, in my opinion, that we should find him in respect of taxation plucked by the Commonwealth taxing authorities and then plucked by the State Government, and virtually left without a feather to fly with. I would emphasise this fact upon the House that the Governments—Federal and State—cannot tax a people into prosperity. I will not have that at any price.

This Bill steeply increases the ordinary stamp duty on receipts and also, as Mr. Wise said, introduces a turnover tax, or a thinly disguised sales tax. So far as I can see, the Bill contemplates hundreds of thousands of taxpayers having to lodge still another return in addition to the many returns they are already obliged to lodge with various departments; and to pay further substantial taxes in addition to those which they are already paying.

There is another point which, in my opinion, is well worth considering. Although the increase in receipt duty is very substantial, and we now find it is 1c for every $10, my fear is that having passed this Bill, and established this entirely new principle, we might find next year, or the year after, or the year after that, instead of the rate being 1c for every $10 it may be 2c, 3c, 5c, 7c, or even 10c for every $10. Take sales tax as an example—and there is an analogy between this tax and sales tax. That tax was introduced at the rate of 2½ per cent.; but it did not take long for it to creep up to 12½ per cent. and, in some respects it has been 25 and 30 per cent.

There is also an extraordinary prospect in regard to this tax. So far as I can gather it is an entirely new type of tax—it is new and original to Western Australia. We have thought of this one all by ourselves! Having put it on the Statute book we may find the Treasurers of New South Wales and Victoria, who are in circumstances no less straightened than Western Australia, saying, "Well, this is a good idea. We know that in medieval England 200 years ago they had a tax on windows; but we would hesitate to bring that one back again. We know that in India the tax gatherers of Warren Hastings had a tax on prostitutes; but we could hardly bring that one back today. But what about this one from Western Australia? Let us adopt that." So New South Wales and Victoria decide to adopt this idea of ours and make the tax 1c for every $10.

The Hon. J. G. Hislop: No, it would be 2c.

The Hon. H. K. WATSON: Or 2c; but for the purposes of my illustration let us say 1c for every $10. In that case New South Wales would produce that much more revenue and again we would be behind on the treadmill. Then if we take Dr. Hislop's illustration, and jack it up to 2c, 3c, 4c, or 5c, we will have to keep on increasing our rate otherwise the Grants Commission will penalise us. That strikes me as a most extraordinary position and yet the reality of it is crystal-clear.

What is the solution? I suggest there is no solution other than that suggested by Mr. Wise—for the States to combine, one way or another, and, in one way or another, extract from the Commonwealth Government a larger and greater share of the Commonwealth revenue to which the States are justly entitled.

The Hon. E. C. House: We cannot even get money for the Ord so how could we get that?

The Hon. F. R. H. Lavery: Mr. McNeill is going to give you $10,000,000!

The Hon. A. F. Griffith: Now, now!

The Hon. H. K. WATSON: I would commend to the consideration of the Minister some remarks which were made in the chairman's address reported in the annual report of the Development Finance Corporation Ltd. They were made by Mr. J. H. D. Marks, a very well known man in accounting and financial circles throughout Australia, and in New South Wales in particular. In his remarks, as published in *The Australian Financial Review* of Wednesday last, the 16th November, Mr. Marks had this to say—

> Certain features of our tax laws have undoubtedly been contributing factors in the undesirable proliferation of subsidiary companies in Australia, and it is evident that numerous subsidiaries have impeded auditors and directors in their presentation of correct accounts in some of the corporate failures.
>
> Where subsidiaries are already in existence, a barrier has been built up by the States through the incidence of stamp duties, against their elimination and even against the concentration of chargeable assets in the hands of a borrowing parent company.
>
> The unfairness of such duties has been recognised in the United Kingdom where stamp duties are not levied on bona fide transfers of property between associated companies.

I would like the Minister to have a look at this question and raise it at the next conference of Attorneys-General. It is possible that if our Stamp Act contained such a provision then, in the absence of a similar provision in the Stamp Acts of the Eastern States, the Grants Commission would lop off another $50,000 or $100,000. To avoid any possibility in that direction, and having regard for the basic soundness of the views expressed by Mr.

Marks, I would ask the Minister at the next conference to be good enough to present the view that the States might well grant exemption from stamp duty when a subsidiary company transfers assets to its parent company, or *vice versa*. Both Mr. Willesee and I think pretty closely along the lines that there is really no difference between a holding company and its subsidiary, whether it be in respect of creditors, claims, or any other matter. But here is a case where stamp duty is really encouraging an undesirable position in respect of company operations and company practices.

This Bill also proposes to bring in certain substantial gift duties, which is an entirely new departure so far as Western Australia is concerned. To give an illustration of how this gift duty will operate I will take the case which is suggested by a provision in the Administration Act Amendment Bill. Assume a man owns a house and land worth $15,000. Assume he desires to put that property into joint tenancy, and to give his wife a one-half interest in it—a house worth $15,000 and he proposes to transfer a half share to his wife by way of gift so that she will be a joint tenant.

After the Bill is passed, and that man goes through that exercise, it will cost him in State gift duty a sum of $262, and in Federal gift duty $225, making a total of $487. This, to my mind, is a pretty substantial and hard to justify imposition.

The Hon. A. F. Griffith: Would you say the Commonwealth duty was more easy to justify than the State duty?

The Hon. H. K. WATSON: No, I would not. However, I do not see that inasmuch as he is already paying $225 in Commonwealth duty that the State should also bill him for $262.

The Hon. A. F. Griffith: I think you are back to your own argument in a matter of this nature in respect of what the Commonwealth does to the States.

The Hon. H. K. WATSON: That is what I said: If the States received from the Commonwealth the amount to which they were justly entitled this legislation would not be necessary.

The Hon. A. F. Griffith: I repeat: You are back to your own argument in this matter. In the meantime we cannot afford to do without the State duty. You will concede that, surely.

The Hon. H. K. WATSON: No, I will not.

The Hon. A. F. Griffith: You think we can run the State without taxes.

The Hon. H. K. WATSON: We have done without this State gift duty for 60 years.

The Hon. F. J. S. Wise: This is scraping the bottom of the barrel.

The Hon. F. R. H. Lavery: It is pinching a bit off a man's wife.

The Hon. H. K. WATSON: I did foreshadow an amendment or two—which have been placed on the notice paper—in respect of this proposed gift duty.

The Hon. A. F. Griffith: The honourable member is very modest when he says, "An amendment or two."

The Hon. H. K. WATSON: I will be corrected there and say three amendments. Although they certainly look formidable on the notice paper it simply boils down to this: That the exemptions should be in respect of religious and charitable organisations, non-profit organisations, and superannuation funds.

The Hon. F. J. S. Wise: Are they not word-for-word with the Victorian Act.

The Hon. H. K. WATSON: Both points are word-for-word with the Victorian Act from which, I understand, the gift duty proposals in this Bill have been copied. Anyhow I notice the Minister has circulated an amendment which really meets the point I have in mind, except that my amendment would have, without further question, entitled the organisations I have already mentioned to exemption.

The Hon. A. F. Griffith: Mandatorily so.

The Hon. H. K. WATSON: The amendment as proposed by the Minister relates to section 73 of the principal Act which gives the Treasurer power, at his direction, to grant exemption. Whilst I do feel that, in all privileges it is for Parliament to say what shall and what shall not be exempt, I readily concede that section 75 (4), as it has been applied by the Treasurer and his Treasury officers in the past, has given every satisfaction. For my part I would be disinclined to pursue the amendments which I have on the notice paper in preference to those which have been indicated by the Minister.

I feel I must deal with one argument which has been advanced in support of the Bill. It has been suggested that the new method will be much more convenient; that using embossed stamps is awkward, and that adhesive stamps are sticky and messy; and that monthly returns from a few hundred thousand people will be more convenient.

Be that as it may, I would like to emphasise the point that this is a Stamp Act; its object is to consolidate the law relating to stamp duties upon instruments. It is not a general taxing Act; it is not a turnover tax Act; it is a Stamp Act.

The Hon. F. J. S. Wise: That is what it is called.

The Hon. H. K. WATSON: Exactly; and its purpose relates to stamp duties upon instruments; that is the essence of it. That should be borne in mind; that it is not a general vehicle for bill-

ing everybody; it is an Act relating to stamps on documents.

My views on the Stamp Act were given in this House pretty fully when I spoke on the Address-in-Reply debate in 1959. At the risk of being tedious, but encouraged by the partial acceptance in this year's Administration Act Amendment Bill of what I said in 1953 about the exemption of the family home, I venture to mention a portion of what I said on the Stamp Act in 1953. I explained that the Stamp Act was first enacted in Western Australia in 1882 when the population was 29,000, and when its total consolidated revenue for the year was only £200,000; and, whereas when stamp duties were initiated in this State there was no income tax here and none throughout Australia, today we find that collections from the Commonwealth income tax in the Commonwealth are of the order of £600,000,000 per year. I was referring to 1959, of course.

The theme of my remarks on that occasion was that there is no stamp duty in Canberra, and in my submissions I said it is high time there was none in Western Australia, nor in Brisbane, Sydney, Melbourne, Adelaide or Hobart. As I have already explained, if the States were receiving their just dues from the Commonwealth there would be no necessity—or virtually no necessity—for stamp duty in this State or any of the other States.

In Canberra there is a community of 100,000 people—I noticed it was only 40,000 when I was dealing with the matter in 1959. It has gone from 40,000 to 100,000, and in the next five years it will probably grow to 200,000 people. But even today, 100,000 people is a substantial community, and yet in Canberra a person may do a number of things without having to pay stamp duty. He may buy a home, a farm, or a business; he may grant a lease of property, or raise a mortgage on his property; he may discharge a mortgage on his property, or buy shares on a Canberra register; or draw a cheque or give a receipt; obtain a guarantee, issue a fire insurance or an accident policy, execute a settlement or deed of gift, or a declaration of trust; in fact he can do almost anything without the payment of stamp duty in Canberra. Upon one's retirement one could well think of spending one's eventide days in Canberra.

The Hon. H. C. Strickland: On Lake Burley Griffin.

The Hon. H. K. WATSON: We are an Australian people. There we have a substantial portion of the Australian population freed from all these incidental taxes which we will be discussing this week. In my submission the people of New South Wales, the people of Victoria, the people of Western Australia and of the other States should not be obliged to pay stamp duty any more than a community of 100,000 which is domiciled at Canberra.

