

Relief Fund Act, a majority of the farmers obtained financial assistance to adjust their creditors' claims and had their stay orders cancelled.

The two Acts are complementary, and it is necessary to extend the Farmers' Debts Adjustment Act to enable the Rural Relief Fund Act to continue to function, as that Act provides for the continuous use of the funds held by the trustees for debt adjustment purposes only. Assistance under the Rural Relief Fund Act has amounted to £1,291,730, of which £1,283,000 was granted by the Commonwealth Government, and the balance made up from money repaid by farmers.

The fund at the 31st October, 1956, stood at £199,037 9s. 1d. and is gradually being augmented by repayments by farmers. Since the Act was amended to provide for the discharge of the mortgages on payment of 20 per cent. of the amount, 2,172 farmers have taken advantage of the concession and repaid £208,617 11s. 11d.

There is still a large number of farmers who have not availed themselves of this generous concession. As a result of the advent of more prosperous times in the farming community, the two Acts are practically dormant, and administration work is carried out by officers of the Lands Department as part of their normal duties.

The principal Act over the years has been of material benefit to many farmers, and it is considered advisable to keep it on the statute book, not only to enable the functions of the Rural Relief Fund Act to be carried out, but to ensure in an emergency that a farmer could be granted a stay order to give him an opportunity to put forward proposals to his creditors for carrying on his farming operations. The Bill provides for an extension of the principal Act until the 31st March, 1962. I move—

That the Bill be now read a second time.

On motion by Hon. Sir Charles Latham, debate adjourned.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. G. Fraser—West): I move—

That the House at its rising adjourn till 3.30 p.m. today (Thursday).

Question put and passed.

House adjourned at 12.26 a.m. (Thursday).

Legislative Assembly

Wednesday, 5th December, 1956.

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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

QUESTIONS.

RAILWAYS.

(a) *Establishment of Marshalling Yard, Marbellup, etc.*

Mr. HALL asked the Minister representing the Minister for Railways:

(1) Will the proposed closure of the Elleker-Nornalup line mean the establishing of rail head or marshalling yard at Marbellup?

(2) If not, will he give an assurance that goods will be taken to Albany for marshalling?

The MINISTER FOR TRANSPORT replied:

(1) No.

(2) Yes.

(b) *Condition of Elleker-Nornalup Line, Tabling of Papers.*

Hon. A. F. WATTS asked the Minister representing the Minister for Railways:

Will he lay on the Table of the House for this week only, all papers covering reports on the condition of the Elleker-Nornalup railway?

The MINISTER FOR TRANSPORT replied:

Yes, with the exception of the file dealing with the closure of non-paying lines which may be seen at the Minister's office.

I will lay the files in my possession on the Table of the House for one week.

(c) Fires Caused by Collie Coal.

Mr. MAY asked the Minister representing the Minister for Railways:

Referring to the answers given to my question on the 20th November, relating to bush fires, will he give the segregation of the 156 bush fires which occurred during the year 1956, showing the cause of such outbreaks?

The MINISTER FOR TRANSPORT replied:

The question asked by the hon. member did not stipulate bush fires and was answered accordingly. Actually the number of fires on private property for 1955-56 attributable to sparks from locomotives burning Collie coal or alleged to have arisen from that cause, was 47.

WAR SERVICE HOMES.

Proposed Development, Hackett Estate, Floreat Park, etc.

Mr. MARSHALL asked the Minister for Housing:

(1) What development is proposed in the Hackett estate, Floreat Park, for war service homes to be erected, and is any further subdivision taking place?

(2) As access roads are urgently desired south to Stubbs Terrace for the convenience of residents in this area, will the department give early consideration to such development?

(3) Will the department give consideration to allotting a further area to the existing reserve in Draper-st., to be developed as a civic centre if any such subdivision of the Hackett estate is contemplated?

The MINISTER replied:

The Hackett estate, Floreat Park, is fully developed and no further land is available to the State Housing Commission for building purposes. The adjoining area is university endowment land.

HOSPITALS.

Bed Averages.

Mr. CORNELL asked the Minister for Health:

What was the bed average of each of the following hospitals—

Royal Perth;
Fremantle;
King Edward Memorial;
Princess Margaret;

for the following years—

ended the 30th June, 1954;
ended the 30th June, 1955;
ended the 30th June, 1956?

The PREMIER (for the Minister for Health) replied:

Hospital.	1953-54.	1954-55.	1955-56.
Royal Perth	549.1	577.8	577.8
Fremantle	155.7	159.6	169.6
King Edward Memorial	123.6	123.3	121.8
Princess Margaret	161.8	176.3	161.1

SHIPPING STRIKE DARWIN.