I then went on—

> Consider now the position in Western Australia. If a person buys a property in this State stamp duty is £1 in the £100. If he buys shares he has to pay stamp duty of 5s. per £100. If he borrows money on mortgage and executes a mortgage he has to pay stamp duty of 2s. 6d. per £100 and then, on collateral, if he has to supply collateral security in the form of a guarantee or something such as that, he has to pay an extra 6d. in the £100.
>
> To discharge a mortgage he has to pay 1s. in the £100. For a four-year lease of property a tenant has to pay 10s. 6d. stamp duty for every £50 of annual rent.

Then I went on to say—

> On every fire insurance policy there has to be paid a stamp duty of 6d. per £100; and on every accident policy 3d. per £100. On a settlement, deed of gift or declaration of trust, the stamp duty is £1 per £100. Of course we know that on every cheque 3d. must be paid, while on every receipt issued a person has to pay stamp duty of 3d. for every £100. I suggest that stamp duties, as such, are illogical, unjust and unfair.
>
> . . . A person who buys a home for £3,000 here has to pay £30 stamp duty and if, as is almost invariably the case, he borrows perhaps £2,000 in connection with the purchase of that house for £3,000, he has to pay another stamp duty of £2 10s. for the privilege of borrowing the money.

I pointed out that the pattern was much the same in the Eastern States. In 1959 New South Wales and Victoria had stamp duty which was more or less comparable. With the passing years, and with the financial stringency which they are experiencing today those States have jacked up their rates just as we are jacking up our rates. Every rise that is made in stamp duties by the Eastern States will assuredly be reflected in a rise being necessitated here. I gave the figures for 1959. Of course if one buys a house today the position is that if it costs $10,000 it is necessary to pay stamp duty of $125.

I hope that before I retire from Parliament I will see the family home, at any rate, exempt from stamp duty—and by that I mean the purchase of a home. I point out that in the United Kingdom that has been the position for many years up to amounts of £3,000 or £5,000. When a person buys a home up to that amount it is exempt from stamp duty. I do hope I will see the day when a person is able to buy a home here without paying stamp duty on it. But that day has not yet arrived.

On the whole, therefore, for the reasons I have given, I do not see very much merit in this Bill.

THE HON. N. E. BAXTER (Central) [9.28 p.m.]: This Bill reminds me of some of the viruses we experience annually. Like such viruses we get these amending taxing Bills floating around each year. Sometimes they are similar in nature, and on other occasions they vary to some degree.

Last year a number of measures were introduced and passed increasing the total amount of tax to be paid by the population of Western Australia. One wonders when this sort of thing will ever end. We are now to have increased stamp duties thrust upon us.

When one reads the Bill before the House it takes one back to the penny duty stamp which has apparently entirely disappeared; the lowest denominator now is to be 3d. With the increased costs that have been borne by all sections of the community—the working man, the businessman, the farmer, and the professional man—some peak must be reached eventually. One has only to think of the price of wool this year. There could be a 4 per cent. or 5 per cent. drop in the State's income from wool alone. Yet costs continue to rise. The State always seems to be in the position of needing more and more finance, but the more it has the more it wants.

Going back over the years, and taking into account the amount of revenue and loan moneys available to the State, it does not matter how big are our reimbursements in taxes and in special grants, and our increase in the amount of loan moneys available, more taxes in the State field seem to follow.

The Hon. A. F. Griffith. Are you satisfied that the services in your province should come to a standstill?

The Hon. N. E. BAXTER: I am not, and I will deal with that aspect shortly. Mr. Wise and Mr. Watson made some reference to State-Commonwealth relationships, and speaking on an earlier occasion during the session I made reference to the loan commitments of the States, of the local governing bodies, and of the Commonwealth Government. I pointed out how the loan commitments of the Commonwealth were receding, while those of the States and the local governing bodies were increasing. The simple explanation is that the States have no way of reducing their loan commitments, and neither have the local governing bodies, but the Commonwealth Government can use revenue for certain works for the reduction of its loan commitments.

I agree with Mr. Watson and Mr. Wise that perhaps we should not accede to the increase in taxes year after year, because of the action that is taken by the Grants Commission. That seems to be the stock story told to us year after year. I do not say it is not true, and I agree it has a foundation in some directions; but if we are to be like a dog chasing after its tail—and the States like many dogs chasing after their tails for the elusive fleas—we will continue to do so in that vein year in and year out, and the people will continue to pay heavier and heavier taxes. There must be a halt at some stage. The Minister interjected and asked if I was satisfied with the services in my province.

The Hon. A. F. Griffith: I asked whether you wanted them to come to a standstill.

The Hon. N. E. BAXTER: I do not think there is any likelihood that services will come to a standstill. For some years we have heard about the great progress the State was making. I suppose we have had that propaganda for four or five years, but quite noticeably, for some unknown reason, it suddenly died down. One wonders whether some parties decided that this propaganda might be harmful to the State from the financial angle, in view of the attitude of the Grants Commission and the Commonwealth Government. Because we cannot impose this or that tax to return $1,000,000 or $2,000,000 over the next few years, it does not mean that the provision of schools, hospitals, and other essential services will come to a standstill. Although the Government might finish up with a deficit, it does not mean that things will come to a standstill, because in the past Governments have had quite large deficits and yet things did not stand still. Let us go back to the days between 1930 and 1933 when the Government had practically no money, but things did not stand still. I admit conditions were difficult, but I think Governments have to face up to difficult situations at all times.

Instead of increasing taxes year after year, perhaps the Government could take stock of its own house and examine some of its excess expenditure. It must be three or four years since I made certain suggestions in regard to effecting economy in government expenditure. One was in relation to the building of schools, but my suggestion in that direction was not heeded. I advocated the use of one architectural plan for the construction of primary schools, instead of a separate plan for each primary school. Apparently that sort of thing does not interest the Government, and it refuses to take action.

Some years ago when taxation measures were being debated in this House I suggested the imposition of a surcharge on weekly and daily newpapers, but that was not even considered by the Government. It was very noticeable that within six months *The West Australian* increased the cost of the newspaper by 2d. It took that action to beat the gun, should the Government impose such a tax.

When the Government introduced taxation measures last year, and Parliament agreed to their passage, it should have taken steps to put its financial house in order; yet now we see a Bill like this

before us, on top of the other measures for increases in taxes in respect of motor vehicles, betting, land, road maintenance, and so on.

If one looks at the gift duties in the Bill one will find there is to be a substantial increase. When a person works for the maintenance of his wife and family during his lifetime, or when a person works jointly with his wife to secure their future, and amasses a moderate sum of money—of a few thousand dollars—he should not be taxed if he wishes to give some of it to the members of his family. We now have an exemption up to £1,900, but under this Bill there is to be no exemption, and in future any gift will be subject to a tax of at least 2½ per cent. I think this is a very unfair tax. Usually a married couple work together as a team during their lifetime, and if the husband cannot share with his wife some of the joint accumulation of their labours without being taxed, it is a pretty poor show.

I intend to be brief. Last year I felt I should not buck the taxation measures introduced by the Government, because I thought it should be given the opportunity to put its financial house in order. This year I am not so happy, and it is my intention to oppose the measure before us.

THE HON. J. G. HISLOP (Metropolitan) [9.40 p.m.]: This Bill creates a lot of interest to those who are looking at the effect it will have on so many of our citizens. Many people have asked when and where will this taxation stop, and they asked the question in a manner which expressed hopelessness. I think this state of mind has come about because in the last few years taxation has risen considerably. It is rather incongruous that when we came into office it was a common statement of the Ministers and other members of the Government that we were not in favour of greatly increased taxation; yet year after year increases have taken place.

I have aired my views previously in regard to the relationship between the States and the Grants Commission, and I agree wholeheartedly with Mr. Wise and Mr. Watson that it is time some very stern action was taken by all the States in respect of the finances made available by the Commonwealth Government.

I can see that the imposition of the 3c and 1c duties will create a considerable amount of extra work, and will call for the employment of additional staff in order to present to the Treasury the amounts which are received. That will result in increasing the costs of businesses, and those costs will be added to the cost of goods and services. Before very long we will find that the increases will not be 3c or 1c, but double those amounts.

I remember the time when I was in Boston, where a city tax existed. I understood that quite a number of other cities had imposed a similar tax. When a person went into a restaurant and had a cup of coffee and some toast he would find on the bottom of the check a surcharge of 3c. Every retailer in that city had to account for all sales, and had to pass the surcharge on to the authorities. I was advised at the time by a number of the large stores that it was a great headache to them to put up with this sort of tax.

I wonder whether a complete investigation—similar to the investigation made yearly by the Grants Commission—has been made in this State as to the justice in all these forms of taxation. I am not alone in this view, because many other members in this Chamber have felt the same way: That some people cannot use up all the water for which they have been rated. It seems to be somewhat incongruous that in respect of water supplies some sections of the community are paying for other sections.

We have already had evidence of it this evening, and it is a ridiculous arrangement for the simple reason that a person in, say, a block of flats, will not take any interest in the conservation of water when he knows he cannot possibly be charged more than he is already paying to the department. Therefore it seems to me there must be a waste of water simply because the rates are fixed on the flat or house, and there it lies.

It seems to me there is a number of other taxes imposed in the same way, and I feel it would help considerably if the Government inquired into the impact of some of these taxes. One tax which I feel is very wrongly placed is the tax concerning water on a house and the tax imposed on a block of flats. If a person lives in a house on a block of land, for every 1s. he pays for water rates he receives an allowance of 1,000 gallons; but if he pulls the house down and builds four home units, the basic cost for each unit is 1s. 6d. for every 1,000 gallons. Yet those in the block of flats cannot possibly use the amount of water that was used when the area was occupied by one house together with a garden. I have asked the reason for the difference in this tax and have been told it is because a block of flats is a business asset. However, it is no longer a business asset when a person lives in the unit. This situation is ludicrous. It is not even a reasonable tax. These are some of the situations which could be studied.

Twice already recently I have mentioned the 50 per cent. increase in charges for the Hospital Benefit Fund. This is a tax which has been wrongly placed. As I have said, the community is divided into groups. The pensioners will not be called upon to pay this extra charge, and those who have a higher wage or salary will

not be affected if called upon to pay another $10 or more per year to ensure they will have hospital accommodation of the standard they require. The people who are affected by these taxes are those on the basic wage and on superannuation. Again, I say this is an instance in which a proper survey could be undertaken and reasonable hospital charges made.