Ships Affected.

Mr. COURT (without notice) asked the Premier:

Has he any further information regarding the strike position at Darwin, and were only State ships affected by the strike reported from that port?

The PREMIER replied:

I have no additional information up to the present. I understand that other than State ships are affected by the dispute.

**RESTRICTIVE TRADE PRACTICES
SELECT COMMITTEE.**

Extension of Time.

On motion by Hon. A. F. Watts, the time for bringing up the report of the select committee was extended for five weeks.

**WARBURTON RANGE NATIVES
WELFARE SELECT COMMITTEE.**

Extension of Time.

On motion by Mr. Grayden, the time for bringing up the report of the select committee was extended for one week.

LEAVE OF ABSENCE.

On motion by Mr. Ross Hutchinson, leave of absence for two weeks granted to Hon. D. Brand (Greenough) on the ground of ill-health.

**BILL—VERMIN ACT AMENDMENT
(No. 1).**

Second Reading.

Debate resumed from the 15th November.

MR. I. W. MANNING (Harvey) [4.38]: I desire to make some observations on this measure. The Bill appears to contain four main amendments to the parent Act. The first is the prohibition of trapping on an area where poison has been laid or has been prepared for the laying of poison; the second is greater protection for departmental officers doing experimental work; the third is greater powers for vermin control officers; and the fourth is an increase of penalties.

For my part, I am not very enthusiastic about the Bill because from my knowledge of vermin control and observations of the steps being taken to eradicate rabbits, these measures are meeting with a great deal of success under the provisions of

parent Act. I do agree that trapping before or during poison campaigns should be prohibited, particularly where 1080 poison is being used.

It is the usual practice that when poison has been laid to hang a notice on the farmer's gate saying that poison has been laid there. The notice reads: "Poison Laid." Because of the heavy increased penalties, I think we should have a better notice displayed on the farmer's gate, and I suggest that it should read: "Poison laid. Trapping prohibited." The onus would then be on the trapper who came into the area to know that he was committing an offence, and he would clearly know that poison had been laid. Trappers in these circumstances should have some warning because they could claim that they were unaware of the fact that poison had been laid or that trapping was prohibited.

Mr. May: Provided they go through the gate and not over the fence.

Mr. I. W. MANNING: I raise no objection to that portion of the Bill which gives increased protection to departmental officers carrying out experimental work, provided an assurance is given that reason and mercy will be exhibited by those engaged in that work. For the rest of the Bill, I have little sympathy and to some of the proposed amendments I have strong objections. Certainly, I see no reason whatsoever for those amendments which tighten up the method of control. Much of the Bill deals with this question.

Under the present Act, a good deal of goodwill and co-operation exists between the vermin control officers and the farmers. Many vermin control officers have stated to me that they have entered a property to lay poison and the farmers have met them with friendly goodwill, and when they have completed the job, the farmers have thanked them for their assistance. I think it is clear that farmers regard rabbits as a pest and look upon the vermin control officers as friends. Therefore it amazes me that so much of the Bill sets out to clothe the vermin control officers with the powers of a policeman.

The Minister for Agriculture: The trouble is that you do not legislate for the majority but for the few who are always breaking any Act.

Mr. I. W. MANNING: Much of the success of the officers carrying out this type of work, depends on their approach to the people they have to deal with. If they are clothed with the powers of a policeman and are given such a big stick as is written into the Bill, they will lose the goodwill and co-operation of those with whom they have to deal.

Certainly I think it is a bad principle to write into such measures, provisions giving these officers the powers of a policeman—that is, the right to arrest people. Surely

when it comes to arresting a person, the job should be that of a qualified officer! If we are going to give to vermin control officers a job that is normally that of a policeman, it seems a very bad principle, and I have the strongest objection to the provision in the Bill.

The penalties in many cases are severe. I am amazed to see written into the measure the same penalty for committing an offence as for attempting to commit an offence. Normally, the penalty for attempting to commit an offence is half of that which applies to the actual committing of it. This is a new principle to be contained in a Bill.

I am surprised that so much of a measure such as this, where we have civil servants going out and co-operating with farmers in the control of vermin, deals with offences, because to my mind there is very little that we would expect in the way of breaches of the law. There are only two people who could commit an offence—one is the trapper who traps in a prohibited area, and, of course, we have no sympathy for him, and I support the portion of the Bill which provides for that offence; and the other is the farmer who fails to co-operate.