It seems completely ludicrous to me that an outpatient at any of the public hospitals will be charged an extra $2 per attendance. The Hospital Benefit Fund does not pay any refund, and I am repeating this in order to get it into someone's head that a reorganisation of this situation is necessary. When the outpatient attends the hospital he may only require a repeat of his medicine. He may not require a lengthy examination by the medical staff.

The Hon. F. J. S. Wise: He will have to pay 3d. stamp duty on his repeat of medicine now.

The Hon. J. G. HISLOP: Yes. The result will probably be that he will be paying more than if he went to a general practitioner where he would probably receive a longer examination. My own feeling is that we are just increasing everything with the idea of making up our commitments, without having a look to ascertain the overall impact of these taxes. I will keep on repeating this point until someone realises that the increase of 50 per cent. in the charges for Hospital Benefit Fund is badly placed. I am certain that eventually, if it is realised that these increases are placed wrongly, we might be able to benefit.

We were told this evening that there is a large debt in connection with the country water supplies, and a loss is experienced annually. Some slightly increased tax could possibly bring in sufficient to readjust some of the taxes which I suggest are badly placed.

This Bill contains dangerous provisions. I am quite convinced, by the way we have been carrying on in the past, and the way the Grants Commission is carrying out its work, that if any State adopts a new form of tax, the other States will examine it, and before very long the creators of such a tax will have started the downfall.

The Hon. F. J. S. Wise: There may be a silver lining. I think it might be a good thing if all six States were claimant States and their payments from section 96 were assessed on Commonwealth expenditure.

The Hon. J. G. HISLOP: Yes. I feel we are heading for disaster financially. Something will have to be done very soon in order to stop it. The situation in which the States now find themselves is not one which can be altered in a hurry. It will take a considerable time, in my opinion, to impress upon the Commonwealth Government the fact that there is an urgent need for a review of the division of the taxes which Australia has been able to provide.

This type of increase, coming regularly year by year, is building up in the minds of the people a feeling of lack of confidence in those who are handling the affairs of the community.

I cannot say I like this measure at all. As I have said, I think some of it is dangerous to ourselves; but as we have to meet the commitments which are laid down by the Government of the day, I cannot see that we can do anything else but vote for the measure.

The Hon. A. R. Jones: What about limiting its life to one year?

The Hon. J. G. HISLOP: The honourable member can do that if he wishes. Something has to be done to call a halt to this sort of thing. As I have stated in earlier speeches during this session, we can save money in many directions. One of these concerns the provision of large country hospitals in areas where they cannot be used while at the same time other country areas are not provided with the accommodation and the equipment they require.

I am astonished so much time has elapsed before someone has raised his voice to say that we are spending money widely and unwisely. However, I have no alternative but to vote for the Bill.

THE HON. H. C. STRICKLAND (North) [9.56 p.m.]: I do not feel like casting a silent vote on this measure. It is too far-fetched. I have often heard wheat growers refer to a disease they call "take-all," and it seems to me the Government has that disease.

The Hon. A. F. Griffith: I think we actually caught it off the Hawke Government.

The Hon. H. C. STRICKLAND: The Government seems to be spreading itself completely this session, and it has really outdone itself with this particular measure.

The Hon. F. J. S. Wise: Probably the Government will soft-pedal next session.

The Hon. H. C. STRICKLAND: Mr. Wise has said that probably the Government will soft-pedal next session. We know that next year is a pre-election session and the Government no doubt will hope the public will have become used to its burdens and will have forgotten some of its anger.

Unfortunately the impression is generally accepted that the Grants Commission is the culprit behind all these taxing measures. If one reads the reports of the Grants Commission one will see that it certainly puts pressure on the States and its power has mounted considerably during the past 15 years since I have been in this house.

However, I suggest it is very convenient for the Federal Government and the State Governments to refer to the Grants Com-

mission when they appear to rejoice in imposing further taxing burdens on the people.

The Hon. F. J. S. Wise: The Government enjoys it.

The Hon. H. C. STRICKLAND: I would say from the remarks of the Minister here when he has introduced some of these taxing measures that he does enjoy it. At one time he used to oppose every taxing measure which was submitted to this House. That, of course, was when he was in Opposition.

The Hon. A. F Griffith: And taxes were being imposed by the people now opposing them.

The Hon. H. C. STRICKLAND: Nevertheless it seems that what might have been a necessity has now become a favourite pastime. People will realise this when they gaze into the shop windows.

I am sure that in the not-too-far-distant future, the same situation will apply here as applies in some of the United States of America. I have been in some of those States—the State of Washington, for instance—and I have seen articles advertised, foodstuffs and clothing, and alongside the price of the article is marked on the tag the State tax and the Federal tax—two taxes. However, the tax is exactly the same as the Government is introducing here.

One sees big American-owned department stores operating in Kobe or Tokyo in Japan and, if one buys in those stores, the very same thing applies. Whether the Japanese adopted it from the Americans I do not know, but it looks as though the Brand Government is adopting it from one of the two, or perhaps from both. Members of this Government have travelled widely and maybe they saw this in their travels and thought is was a good idea. Perhaps they thought it was something new and said to themselves, "We are always looking for new means of raising capital in Western Australia." Therefore, I suggest someone has come back from abroad with the bright idea of introducing that kind of practice here in Western Australia.

In introducing the Bill, I do not think the Minister told us enough about the effect it might have upon the cost of living.

The Hon. F. J. S. Wise: The Minister is not concerned with that!

The Hon. H. C. STRICKLAND: I would think the Government was concerned about it, because it took steps to arrest the position before this measure came forward. The Government introduced a measure to control the basic wage in this State and, as a result of that legislation, all wage and salary earners on the basic wage will not be able to claim any increases which will be incurred as a result of this measure. The measure which is now before the House must have an effect on the price of foodstuffs, and on the cost of living generally.

As I understand the position, when the farmer sells his stock in the saleyards there will be a tax on those sales. When the dealer sells to the butcher, there will be another tax; and when the butcher sells to his customer there will be another tax. That is the way it goes on and on. Therefore, it must have the result of pushing up prices; it could have no other result.

Because I strenuously oppose the Government's measure in connection with the freezing of the basic wage, which is the basis of most wage and salary fixation throughout the State—and throughout the Commonwealth for that matter—I feel I must consistently oppose this measure because, in a way of speaking, it has followed on more or less after the road has been cleared. Its impact upon the cost of living will be passed on by retailers, but nothing will find its way into the pockets of the wage and salary earners of this State. For those reasons I am opposed to the Bill.

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [10.4 p.m.]: I am sure nobody who has the task of introducing taxing measures into this House or in another place enjoys doing so. Despite accusations made by Mr. Wise, I do not revel in introducing taxing measures.

The Hon. F. J. S. Wise: We can tell by your looks.

The Hon. A. F. GRIFFITH: Perhaps that is a good thing sometimes. Anyone would think this is a new tax. I think Mr. Watson gave the Western Australian Government the credit for conceiving this idea—I know somebody did. This was not a conception of the Western Australian Government. There is nothing new about taxes in relation to the Stamp Act. The Stamp Act is dated 1921. How can anyone say it is a new conception which this Government has thought up?

I listened to a very interesting speech made tonight by Mr. Wise, and I read a very interesting speech he made in 1945 when he was Premier of the State. The situation Mr. Wise described to us tonight is approximately the same as that which existed in 1945.

The Hon. H. C. Strickland: Was there a war on then?

The Hon. A. F. GRIFFITH: No.

The Hon. H. C. Strickland: There was not?

The Hon. A. F. GRIFFITH: No, I do not think there was a war on when this speech was made.

The Hon. F. J. S. Wise: I am sure there was, if I was Premier.

The Hon. A. F. GRIFFITH: The honourable member was Premier in 1946, too.

The Hon. F. J. S. Wise: That is right. Does not the Minister know when the war ended?

The Hon. A. F. GRIFFITH: I have a rough idea. I spent six years in uniform and I know when it ended. The speech to which I have referred was made by Mr. Wise in 1946 and I do not think the war was on when he made it.

His speech was made to the Legislative Assembly on the 10th September, 1946. I did not hear his speech because I was not in Parliament at that time, but I have read it and it read very well. One or two points about it struck me when I read the speech and this is one—

> The cost of maintaining and expanding the services which the State provides, continues to rise.

The Hon. F. J. S Wise: That is right.

The Hon. A. F. GRIFFITH: Absolutely right; to continue—

> Not only has the cost of providing the same service risen but in many directions we have increased and expanded our activities. The Government takes the view that, despite increasing costs, where it is essential for progress expansion shall continue. Many of our departmental figures, which will be placed before the Committee by the appropriate Ministers, will illustrate that point. For instance, there is the Education Department, the Vote for which has risen from £772,656 in the year 1939-40 to £1,144,000 for the present year. Very many progressive ideas have recently been given effect to in connection with our system of education, and the Minister in charge of that section of the Government's work will considerably elaborate the points when he introduces his Estimates.

That quotation is to be found on page 715 of Volume 2 of *Hansard* 1946.

The Hon. F. J. S. Wise: It was a pretty good speech; I remember making it.

The Hon. A. F. GRIFFITH: I will not deny it was a pretty good speech. It was as much on the ball in respect of the difficulties which the States were encountering in principle in those days as the situation which the State faces today.

The Hon. F. J. S. Wise: There were very different circumstances.

The Hon. A. F. GRIFFITH: The honourable member says, "very different circumstances." I ask whether the circumstances were any different in 1953 when I sat where Mr. Lavery is sitting and was accused of opposing measures which the then Government of the day introduced in respect of taxation.

The Hon. F. R. H. Lavery: We will probably be doing the same thing in 10 years' time.

The Hon. A. F. GRIFFITH: If Mr. Lavery thinks it is going to take 10 years to put this Government out of office, perhaps I might be inclined to agree with him.

The Hon. F. R. H. Lavery: These taxing measures will put the Government out at the next elections.

The Hon. A. F. GRIFFITH: In 1953 the Premier was Mr. Hawke, and I refer to the speech he made which is contained on page 1234 of Volume 2 of the *Hansard* of that year. It reads—

> The estimates provide for an increase of £291,169 in taxation collections, excluding income tax reimbursement. Total collections are estimated at £2,914,720 including revenue from State entertainments tax which is expected to yield £180,000 during its operations for nine months of the current financial year. Generally the severity of taxation in this State is below the average of the standard fixed by the Commonwealth Grants Commission and we have therefore been obliged to take corrective measures. The reintroduction of State entertainments tax provides one avenue through which revenue can be increased without increasing expenditure. That is very unusual in Governments these days; especially in the operations of State Governments.

Mr. Hawke said this during a Budget speech—the same sort of speech Mr Wise made in 1946 when he claims the circumstances were different.

The Hon. F. J. S. Wise: I will tell you how different they are when we are in Committee on this Bill. I am afraid you are very ignorant on this point which you are trying to make.

The Hon. A. F. GRIFFITH: I agree the circumstances were different, but I am trying to illustrate that the concept of difficulty between the States and the Commonwealth were the same, and regrettably we have not been able to solve the situation. Neither could Mr. Hawke in 1953, because in his Budget speech he went on to say—

> Another direction in which we feel justified in seeking additional revenue is in the field of probate duty.

Then he came to the subject of stamp duty.

The Hon. F. R. H. Lavery: The Government is expecting to receive $916,000 in probate duty next year.

The Hon. A. F. GRIFFITH: I am not denying that. I am merely saying this is not a new concept; I am merely saying that over the years, Governments have found themselves in this position. In 1953, Mr. Hawke went on to say in respect of stamp duty—

> Of the variations anticipated in other taxation collections, the largest is in stamp duty, estimated to yield

> an increase of some £76,000 on last year's revenue which amounted to £1,043,851.

That is pounds, not dollars.

The Hon. F. J. S. Wise: It was chicken feed compared with today.

The Hon. A. F. GRIFFITH: That is always the answer. It is not do as I do; it is do as I say.

The Hon. F. J. S. Wise: That is what you are trying to advance.

The Hon. A. F. GRIFFITH: No, I am not at all.

The Hon. F. J. S. Wise: I will give you the year by year increases.

The Hon. A. F. GRIFFITH: I am sure the honourable member will, but it does not matter what Mr. Wise may say, because nothing could alter the fact that the concept of State financial relations has been the same since 1928.

The Hon. F. J. S. Wise: That is not right.

The Hon. A. F. GRIFFITH: Mr. Wise made a speech on the Financial Agreement (Amendment) Bill. I must apologise to him, because I have slightly misquoted what I thought he said. The same Mr. Wise who spoke on that occasion said—

> That is the position as it exists today.

He made that statement appertaining to something he said before—I do not want to mislead the House. However, he went on to say—

> I am not sure in my own mind how this matter should be approached but I think all State Premiers, irrespective of politics, have something very urgent to face. I would go so far as to say that the Premiers of claimant States should be prepared to buck the Grants Commission if it interferes in State Government policy. Let the State go into deficit. If the State grant is reduced by millions of pounds, let a crisis arise; because otherwise we will have a form of government which could be tyrannical in its approach to those citizens who could be governed entirely not from a spot close to the people, but from a spot far removed from the people and their interests.

This is a point of view which the honourable member may hold, but at that time I simply said the Government was not prepared to allow a state of crisis to arise.

I agree with the point of view expressed by Mr. Watson that it is the responsibility of the Government to balance its budget. I would compliment Mr. Baxter, because he indicated to me how it is possible to have the best of two worlds. I did not think this was really possible, but it is. Mr. Baxter can criticise the Government; he can vote against the taxing measures introduced by the Government; he can go into his electorate and say so; and he can enjoy the benefits of the money that is spent in his province. To my mind, that is getting the best of both worlds.

We all have a responsibility to bear, and I venture to suggest, if the Government changed hands tomorrow and standing in this place was somebody else, and in the Legislative Assembly, in another place, sat a Premier of different political colour to that of the Government, he would have to face up to the difficulties which this Government is prepared to face when endeavouring to balance the Budget. Those men who have been members of a Cabinet, such as Mr. Wise—with a lifetime of political experience—and Mr. Strickland, who sat alongside him in Cabinet at one time, know the difficulties that confront a State Government.

I will not endeavour to suggest that the financial relationship between the Commonwealth and the States is all that we would desire. In fact, I am sure that the position is entirely contrary to what we would desire. I agree with Mr. Watson and all other members who have spoken on this aspect of Commonwealth-State relationships. The cold hard fact is, however, that we have not reached the point of coming to grips with the Commonwealth and neither have any of the other States, and we have to cope with our own affairs.

If one examines the speeches made by various Premiers and Treasurers over the years one will find that they have expressed themselves on a similar set of circumstances which now confronts this State Government. Those remarks were in relation to the position of the Commonwealth-State relationship and the unsatisfactory state of affairs resulting from the Financial Agreement that we entered into between the Commonwealth and the States, and which has continued ever since. The Grants Commission, in some respects, offers some saving grace. I have heard Mr. Wise eulogise the Grants Commission because of the way it has protected Western Australia, and the things it has done for Western Australia; but nevertheless, we all arrive at the same conclusion; namely, because of the problem which exists between the Commonwealth and the States we have to shape up to our own responsibility.

Do members know there was a time in this State when Supply Bills were passed through another House without a speech being made, except that made by the Treasurer of the day? This evening I looked up one speech that was made on a Bill that was introduced, and I found it was the only one made before the Bill concluded its passage through the House in a matter of minutes. I am not being critical of that, but it was significant of the attitude of members towards such Bills at that time. It is also signficant that more prominence has been given to Supply Bills of recent years than those that were introduced in earlier years.

I do not blame anybody, of course, for saying they do not like this, that, or any other measure which imposes taxation. Nevertheless they are all necessary and create a situation the State has to face. This Bill does represent a new concept. More particularly, it is a rearrangement of the method of collecting stamp duty. It strikes me as being fair that this Bill seeks to correct a situation at the moment in which one man pays stamp duty in one set of circumstances, and, in another set of circumstances, a man is not liable for the payment of any stamp duty. I cannot see anything unfair in endeavouring to correct a situation such as that.

One man in business may conduct a transaction, as a result of which $10 changes hands. He is required to place duty stamps on the receipt for that amount. As I said in my second reading speech, another man who purchases 10 individual items which, in total, amount to $10, is not required to pay any stamp duty. Is that fair? Would Mr. Lavery say that is fair?

The Hon. F. R. H. Lavery: You do not take any notice of me!

The Hon. A. F. GRIFFITH: I can see from the look on the honourable member's face that he thought it was not fair. In any case, it does not seem fair to me.

This Bill seeks to correct the anomaly I have outlined. Undoubtedly the Bill will mean that the State will collect more revenue, but the Government has been placed in the position of saying, "Here is a growing State; the same State about which Mr. Hawke spoke in 1953, and the same situation applies in regard to taxation." I defy anybody to say that the next Government, from 1968 on, whether it be a Labor Government, or whether it be the present Government, will be able to promise electors at the next election that there will be no increase in taxation.

If any political party made that promise to the electors it would not be telling the truth, because if it became the Government it might find itself in a situation where it would have to change its attitude. I do not think there is anything else I can say. I repeat that I do not expect the Bill to be received complacently by all members of the Chamber. I expect that members of the Opposition will vote against it; a clear indication has been given in regard to that. I expect Mr. Baxter will join the members of the Opposition, because he has said he will do so. I regret he has that intention for the reasons I gave a few moments ago.

In conclusion, it would be much easier, probably, for the Government to say, "We will not shape up to our responsibilities; we will take the advice tendered to us and let the State go into deficit; we will not impose any more taxation, and to hell with the future." As Mr. Baxter knows, if the Government finds it has a deficit at the end of the year, the Government must endeavour to obtain money to balance the Budget from somewhere. If the Government cannot obtain the money from revenue it must get it from loan funds.

The Hon. H. C. Strickland: You are selling a lot of material.

The Hon. A. F. GRIFFITH: So we are.

The Hon. H. C. Strickland: In fact, you are giving it away. How much will you get from royalties from oil produced at Barrow Island?

The Hon. A. F. GRIFFITH: We are not getting any royalties at the moment. We have not produced any oil from Barrow Island yet.

The Hon. H. C. Strickland: You have signed an agreement.

The Hon. A. F. GRIFFITH: Strictly speaking, we have not signed any agreement, but the oil from Barrow Island will be produced in 1967, not 1966. When the royalties start to flow from the oil produced on Barrow Island, as with the royalties obtained from the production of iron ore, no benefit will flow to the State because of the financial relationship between the Commonwealth and the State, and the attitude of the Grants Commission to a State which earns more income in one year than it does in another. Therefore, the royalties obtained from the production of oil and iron ore will be of no benefit to us until we are able to stand on our own two feet in the same way as the standard States do today.

The Hon. H. C. Strickland: When will that be?

The Hon. A. F. GRIFFITH: I cannot tell the honourable member that, and I do not think he can tell me, either. I think, Mr. President, you will draw my attention to the fact that I should address the Chair. I ask the House to agree to the Bill and, in doing so, to appreciate it is one of four or five Bills I have the responsibility to present in this House and which represent the general overall pattern of the Government's financial affairs for the coming year.

Question put and a division taken with the following result:—

Ayes—16	
Hon. C. R. Abbey	Hon. L. A. Logan
Hon. G. E. D. Brand	Hon. G. C. MacKinnon
Hon. V. J. Ferry	Hon. N. McNeill
Hon. A. F. Griffith	Hon. T. O. Perry
Hon. C. E. Griffiths	Hon. S. T. J. Thompson
Hon. J. Heitman	Hon. J. M. Thomson
Hon. J. G. Hislop	Hon. F. D. Willmott
Hon. E. C. House	Hon. H. R. Robinson *(Teller)*

Noes—10.	
Hon. N. E. Baxter	Hon. H. C. Strickland
Hon. J. Dolan	Hon. R. Thompson
Hon. J. J. Garrigan	Hon. W. F. Willesee
Hon. E. M. Heenan	Hon. F. J. S. Wise
Hon. R. F. Hutchison	Hon. F. R. H. Lavery *(Teller)*

Pair	
Aye.	No
Hon. A. R. Jones	Hon. R. H. C. Stubbs

Question thus passed.

Bill read a second time.

In Committee

The Chairman of Committees (The Hon. N. E. Baxter) in the Chair; The Hon. A. F. Griffith (Minister for Mines) in charge of the Bill.

Clause 1: Short title and citation—

The Hon. F. J. S. WISE: This clause refers to the principal Act. I want to take the opportunity to speak to the clause, and perhaps to later ones to try to refute some of the foolish notions expressed by the Minister and endeavour to clarify his thinking on the relativity of responsibility, because the Minister has no idea of the position of Governments which had to levy their own taxation, including income tax, when the budgetary position was not one of great opulence, and when the spending by the Treasury was restrained and supervised. That is very different from the position which exists today.