In the past, co-operation has been achieved by the goodwill of the people handling this problem. At present, the control of vermin is being improved year by year. I foresee that in the near future, if we maintain the current rate of control, the rabbit pest will cease to be a serious menace. Therefore the Bill is too late in that regard.

Then it goes on to give the authorised person considerable power to tell the farmer what he shall do and what he shall not do regarding the shifting of his cattle and the preparation of his land for the laying of poison. These things have been done under the parent Act. The farmer has shifted his stock satisfactorily and he has run out the furrows, carried out free feeding and complied with any other requirements of the vermin control officer. Why this should be written into the Bill, I cannot understand.

There is, of course, some difference of opinion as to the value of free feeding. In the irrigation districts, where there is much green feed throughout the summer months, a good deal of care has to be exercised in persuading the rabbits to take the poisoned baits. The normal procedure is for a furrow to be run across the paddock, and free feeding carried out for three nights prior to the laying of the poison. In the areas where there is plenty of feed, such as green grass, it has been found that after the first couple of nights, the rabbit loses interest in the trail and does not come along when the poisoned bait is laid.

The most successful way has been to lay the poison in a new trail, the rabbit being attracted, of course, by the newly turned

soil. It runs along the new furrow, and in that way picks up the poisoned bait. There is still much to be learned about the best methods of laying poisoned baits, but I do not think we will achieve anything by amending the Act in the manner proposed here.

In conclusion, I would like to say again that I strongly object to vermin control officers being turned into policemen and given the power to arrest people. If it is necessary that a person should be arrested, a policeman should be called in to do the job. With an unqualified person, arguments could develop, and one thing could lead to another. We will have all sorts of troubles and difficulties if this provision is written into the Act. I support the second reading.

MR. NALDER (Katanning) [4.50]: I consider that this Bill has some very objectionable clauses in it and I am certainly not in favour of the one which gives an officer power to go on to a property and take the name and address of the owner, the lessee or an employee, as the case may be, and if such person refuses to give his name and address, he is liable for a fine of £100. I cannot understand why the Minister should agree to such a provision. If an argument starts between the officer of the department and an employee or the owner or the lessee of the property, surely there are other ways of ensuring that justice is done without having a section in the Act which makes that person liable to a penalty of £100! I do not know whether there are any other Acts which have such vicious penalties for minor offences.

I understand that under the Criminal Code a police officer can go on to a person's property and ask for the name and address of an individual, if he is suspected of having committed some offence, and if that person refuses to give the necessary information the maximum fine that can be inflicted is £5. Yet under this legislation, if this Bill is passed, we will be giving a rabbit inspector or an officer of the Agriculture Protection Board the right to demand a person's name and address and if some argument develops over certain aspects of rabbit control, and that person refuses to give his name and address, he will be liable for a fine of £100. I think that is going too far altogether.

There is another aspect to it, too. I think this Bill is starting to whittle down the powers of local authorities and that is something to which I object. I consider we should build up our local authorities and give them more power to carry out this type of work because they are on the spot. Local road boards usually appoint their own vermin inspectors from time to time and while some of them are not working in that connection on a full-time basis, they combine their job with that of traffic inspector, or something like that.

At certain periods of the year those inspectors travel round the district and inspect properties to see whether farmers are carrying out proper rabbit control. In my opinion, that is the right way to deal with this problem.

The Minister for Agriculture: How does this Bill alter that?

Mr. NALDER: It seems to me that we are gradually taking the power away from our local authorities and, in my opinion, they should be the ones to control vermin.

The Minister for Agriculture: It says "Inspector or authorised person."

Mr. NALDER: I might be quite wrong, and if the Minister can assure me on the point, I shall be quite satisfied.

The Minister for Agriculture: That is so.

Mr. NALDER: Recently officers of the department have been going through the country and meeting road board members. I understand, on good authority, that one of the officers of his department attended the meeting of one local authority and wanted to know why its vermin rate was being reduced and had the local authority a good reason for it. The inspector appointed by that local authority had canvassed the whole of the district and found that there were practically no rabbits anywhere about. He reported that to the board and the members said that there was no reason why the board should continue to pay this inspector who would be just driving around the district with nothing to do. They said that that was a waste of money and so they terminated his service as rabbit inspector. But the local authority was told that unless it continued to employ the rabbit inspector to go round making inspections, the central control, which is situated in the City of Perth, would take rather drastic action and the matter would be handled from Perth. I oppose any measure which gradually whittles down the powers of local authorities.