In 1958, before there was a change of Government, the revenue of the State was $114,000,000, as against $222,000,000 estimated for this year; and the stamp duty raised $3,000,000, as against $11,500,000 today. This Government is scraping the bottom of the barrel in the devices it uses to impose taxes in a manner never previously intended.

It is all very well to quote from the speeches made by various people in days when Governments were in a different position, and when there were shortages of everything including money. Those were the days of stress, not understood by this Government which has money of all kinds falling into its lap. With the proper supervision of Treasury accounts there will be no need for the kind of pernicious tax as proposed in the Bill before us.

The Hon. A. F. GRIFFITH: The days mentioned by Mr. Wise were those when a person could purchase a house on a £25 deposit, when wages were not anywhere near as high as they are today, and when a hospital bed could be provided at a fraction of to-day's cost. Those were the days when there were no refrigerators, no television sets, not very many motorcars, and not nearly as great a need for roads as there is today; in other words, there was not a great need for all the things to which we are accustomed in these days.

I pointed out that the principle which existed then was the same as it is now. I do not underestimate the difficulties which Mr. Wise went through in 1945 and 1946 when he was Premier; and the same difficulties existed in 1953 during the term of the Hawke Labor Government. At that time you, Mr. Chairman, were just as voluble against the imposition of taxes by the State as you were earlier this evening, but it was just as necessary to impose taxes in 1953 as it is in 1966.

The Hon. F. J. S. WISE: Much of what the Minister has said is, to borrow a word, mere camouflage. The Minister suggested the Government should evade its responsibility, but that is an entirely wrong attitude. It should accept its responsibilities and face up to them. If the Government will face up to its responsibilities along the lines I have mentioned then many of the things which the Minister is quibbling about will not arise.

Clause put and passed.

Clauses 2 and 3 put and passed.

Clause 4: Section 75 amended—

The Hon. A. F. GRIFFITH: I move an amendment—

> Page 3, line 6—Insert after paragraph (c) a paragraph to stand as pargraph (d) as follows:—
>
> (d) by adding after subsection (4) a subsection as follows—
>
> (4a) The Treasurer may, in his discretion, exempt from *ad valorem* duty, or refund any such duty paid after the coming into operation of this subsection on any instrument by which money or property is given or agreed to be given to or which establishes or regulates or relates to the establishment or regulation of any fund or scheme established for the principal purpose of making provision by way of superannuation payments, annuities, pensions, gratuities, allowances, lump sum payments, benefits, assistance or the like for the directors, officers, servants or employees of any employer or employers on the termination of their office or service whether by death or otherwise or on their withdrawal from membership of that fund or scheme or during their incapacity for work attributable to illness or accident or for the widows or children or dependants or legal personal representatives of any of those directors, officers, servants or employees or for any persons duly selected or nominated for that purpose pursuant to the provisions of that fund or scheme.

There is on the notice paper in the name of Mr. Watson an amendment to clause 15, to which I must make reference in explaining my amendment. The amendment which Mr. Watson seeks to move

would make it mandatory for the Treasury to agree to such exemptions. The Government desires that the existing situation should be maintained, and in conformity with my amendment it seeks to make the other exemptions subject to the discretion of the Treasurer.

When Mr. Watson spoke during the second reading debate he dealt with the situation to some extent. If my amendment is agreed to it will achieve what Mr. Watson seeks to achieve in his amendment, with the exception that those exemptions will be subject to the discretion of the Treasurer.

The Hon. H. K. WATSON: The Minister has stated the position correctly. Section 75 (4) of the principal Act provides that the Treasurer may in his discretion exempt any conveyance for the purpose of a public park, university, or any other institution, or for charitable, patriotic, or other similar public purposes. The amendment seeks to include in that subsection the exemption of superannuation funds, subject to the Treasurer's discretion.

The Hon. H. C. STRICKLAND: The Minister asked one member why one person should pay while another should not pay. I now ask the Minister whether he thinks it is fair that anyone should be exempt from this tax?

The Hon. A. F. GRIFFITH: I think it is fair that some parties should be exempt; I refer to charitable and other public purposes. Exemptions have been provided in the Act for a considerable time, and for that reason I think the amendment is fair.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 5 to 15 put and passed.

Title put and passed.

Report

Bill reported, with an amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Mines), and returned to the Assembly with an amendment.

ADMINISTRATION ACT AMENDMENT BILL

Second Reading

Debate resumed from the 16th November.

THE HON. F. J. S. WISE (North) [10.46 p.m.]: This is a Bill which, in the Minister's words, has been brought in to close the gaps in our revenue in collections from probate duty. The Minister's speech certainly showed the effect of the Grants Commission's analysis in regard to probate duty.

Any member who has done his duty and studied the Grants Commission's reports will find specific references running through them through the years in regard to probate; and if members will turn to pages 80 and 81, paragraphs 144 and 145 of this year's report, they will find the references submitted by the Grants Commission as to how it arrived at the adjustments for the relative severity of State non-income taxation.

Paragraph 230 on page 116 reads—

> This year, the Commission has, in the case of probate duty, also made an estimate of revenue not collected in Western Australia owing to differences in the statutory provisions in that State compared with the standard States which tend to reduce the severity of the duty imposed as calculated from the rates.

That clearly indicates that the Grants Commission scrutinises not merely the incidence of probate duty in Western Australia, but also the great and varying differences between the rates applied and the stages at which the rates are applied in this State and in other States. That page is a very interesting one because it refers to many things, including motor taxation.

Probate duty is sometning which a lot of people are able to avoid because of a great knowledge of the machinery and actions necessary to prepare for taxes after death. But these people are in the field of experts. They are people who daily are in contact with responsibility associated with incomes and estates on which probate is ultimately levied.

The relative severity of probate duty in other States compared with Western Australia did not, however, on this occasion prompt the Grants Commission to give an unfavourable adjustment. Indeed, for all of our non-income taxation, including probate, the commission made the favourable adjustment of $526,000. If the Minister has his reference by him and I think he may be replying to what I am shortly to say, would he tell me where in the Grants Commission report is to be found the reference in his speech and in the Treasurer's speech to the fact that the gross revenue loss in this State by maladjustment of probate is $470,000? It must be somewhere in the report or in an annexure to the report which is not with us, but I cannot find it. I must admit I have meticulously and carefully read the Grants Commission report, so I would like the Minister to pinpoint it for me.

If death duties are to remain as a source of revenue, and it seems they must in a world sense, there is something to commend in the proposals in this Bill. As far as possible I would prefer to have taxation collected while a person is alive, because then the taxation must be imposed on his earnings or his capital gains, rather than have his estate taxed after death. It is strange, I often think, how some people are sufficiently ambitious in life to be

ultimately the richest men in the cemetery. I cannot see any merit in that.

But be that as it may, the spectre of probate duty haunts many people. I think that is an appropriate word because it does haunt them. They make all sorts of plans within the law to divide an estate so that when we read of it in the paper it is, say, only $200,000, even though it might be the estate of a farmer. We can guarantee that that farmer has devised ways and means to provide that that is the minimum associated with his estate when he dies. The well-informed and clever in these matters are very ably advised by competent people.

The Hon. A. F. Griffith: Some of these jolly accountants are the boys.

The Hon. F. J. S. WISE: Seriously, I do think that probate is one of the forms of taxation in regard to which the simpler and more consistent the forms and rates, the better for those concerned whether they be in this State, interstate, or foreign. This is a very involved subject. If any member wants to keep himself awake, the Administration Act and a study of its implications is much better than an Agatha Christie novel.

I think the Minister gave an exceedingly interesting speech on this subject and in his description of the seven points involved, he outlined, with considerable clarity, the situation. I try to give credit where it is due. The Minister's speech did render it much easier to compare the Bill with the parent Act and to fit in the pieces where they belong. However, it is the full effect of the measure in regard to which I need to be enlightened by someone abler than myself.

I find it considerably difficult, in spite of the helpful explanation given, to follow some of the implications. Looking at the Bill itself, rather than at the speech, I would say that it appears that the interstate adjustments in cases where personal estates or part of them are located outside Western Australia, appear to be designed to resolve situations which are at present very complicated. Clause 9 is a case in point. In general, under this Bill the scope of probate duty comes very close to that of other States.

Certainly there will be gains in revenue, but concessions are also planned under this Bill. As the Minister stated, and as members may know, Victoria is the State whose legislation is being used as a model for probate and administration laws in Australia. Perhaps in that regard the matter of uniformity in a subject such as this must ease the worry of those who have to compute values of estates and those who have the responsibility of administering them, as well as those who have the responsibility in law for the payments in their present varying forms of the relative rates of duty applicable—State, interstate, and foreign.

It seems that the provision made for joint tenancy adjustments will be of help in smaller estates; but perhaps the most important of all the adjustments to be made is the one dealing with quick succession duties. I am sure that every member here knows of at least one case where quick deaths following successively in a family have not merely rendered great hardship and difficulty upon the succeeding relatives, but have also seriously impaired the ability of estates to carry on, forcing sales at times of equities which cannot be replaced once they are sold. These have been the build-up of more than one lifetime, at times.

This Bill sets out—and I think at this hour I would be unkind if I read them—the new provisions which are to obtain in regard to quick succession duties. They are on page 12 which is the last page in the Bill. They appear to be real and reasonable.

The whole contents of this Bill, I repeat, are based on the Victorian legislation and will overcome a lot of complications which now exist. From time to time there have been many suggestions—and, in fact, quite recently—as to the means which it would be considered desirable to adopt to prevent probate duty being harsh on young people who have an inheritance. Suggestion has been made that it would be better if probate duty were not harsh on people who are left with dependants, and on the remaining spouse of a young married couple who has two or three children and who finds it hard to get along because of the incidence of probate.

I think it was suggested in the course of the debate on this Bill in another place that situations such as those I have described would be materially eased if a little thought were given to them. All I can hope is that many of the bad effects which are unavoidable in our present law will be studied and avoided in the future.

Although I have what might be termed voluminous notes written on this Bill, at this hour I think it is sufficient to say this Bill does overcome some anomalies and difficulties, and it appears to have been modelled on legislation which has been endorsed by Australian authorities in many States. If it is necessary to have probate duties and kindred taxes, this is the sort of Bill I think the House is bound to accept. I support the Bill.

THE HON. H. K. WATSON (Metropolitan) [11.2 p.m.]: I, too, will be interested to hear the Minister's reply to Mr. Wise's question as to where in the Grants Commission report it is stated the grant for this year has been adversely affected by the amount specified on account of probate duties.

I have a suspicion that the figure is the figure which may have been used in the adjustments, but for the fact the

Grants Commission went off half-cocked. I have an idea that on a certain hypothesis which was formulated—or thrown out— at the hearing, the commission felt that the severity in Western Australia was not as great as that of Victoria and one or two of the other States.

The Hon. F. J. S. Wise: Is that contained in this year's report?

The Hon. H. K. WATSON: I think this matter was discussed at the hearing. However, as I say, as it proceeded, I think the commission found it had dug up a couple of mare's nests. I am offering the suggestion for what it is worth that that is the reason why it is not specified in the report.

Last week we had quite a discussion on the high cost of living; this Bill reminds us of the high cost of dying.

The Hon. F. R. H. Lavery: How true.

The Hon. H. K. WATSON: I have studied the Bill and, even though it may have been generated by some suggestion of the Grants Commission one way or the other, I feel it is a Bill which has a lot of intense expert study put into its preparation and, on the whole, it has given away something here and picked up something there, with the result it has neither diminished nor increased the overall amount of probate duty being collected in this State.

One of the new sources of revenue is the inclusion in the Western Australian estate of a deceased resident of Western Australia of shares—or other securities—on a register in the Eastern States. I do not think anyone can quarrel with that point. I could remind the Minister this House attended to that particular problem—to some degree, at any rate—when the Companies Act was being put through this Chamber in 1961 and 1962. This House then made it clear by law that any company carrying on business in Western Australia had to open a share register here if it was required to do so. At that stage, we went further and prescribed that in respect of debentures, unsecured notes, and so on, the company also had to open a share register here if it was required to do so. That, in itself, has brought a considerable amount of revenue to this State over the years in the way of stamp duty and it has to some extent minimised the position which is now completely cleared up by the provisions of this Bill in respect of probate on shares which are still in the Eastern States.

The next point in the Bill is that it proposes to extend from one year to three years the period before death when gifts made during the lifetime of a person are to be deemed to be part of his dutiable estate.

The Hon. F. J. S. Wise: I hope that is not retrospective.

The Hon. H. K. WATSON: No; I gather that no provisions in the Bill are retrospective, except that, in my opinion, it is retrospective to the extent that when the Bill becomes law, I think the position would then be that any gifts made during the three preceding years would form part of the dutiable estate. If anyone has made a gift during the past three years—

The Hon. E. M. Heenan: He wants to see it out for another four years.

The Hon. H. K. WATSON: No; he wants to depart before the 1st January, 1967, or whenever this Bill becomes law.

The Hon. F. J. S. Wise: Surely the retrospectivity would only apply one year from the date of the gift even if it were made this year. Surely the three-year term is not retrospective. This is conveyed in clause 3.

The Hon. H. K. WATSON: Yes; one year back if death occurs before the coming into operation of the Administration Act Amendment Act, 1966, or within three years before his demise if the death occurs after the coming into operation of the Administration Act Amendment Act, 1966.

The Hon. F. J. S. Wise: From the date of death—that is the point I am making.

The Hon. H. K. WATSON: Therefore, it would appear to me that if a person dies after the coming into operation of this Bill, the three-year period then becomes effective. To that extent, it is retrospective.

The Hon. F. J. S. Wise: It is advisable to live a few more years.

The PRESIDENT: Order!

The Hon. H. K. WATSON: Admittedly, this provision does bring the Bill into line with the Victorian Act and, indeed, with most of the other State Acts.

Another part of this legislation which has been tightened up is in respect of quick succession. At the moment, a four-year period is the period within which full relief may be claimed. That period is being rather substantially reduced—or, at any rate, varied—by a sliding scale in respect of various periods between the two deaths and it also has regard to the relationship between the first demise and the second demise.

Viewed in the abstract and in isolation, those two alterations could be regarded as unfortunate and rather severe. On the other hand, there are some counterbalancing features which are not without their attractions. There has been a variation of rates and funeral expenses to the extent of $200 which will now become an allowable deduction in arriving at the dutiable balance.

The Hon. F. J. S. Wise: Does stamp duty have to be paid?

The Hon. E. C. House: They seem to be getting money out of the dead body, anyway.

The Hon. H. K. WATSON: Then there are increased exemptions for widows, and minor children. One provision in the Bill which particularly appeals to me is that the matrimonial home held in joint tenancy up to a value of $15,000 is excluded from the estate. I notice there is an amendment on the notice paper which will make it clear that the matrimonial home will include not only a home, as we generally understand it, but also a home unit.

The Hon. F. J. S Wise: Joint tenancy, therefore, would not have to pay stamp duty.

The Hon. H. K. WATSON: No, it would be to their advantage because, as I indicated earlier, if anyone who owns a house in his own name is minded to put it in joint tenancy, he should certainly do so before the Stamp Act Amendment Bill goes into operation, because there will then be substantial gift duty payable on transfer.

As I see it, the effect of the exemptions on the one hand and the exclusion of the interest in the matrimonial home on the other hand, produces a result which I would like to detail to this House. Assume a person dies and leaves his estate to his widow. Assume he has various assets, other than the family home, of $15,000 and half of the family home worth $7,500. That makes total assets of $22,500 which, as far as I can see, would not be liable for death duty, at all, as against death duty of about $1,500 under the existing law. That is a substantial reduction; it is a reduction to persons who can ill-afford to hunt around for death duty at such an unfortunate time.

It was as far back as 1953 that this House, upon my motion, expressed the view that the family home should be exempt from probate duty; and referring back to *Hansard* of that year, at page 2264, I notice I had this to say—

> A family home should not be included in the assets of an estate for assessment of death duty. A family home should be excluded in all instances.
>
> In nine cases out of ten, a married couple have put all their savings into purchasing a home, and when the husband dies and leaves nothing else but the home, it cannot be regarded as a legacy to the survivor. She continues to live in the house as before, but she would have to find £45 for payment of death duty in the case of a house valued at £3,000 and £390 for a house valued at £6,500. It is not as though the house was left as a legacy to a stranger. Where a house is left to the surviving spouse, I feel it should be excluded from the dutiable estate.

This Council accepted that proposition as far back as 1953, but as a matter of history, and in case anyone is wondering why it did not become law, the answer is to be found on page 3106 of the *Hansard* of 1953, when the Bill was returned to another place and the then Premier (Mr. Hawke) had this to say—

> I see no purpose to be served by a conference in this matter and I hope someone will convey to those responsible for these amendments in the Council the fact that the Government is not prepared to waste time in connection with the Bill. If the Council is not prepared to endorse the Bill as it was received by them, then we shall abandon any attempt to get a Bill of this nature through this session.

He then moved that the amendment be not agreed to, and the question was resolved accordingly in the Legislative Assembly.

So much for the 13 years that have passed in between. My one regret is that even now the exemption only applies to matrimonial homes held in joint tenancy. To my mind the case is just as strong for the home which is owned exclusively either by the husband or by the wife; and, for the reasons which I advanced as far back as 1953, I still maintain that the Bill falls short of what is ordinary common justice to people of comparatively small wealth; particularly to the family whose home is their only asset. So far as I can see, wealthy citizens will still pay plenty; and that is only a rough estimate!

THE HON. E. C. HOUSE (South) [11.20 p.m.]: In this Bill there has been a great attempt to ease the burden on those who can least afford to pay this iniquitous tax, and to still bring about an overall increase in the amount of money which is available to the Treasury from death duties.

It is becoming increasingly difficult for the farming community to provide sufficient cover for probate because of the increase in land values which have practically doubled in the last 10 years. The only way this can be done, without having to sell one's assets is to provide money by way of insurance cover; and for people who are getting on in age this is not always easy because, at times, for medical reasons premiums are extremely high, and it places a burden on many small properties, especially those that could have even greater value than some of the larger ones which are expected to meet the provisions in this Bill.

No-one expects the farming community to be treated any differently from anybody else; no one expects the farming community to be given any form of exemption, but there could be some means by which this money could be paid over a period of, say, five years at a reasonable rate of interest. In most cases this could possibly be done.

The reason the Treasury gives for not being able to accept this proposition is one that has been discussed a great deal in the Chamber tonight; namely, the ad-

verse reaction from the Grants Commission. I am not absolutely certain of my figures but I believe to provide for this tax to be paid over a five-year period would mean a loss to the Treasury in the first year of $1,000,000; a loss of $800,000 in the second year; and eventually in the fifth year the Treasury would be getting exactly the same amount it is getting now.

It will be necessary to overcome the initial period in which this scheme is introduced. Small farms, particularly, are in a worse position than the larger ones, because most of the larger ones are divided up in shares amongst various members of the family, and this helps to ease the total amount that must be paid, which all helps with the new legislation that has been brought in.

As has been pointed out, none of the taxing measures are easy on anybody, and unless we can convince somebody that this payment over a period of time is desirable, or that it would help a great number of people, it will no doubt be many years before we find any means at all to cope with the situation.

It has been said that probate duty can actually mean the taking over of a farm in four generations. I think consideration should be given to try to encourage owners of family properties, and small concerns rather than have them turned over into larger companies where we will not get the same return per acre as we will from dedicated family units. These recurring probate duties must eventually have a large bearing on whether the property is retained by the family or not. As I mentioned earlier the only way to provide this money is through insurance cover which, of course, means paying large premiums and interest bills. This all adds up to a considerable amount of money.

Perhaps the bond system could be used, where the money could be paid in advance by the Government and this would provide more finance at Treasury level, and at the same time find the money necessary to help the farmer. I support the Bill, but I feel a lot of homework should be done on this probate problem which, with rising land values, must be an ever-increasing burden and one which is peculiar in a lot of ways to farming properties.

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [11.27 p.m.]: I think a lot of homework has been done from time to time on this problem. Personally, of course, it is indeed a problem. I think it could be quoted against me that I once said in this House that I regard probate duty as an iniquitous tax. I still have the same sort of view, particularly when one realises that one works all one's life to provide for one's family and dependants and then, at the end of that time, one gets taxed because one dies and leaves an estate.