The Minister for Agriculture: The power is under the Act now.

Mr. NALDER: If my fears are not well founded, I will accept the Minister's assurance. But I do not like to see any control taken away from our local authorities.

The Minister for Agriculture: I would not agree to that either.

Mr. NALDER: I think it is far better for our local authorities to have the power to control vermin and if the Minister can assure me and the House that there is nothing in this measure to lessen the power of our local authorities, I will be happy to agree to the second reading. I think these people should control vermin, traffic and other matters which are the concern of those local authorities. I thought I could see the writing on the wall.

The Minister for Agriculture: No.

Mr. NALDER: I will oppose any measure for a centralised control with matters such as this when that control is situated in the city and taken away from the country.

The Minister for Agriculture: I would not be in favour of that.

Mr. NALDER: I am pleased to have that assurance from the Minister. If that is the case, I am prepared to support the second reading but there are some clauses in the Bill which I hope will be amended. I am interested to note that the Minister has indicated that possibly the proposed fine of £100 is too much. If he is prepared to play ball in that regard, I shall not delay the House any further. I support the second reading.

MR. HEARMAN (Blackwood) [4.57]: I wish to support the second reading and I am particularly interested in those portions of the Bill which endeavour to control trapping while a poison drive is in progress. One local authority in my electorate, namely, the Bridgetown Road Board, is very insistent about the need for some power in this connection. In my own locality there was one instance where a man had gone to a lot of trouble to prepare for a 1080 drive. He had made his trail, pre-fed his rabbits twice and then found that a trapper had gone out and set his traps right alongside the trail and cleaned up the rabbits before he got the poison down. Consequently he lost the effectiveness of the poison.

That was bad enough but it is possible, in those circumstances, for a trapper to be trapping the night the poison is laid and in such a case he would possibly trap a lot of poisoned rabbits. Instances of that nature underline the necessity for some control of trapping. I have no quarrel with that portion of the Bill which seeks to give additional protection to research workers.

As regards the question of increased penalties, I am glad to see that the Minister has apparently relented to some extent. The main factor to consider is the ensuring of the work required being done, whether it be for the control of rabbits or any other vermin. The work must be carried out somehow and it is not so much a question of punishment as ensuring that there is some vermin control. I have no objection to the cost of the work being charged to the person concerned, and seeing that he is charged plenty for it, but the first essential is to see that the necessary eradication measures are taken.

In my experience, and if it is possible to generalise, the people who fall down on the job can be classed in two categories. By far the greater number are those who are simply careless in these matters, and who, though well-intentioned, are negligent and do not care; those who perhaps are too lazy. I do not think anyone has any particular objection to seeing people

in that category brought into line. Generally speaking, the experience of the control officers is that these people can, with a bit of persistent attention, be made to toe the line.

To my mind, the people who are most difficult to deal with are those who have religious convictions. It does not matter what penalty is provided in the Act, they will not pay the slightest heed to it. If a person does hold strong religious convictions, however much I personally disapprove of them, I have some respect for those convictions. I am a bit disturbed that a person who does hold sound religious convictions, no matter how much they are divergent from my own views, should be subjected to these heavy penalties for failure to carry out the work.

There again the real intention should be to get the work done; to get the employees of the Agriculture Protection Board or the local authority to actually do the work; possibly have an argument as to who is going to pay and take the normal court processes to get their money back. But I am disturbed to think that a man, because of his religious beliefs refuses point-blank to co-operate, should be penalised to the extent envisaged in this Bill. No useful purpose would be served by imposing a fine of £100.

I have one person in mind who would come up for a fine of £100 every year. I do not think we could let him out because he is a man who commits this act every year and has done so in the past. The fact that he is fined £100 every year will not necessarily ensure that he will make any effort to control rabbits, and it would alienate public sympathy. His neighbours get very upset, but even they would not agree that he should be punished to this extent. People like that are extremely difficult to deal with and they are examples of the contention I put forward a few moments ago, namely, that the main object is to get control of those properties rather than impose heavy penalties on the owners. I support the second reading and I hope the Minister will bear my remarks in mind when the member for Harvey moves his amendments dealing with penalties.

THE MINISTER FOR AGRICULTURE

(Hon. E. K. Hoar—Warren—in reply) [5.4]: I do not wish to take up more than a few moments in reply, but I would like to thank members for the contributions they have made to the debate. I am rather surprised to see that the member for Harvey has expressed himself as being so bitterly opposed to the Bill. The three or four amendments contained in the measure are the result of years of experience in trying to make workable the existing legislation, and because of shortcomings in that respect it has been found necessary, particularly with regard to

penalties, to tighten them up and strengthen the position so that they will act as a deterrent more than anything else.

For instance I cannot recollect any penalties in this Bill which are to be inflicted for work not done, because the Act already provides for that. These penalties are provided for cases of personal injury against an officer of the department, or for inciting or encouraging other people to commit offences against the Act itself, or for the wrongful disclosure of information or refusal to give it. It is for offences of that kind, all of which in recent years have been applicable. We know that it does not apply to very many people because, as the member for Katanning has said, farmers are normally co-operative, because they know that the work being done is for their own good.

Mr. Hearman: What instance of failure to disclose information has held you up?

The MINISTER FOR AGRICULTURE: If an officer of the department, or the vermin board, as the case may be—to bring the local authorities into the picture as they are entitled to be brought in—go to the expense of sending someone out to do a certain job of inspection, and if he finds on arrival that he is being obstructed in his work by the non-co-operative attitude of the farmer concerned in not supplying sufficient information, or refusing information, he should be protected. It is such happenings that have made it necessary to have another look at the Act.

Generally speaking, this Bill is designed to protect departmental officers in the normal work of research on behalf of the farmers, in the experiments with poisons and so on, and it is also designed to prevent, as far as is humanly possible, attacks on officers by providing penalties as a deterrent. We would not have considered bringing a Bill of this nature down if it were not thought necessary in the light of experience gained. I agree that, as it is at present worded, the Bill in some respects is inclined to be harsh. I think one amendment is inclined to go a little further than it should. I have had a look at the notice paper containing the amendments proposed by the member for Harvey, and whilst I cannot agree to them all, I think we might arrive at a reasonable compromise at least in regard to the special ones which he and other speakers have in mind relative to the creation of a police state—as members have put it—to provide for this.

If members will agree to the proposals I have to put forward, I feel sure they will satisfy everybody. Apart from one instance in which the penalty does seem

a bit harsh, I think the Bill is a reasonably good attempt to endeavour to overcome the difficulties that have faced the department for a good many years. I will leave the rest of the discussion to the Committee stage.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Moir in the Chair: the Minister for Agriculture in charge of the Bill.

Clauses 1 to 5—agreed to.

Clause 6—Sections 121A and 121B added:

Mr. I. W. MANNING: I move an amendment—

That the words "one hundred" in line 3, page 6, be struck out and the word "fifty" inserted in lieu.

Some of these penalties should be reduced because they are out of all proportion to some of the offences which may be committed. The occasions would be very rare when a person would insult a vermin control officer or use abusive language, and the penalty of £100 is excessive for that purpose. Consideration should be given to reducing it to £50.

The MINISTER FOR AGRICULTURE: The Committee should not agree to this amendment. I agree it is not in many cases that an officer of the department would be personally attacked or abused. Acts of Parliament are not designed to cover individual offences which are in the minority. If everybody played the game, there would be no necessity for penalties in our statutes. But if we are to protect our officers in the undertaking of their work, we should not quibble at a penalty which would act as a deterrent. If we look at some of the other offences we find the penalty is £100, but that has not been challenged by the member for Harvey or anybody else.

If those penalties are necessary, how much more necessary is the penalty provided for a personal assault which could do bodily or grievous harm to a person engaged in his normal work. The penalty should be sufficient to act as a deterrent to protect officers engaged in their duties. I think that the penalty of £100 for a person punching an inspector or an authorised person on the nose would tend to prevent such occurrences from happening. I oppose the amendment.

Mr. HEARMAN: When considering the penalties to be imposed, we should be guided by certain principles. One is the seriousness of the offence and the other is the frequency. I do not like to see an officer of the Vermin Control Board or of the local authority made a punching bag, but I know of no instances where that has occurred. If the Minister can tell us

of actual cases where those officers have been assaulted, I might be inclined to agree to a severe penalty. The Chamber should not interfere and impose a heavy penalty unless such offences are increasing in frequency.

In my view, the penalty of £100 for the use of abusive language is very solid. It is a much heavier penalty than that provided for under civil law in respect of a similar offence. The use of abusive language generally results from a momentary loss of control, and this occurrence will take place without thought to the penalty. Irrespective of whether the penalty is £10 or £100, no difference would be made to the commission of such an offence.

To support his case the Minister should at least show that the offences are occurring more frequently, or that it is difficult to retain the services of officers in this work. To say that the heavier penalty will make the work of the officers easier is unreasonable. The Minister should show that those officers have been hampered or assaulted, and that abusive language has been used against them. I support the amendment.