The argument propounded in favour of probate is that the community is the substance by which the increased value of land is derived. The farmers' land goes up in value because of the circumstances surrounding not only the development of his land but also because of its rising value. It is said that the only way the State can get anything back from this sort of thing is to get probate duty at the date of death.

The Hon. E. C. House: We are not complaining about that side of it.

The Hon. A. F. GRIFFITH: I realise that. The nearest I can get to a reply on the point raised by Mr. House is to refer him to section 108 of the Administration Act which states—

> Interest at the rate of four pounds per centum per annum shall be charged on all duty payable under this Act from and after the expiration of three months from the time when the duty first becomes chargeable until the duty is paid . . .

The Hon. H. K. Watson: I think that 4 per cent. has been increased.

The Hon. A. F. GRIFFITH: I may have an unamended copy of the Act. There is an amount of interest charged, and there is provision for the commissioner to postpone payment, because the Act states—

> Provided that the Commissioner may postpone for such period as he thinks fit the date from which interest shall be charged.

If the proposition is put forward to the commissioner that someone is unable to pay probate duties in connection with an estate, the commissioner has some discretion in the matter. I also understand the difficulty arises under the Commonwealth Act where such arrangements are difficult to make, because the Commonwealth wants its Federal duty.

I am not sure on this point but so far as the State is concerned, if a proposition is put forward to the commissioner seeking exemption, he has the right to grant some time to pay.

I cannot answer the question Mr. Wise asked in relation to the mal-adjustment of $470,000 mentioned in the second reading speech notes. If it is acceptable to the House, I will hold up the third reading of this Bill in order to obtain an explanation for the honourable member.

The Hon. F. J. S. Wise: There is no need to hold up the Bill, but it would be interesting to know the answer.

The Hon. A. F. GRIFFITH: It would, indeed. I will most certainly ascertain the position and at a convenient time advise the honourable member. This will probably be on the Loan Bill or the Appropriation Bill, when any subject whatsoever can be talked about. I thank members for their

support of the Bill. There is no doubt that a great deal of thinking has gone into it. It is a Bill to try to iron out some of the inequities which exist and to bring our provisions in relation to probate duty more into line with those of the State of Victoria, giving relief in places where it should be given. That is what this Bill seeks to do, and it will do just that.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (The Hon. N. E. Baxter) in the Chair; The Hon. A. F. Griffith (Minister for Mines) in charge of the Bill.

Clauses 1 to 9 put and passed.

Clause 10: Section 78 amended—

The Hon. F. J. S. WISE: I wonder if the Minister has a complete explanation of the fact I raised by way of interjection as to the possibility of retrospectivity. If a person within the last 12 months paid gift duty on the transfer of a house property in joint tenancy to the spouse and died after the passing of this Act, would the three-year period then apply before he would be absolved from having that part of the value of the estate added to his estate for probate?

The Hon. A. F. GRIFFITH: Perhaps I could read my notes in relation to clauses 9 and 10. They read as follows:—

> Clause 9: Section 76 specifies certain other dispositions of property which are at present treated as gifts and brought into the dutiable estate if made within one year prior to death.
>
> The purpose of this clause is to extend the twelve months' period applying to the dispositions set out in paragraphs (b), (c), and (d) to three years consistent with the proposed treatment of gifts.
>
> The clause also provides that the existing section as amended shall be designated subsection (1) and adds a new subsection (2) which discontinues paragraph (a) of subsection (1) as applying to persons dying after this measure becomes law. This provision is no longer necessary as it is proposed under the preceding clause that in future all of the deceased's interest in jointly held property will be assessed as part of the final balance of his estate.
>
> Clause 10. Section 78 specifies a type of disposition which is treated as for gifts and brought into the dutiable estate if made within one year prior to death.
>
> The purpose of this clause, as with the preceding clause, is to provide that in future such dispositions shall be included in the estate if made within three years prior to death.

The Hon. F. J. S. WISE: Those notes seem to confirm the thought that retrospectivity is to apply, and I think it should not. The first part of the Minister's notes seems to indicate that retrospectivity will apply. If the gift was made within three years prior to the death of the person that part of the estate represented in the gift will be added to the estate, even though gift duty has already been paid; and if gift duty has already been paid prior to the proclaiming of this Act the application of this part of the measure will mean that part of the estate will be added to his estate if the gift was made within three years. That is the position if my interpretation is right.

The Hon. A. F. GRIFFITH: I suggest we complete the Committee stage of the Bill and hold up the third reading in order to clarify the position.

The Hon. H. K. WATSON: My understanding of the position is that if a person dies after the coming into operation of this Act, the question to be asked is, what gifts has one made during the three preceding years; and the extent of those gifts is to be included in the dutiable estate. Assume the person dies in January, after this Bill becomes law, any gifts made during the preceding three years would be dutiable. There would be no question of gift duty, because none of the gifts would have attracted gift duty, as it has not yet become law. Gift duty, for the first time, comes into operation in the Bill with which we are dealing. All that has operated in the past has been the ordinary conveyance of 30s. per £100; but gift duty, as such, has not been paid in respect of any gifts prior to the 31st December, 1966.

Assume now that a person dies on the 31st December, 1967, and that earlier during the year 1967 he has made a gift or has transferred half an interest in his house to his wife, that is a gift within the meaning of the Stamp Duty Act. Assume that he has done that and paid the settlement or gift duty of $100, as I understand it, that $100 will be deducted from the duty which he has to pay.

The Hon. F. J. S. Wise: What about Commonwealth gift duty?

The Hon. H. K. WATSON: That is quite separate. This Act ignores Commonwealth gift duty and if a person has paid that during the past three years, it is of no moment. That duty is deducted from his Commonwealth estate duty and has nothing to do with his probate duty.

The Hon. A. F. GRIFFITH: If Mr. Wise wishes, I am still prepared to not complete the third reading so that I can make an inquiry tomorrow to obtain the information.

The Hon. H. K. Watson: I think it would be as well.

The Hon. F. J. S. Wise: Thank you.

The Hon. A. F. GRIFFITH: I am unable to state the position at the moment.

Clause put and passed.

Clause 11: Section 79 amended—

The Hon. A. F. GRIFFITH: I move an amendment—

Page 8, line 37—Delete subclause (3) and substitute the following subclause:—

(3) in this section—

"home unit or flat" means a separate set of premises, whether or not on the same floor, constructed for use for the purpose of a dwelling and forming part of a building from some other part of which it is divided either horizontally or vertically;

"land" includes a home unit or flat;

"matrimonial home" means the house and curtilage, or as the case may be, the home unit or flat, of the matrimonial home of the deceased,

but if the land used as a matrimonial home was also used for other purposes, the amount allowed shall be the value of the interest of the deceased in that part of the land used as the matrimonial home.

This amendment is moved as a result of an undertaking given in the Legislative Assembly to review the legal interpretation of clause 9. The position arose as a result of remarks made in another place by Mr. Guthrie, the member for Subiaco. He was doubtful as to the legal interpretation of the existing clause in relation to home units. The draftsman states that the qualification of land to include home unit flat or flat applies to the whole section. He also considers the original wording achieves this just as effectively because the term "land" in subsection (2) is required to be read with the interpretation given in subsection (3). However, to satisfy the point raised by the member for Subiaco in another place, and to relieve any doubt, this amendment is made to clause 11.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 12 to 17 put and passed.

Title put and passed.

Bill reported with an amendment.

DEATH DUTIES (TAXING) ACT AMENDMENT BILL

Second Reading

Debate resumed from the 16th November.

THE HON. F. J. S. WISE (North) [11.48 p.m.]: I think it wise if I do not make much more than general comment on this Bill. It is a taxing measure to fix the rates applying to the estates of deceased persons, and such rates will apply after the passing of the Bill which we have just debated. This Bill is really related to the Administration Act.

In addition to the intention to increase the revenue available to the Government from probate duties, there are alterations affecting the existing exemptions, and variations to the rates applicable to the estates which pass to some close beneficiary. In the past, under the Death Duties (Taxing) Act, two classes of beneficiary were specified. The classes have now been extended to four and again the Victorian Act is taken as a model. The alterations to be made by this Bill to our Act, grouping the beneficiaries, have been copied from the Victorian Act.

There are also provisions for adjustment of interstate and foreign domiciled beneficiaries, which appear to simplify matters considerably. It is proposed that in the future the entire estate of a deceased person wherever situated, will be subject to deduction under the Western Australian law. That will apply no matter where the person is domiciled.

In grouping the types of estates in this manner, it does appear that they will attract a higher rate of duty, and there may be some members in this Chamber who would like to comment whether that is fair and equitable. At this time I do not wish to analyse that point. As I have mentioned, there are now four groups of beneficiaries, and death duties are provided for each of the four groups.

The Bill applies a mixture of the rates set in the standard States, and the Victorian average. The Victorian average is slightly higher than the average rates. I did notice when the table was circulated —or I thought I noticed—some members, and I will not look at one in particular whom I noticed, looking at figures very much lower down the column than those which could interest me. He had a worried look on his face and I wondered whether his problem would be so substantial, even at this stage before death, that it would keep him awake at night-time.

The Hon. J. Heitman: I was wondering who the Government was pointing the bone at.

The Hon. F. J. S. WISE: It will be noticed that I did not have to mention the name of the member. There appear to be anomalies in the percentage allowed for duties to be paid to the State. There seem to be differentiations which do not dovetail. I cannot pick the reason for this because there seems to be a stage where the rates of the individuals do not compare.

I think that members will be prone to look at the tables from a personal angle However, there are a lot I can see on whom it will have no effect at all. We can look at the tables in a much more

detached manner. Of course, those who are worrying need not worry because the extraction will be quite painless to them.

I do not intend to analyse the Bill any further. I could make a speech on it but suffice to say I am prepared to support the measure.

THE HON. T. O. PERRY (Lower Central) [11.54 p.m.]: I would like to comment briefly on this Bill. Incidentally, I find the tables 1 and 2, mentioned by Mr. Wise, hard to follow. I realise that revenue lost from this source must be gained from some other source, but if we are to encourage expansion in agriculture, and build up our export trade, we cannot afford to cripple many of our farming estates with heavy death duties.

If a parent dies leaving an estate to the family valued at $50,000, then $13,000 must be paid in probate duties, in addition to the solicitor's fees and the funeral expenses. That could place a burden of $15,000 on a property. That particular property might not be able to develop and extend if the money has to be found on short notice.

I think what is happening is that when a primary producer's asset reaches a certain value, instead of trying to increase the production and build up the asset—which is not only a personal asset, but an asset to the nation—the primary producer sets about finding ways and means to provide for probate—or means of avoiding probate.

This is having a drastic effect on production among producers. According to statistics issued by the Taxation Department—these are Federal figures and not State figures—primary producers have a burden out of all proportion with their incomes.

The figures supplied by the Federal Taxation Department show that primary producers pay 36.6 per cent. of all death duties in Australia. They represent only 7½ per cent. of the taxpayers. Their assessable income is 11 per cent. of the Australian total. Primary producers pay $15,000,000 out of the $41,000,000 which is paid annually.

It is also estimated that primary producers, not classified as such—retired primary producers—pay over $9,000,000 in probate. Add to those figures the mixed professional and farming estates—that is, doctors, lawyers, and solicitors with a mixed estate consisting of a farm and a private practice—which are not classified as primary producers, and it will be found that primary producers pay an enormous figure in excess of 50 per cent. of the probate paid in Australia. Those primary producers consist of only 7½ per cent. of the total population.

The Hon. R. Thompson: The basic wage earner would not pay much now that his wages are frozen.

The Hon. T. O. PERRY: I am only speaking of that section about whom I know something. I know that business people also contribute. Where primary producers have to find this terrific amount of finance at short notice, it must curtail primary production. An estate should not have to be disposed of because a parent has died and probate has to be paid. If there was some means of lengthening the period of time for the finding of the money, the estate could be kept within the family.

I know that in the dairying industry many young men who are not paid wages go out to earn pocket money during the slack time, and return to the farm when the work is there. Those young men are not paid wages but they help to build up an asset and when the parent dies they are taxed on an estate they themselves have helped to build up. I feel that through our present system a lot of young men who have farming background, and who are Australia's greatest custodians of the soil, are being lost to farming forever. Those young men develop farms not only for today, but for the future. They build up a heritage and an asset which often has to be disposed of.

There have been articles in the paper recently about the Dart family at Dumbleyung. When the father died I think the estate was valued at £70,000. The farm was auctioned for £60,000, which was £10,000 below the estimated value. The widow could not possibly find the money required for probate, so the estate had to be disposed of and the young people, instead of going on to the farm, are today working in an occupation they were not trained for.

Not many businesses or trading concerns could find one-third of the total value of their assets for a tax of this description. The Darkan estate I am quoting was valued at £50,000, and the probate duty came to £13,000. A solicitor was the executor of the estate and his fees amounted to £1,647 for the writing of about six letters. In addition, funeral expenses brought the total expenses to £15,000 on a £50,000 estate. I was mixed up in the affairs of that estate because the widow had asked me to take certain action in connection with it.

As a result of such expenses the whole estate is crippled, because it cannot progress or develop in view of the tremendous burden of probate duty. Unless action is taken to reduce the rate of probate duty, or provision is made to permit the relatives of a deceased person a longer period in which to pay the probate duty, the position in regard to some estates will become chaotic. I think the Minister for Mines has said that time can be granted for the payment of probate duty by the relatives of a deceased person.

The Hon. L. A. Logan: That is under Commonwealth legislation.

The Hon. T. O. PERRY: I know that when my father died we were expected to pay 10 per cent. interest on the money and we were given a limited time in which to find the amount owing. I am not acquainted with the position in regard to payment of State probate duties, but I am aware of the crippling effect which probate duty has on various estates, because of the tremendous amount of money that has to be found within a short period by the relatives of a deceased person.

Unless a situation is reached under which people are allowed from three to five years in which to pay probate duty, it will be found that an estate which has been in the family for years will be lost to the sons or relatives of the deceased who are trained in farming methods and, further, their services will be lost to the State for all time. I support that part of the table which gives relief in regard to the payment of probate duty, but I am reluctant to give support to those tables which increase probate duty on an estate which passes to members of the deceased's family.

THE HON. N. E. BAXTER (Central) [12.3 a.m.]: I have studied the tables set out in this measure and have compared them with the current rates that exist today and, as Mr. Watson has said, they represent practically a *quid pro quo* for the Government in relation to the amount of money it will collect from probate duty.

The Hon. F. J. S. Wise: That is something new for this Government.

The Hon. N. E. BAXTER: Yes, I agree, but it is a fact that it does mitigate against any increase that is made, because the increase in the value of estates is similar to the increase in the value of properties for the purpose of imposing local authority rates.

The amount received by the Government for probate duty keeps increasing because of the increase in values of the estates, and therefore the amount collected keeps pace with the Government's expenditure. There has been no necessity to increase the tax obtained from probate duty to enable the Government to increase its funds at the Treasury, and so that the money can be expended in various ways.

According to the figures set out in table 1 on page 3 of the Bill, there appears to be an easing off on the probate duty to be imposed in regard to a widow, widower, children who have not attained the age of 21 years, wholly dependent adult children or wholly dependent widowed mother of the deceased person. However, this easing off in probate duty is picked up in other parts of the table.

The Hon. A. F. Griffith: Why do you say, "there appears to be an easing off" when, in fact, there is?

The Hon. N. E. BAXTER: I did not intend to use the word "appears." There is quite a reduction provided in table 1.

The Hon. A. F. Griffith: That is better.

The Hon. N. E. BAXTER: In table 2, although there is some easing off in probate duty up to $5,000, it is found that for amounts of $6,000 and upwards to $20,000 there is an increase in the amount of duty payable. Then, on the amount of $20,000, up to and including $90,000, there is a reduction in the current figures of probate duty payable. From then on the amounts received are all to the credit of the Government when compared to the existing duty payable; that is, on all estates up to the value of $200,000. From there on, estates valued at $200,000 and over, there is a reduction of duty payable.

So members will see that the table varies considerably. First of all it offers a reduction in the duty payable, then there is an increase, then a decrease, and then an increase again. Those who come within the middle group, as far as the value of estates are concerned, appear to obtain a benefit under table 2. There is one feature in table 2 which the Minister might explain. In brackets there appear the words, "not being wholly dependent adult children." They must be children who, I take it, would be physically affected, or mentally retarded. Perhaps all the words under the heading of table 2—that is, "Children who have attained the age of 21 years (not being wholly dependent adult children) or other issue, of the deceased person" have reference to a son over 21 years of age who works on the property and who is dependent for his living from the property.

I would like to ask the Minister to clarify the true meaning of those words because the son of a farmer who works on the property is wholly dependent on the property itself for a living. Would he be embraced by the provisions of table 1, or would he come under table 2 for the purpose of probate duty? I trust the Minister will explain that for me. I hope he understands what I am referring to.

The Hon. A. F. Griffith: I am trying to understand.

The Hon. N. E. BAXTER: I am referring to wholly dependent adult children. It may surprise the Minister to know that I intend to support this measure. It is one I could not oppose because it works out fairly evenly and, all-in-all, it does not increase taxation with the exception of those parts of the table to which I have referred.

THE HON. A. F. GRIFFITH (North-Metropolitan—Minister for Mines) [12.8 a.m.]: I appreciate that a Bill which does not impose increased taxation is much easier to support than one which does. I could advance this sort of argument further,

but the hour is fairly late and I do not propose to ask the House to deal with any other measure this evening following the conclusion of the debate on this one. I do not think the point raised by Mr. Baxter is rightly taken, but I am not sure. A young man or a son who works on a farm is not dependent on the farm.

The Hon. H. K. Watson: I think the question asked by Mr. Baxter is answered at the bottom of page 5 of the Bill.

The Hon. A. F. GRIFFITH: Yes, of course. With the assistance of my colleague, Mr. Watson, could I draw your attention, Mr. Baxter, to the bottom of page 5 of the Bill? Having dealt with that query, I wish to advise Mr. Perry that I appreciate this is a difficult matter, but once again it is a question of not being able to have the best of two worlds. If one develops a property the Taxation Department grants to the primary producer certain taxation concessions in order that he may develop his property. These are benefits which other people do not receive.

The Hon. F. J. S. Wise: It is more a matter of life and death.

The Hon. A. F. GRIFFITH: What, the payment of probate duty? The property is then developed to the point where it is a valuable estate. One cannot expect to sell the property at a profit on the one hand, and avoid the payment of probate duty on the other. That is the situation.

The Hon. E. C. House: It is only worth the income that comes off it.

The Hon. A. F. GRIFFITH: That is right, until the owner wants to sell it.

The Hon. E. C. House: You ought to know; you are a farmer.

The Hon. A. F. GRIFFITH: When the owner wants to sell it he then asks for its value.

The Hon. S. T. J. Thompson: The average farmer does not want to sell; he wants to get a living off it.

The PRESIDENT: The Minister seems to be standing there waiting for interjections. I think he should get on with his speech.

The Hon. A. F. GRIFFITH: I find I have no necessity to stand and wait, Sir. The table laid down in the Bill is an attempt to more equitably distribute the probate duty which is to be paid upon deceased estates.

The Hon. F. J. S. Wise: Mr. House's point is that it is not a question of cash invested but the value of the increment.

The Hon. A. F. GRIFFITH: That is the point I was trying to develop. Without attaching the blame to any one particular case, there are plenty of instances where the individual himself can save his family this embarrassment if he were to act when the time was ripe. For example, a son may spend most of his years on the farm working for nothing for his father, and his father should recognise his efforts earlier—at any rate before it is too late.

The Hon. F. R. H. Lavery: Hear, hear!

The Hon. A. F. GRIFFITH: As Mr. Wise said, what is the advantage in being the richest man in the cemetery? If the son has helped his father build a property the father should recognise that fact before it is too late. This is an attempt to work out more equitably the basis of the payment of probate duty with the emphasis on the family home, and with the emphasis on the payment of little or no duty up to a certain standard of a net final balance.

The Hon. E. C. House: We were trying to emphasise the point that the Government cannot do without the farmer.

The Hon. A. F. GRIFFITH: The honourable member does not have to convince me of that.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (The Hon. F. D. Willmott) in the Chair; The Hon. A. F. Griffith (Minister for Mines) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: First schedule amended—

The Hon. A. F. GRIFFITH: It has been drawn to my attention that on the third last line of page 2 there appears in brackets reference to subparagraphs (i), (ii), and (iii). If members will read paragraph (d) they will see that these references should be (a), (b), and (c). Perhaps you could instruct the Clerks to make the necessary correction, Mr. Deputy Chairman.

The DEPUTY CHAIRMAN: The Clerks will make the correction.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Mines), and passed.

House adjourned at 12.17 a.m., Wednesday.