Mr. NALDER: I support the amendment. In my view, the penalty should have been less than the amount of £50. The Minister stated there is the possibility of officers being attacked, but I have not yet seen any Press report where such an attack has taken place. If the department had been giving consideration to these details over a number of years, and if the evidence revealed that a number of such officers had been attacked by farmers—

The Minister for Agriculture: I did not say that.

Mr. NALDER: The Minister inferred that he was introducing this measure and the penalties as a deterrent. If that is the case, there must have been occasions when officers of the department were attacked by farmers or their employees. I thought he said they were punched on the nose. If the Minister is to legislate for a measure such as this, he should give instances of the offences that have been committed. What he has told us does not convince me that the cases referred to were real. If any such trouble has occurred in Katanning, Kellerberrin, or any other farming centre, he should name them; he should give instances where farmers have abused vermin control officers, or caused them grievous bodily injury.

The MINISTER FOR AGRICULTURE: When introducing a measure it is not necessary to give specific instances of offences with a view to their prevention. I cannot imagine that the Criminal Code was drawn up after offences had been committed.

Mr. Nalder: That was your argument.

The MINISTER FOR AGRICULTURE: I did not raise that argument. I said this part of the Bill which seeks to protect an officer of the department from possible assault is justified, not because we are aware of instances where departmental officers had been punched on the nose. We realise that as a result of disagreement, tempers might be lost on occasions and the parties would nearly come to blows. The department considers that the penalty should be £100, but in view of what the member for Harvey has said, I have no objection to his amendment.

Amendment put and passed.

Mr. OWEN: In Subsection (6) of proposed new Section 121A the penalty proposed is £100, and it is the intention of the member for Harvey to amend it to £50. Unless the Minister can convince this Chamber of what is meant by attempting to commit an offence against this Act, I would prefer to see the whole paragraph struck out. I therefore move an amendment—

That the words "A person shall not attempt to commit an offence against this Act" in lines 12 and 13, page 6, be struck out.

The MINISTER FOR AGRICULTURE: I cannot accept this amendment. Although I have to confess that it is very difficult to describe what is meant by an attempt to commit an offence—

Hon. A. F. Watts: If you can explain how one can attempt to use abusive language I might agree to this part of the clause.

The MINISTER FOR AGRICULTURE: There is already a penalty for the offence of using abusive language.

Hon. A. F. Watts: How can you attempt to use abusive language.

The Premier: Unless the person was a stutterer.

The MINISTER FOR AGRICULTURE: I cannot answer that. In the first part of the clause, provision has already been made for a penalty against a person inciting, encouraging, aiding or abetting, or procuring a person to commit an offence. If there are four cases where a person can attempt to commit an offence, surely many more cases can exist. As a consequence, it was thought advisable to include a penalty for a person who attempts to commit some further offences. I agree with the intention of the member for Harvey to reduce the penalty from £100 to £50, but I oppose the amendment.

Mr. HEARMAN: The Committee should be realistic about this matter. The Minister says that a person shall not incite, encourage, aid or abet, or procure a person to commit an offence, but by that very action the person would be committing the offence. He is already covered. Surely he cannot be dealt with twice! I realise there

are cases where religious cranks go about preaching that rabbits should not be exterminated, but reference to a person attempting to commit an offence is a new approach. Legally it is a problem to prove intention. In actual practice, I doubt very much whether there would be one case in a thousand where intention could be proved.

It seems to me that the position is covered in the dragnet clause, which covers offences such as assaulting the inspector and so on, and the only other thing I could think of that would be dealt with under this subsection would be what might be called dumb insolence; and everyone knows how difficult that is to deal with. One can stand and stare at a man and the man might not like the look on one's face. In such a case one could be proceeded against because the inspector was embarrassed. That is ridiculous. I cannot see any virtue in a provision of this kind. It requires proof of intention, and that is extremely difficult to obtain.

Mr. NALDER: I do not consider that this provision is necessary. The previous subsection provides what a person shall not do, and now we have one to say that a person shall not attempt to do something. The person who could be caught up in this provision would be one who, as the Premier suggested, had an impediment in his speech which made him stutter. An inspector could go along to his property and be about to tell him something, and the farmer could start off by suggesting that he had better go and get another inspector to come and prove it. He could start off with the words, "You b-b-b-," and before he could go any further, the inspector could accuse him of attempting to use abusive language.

Mr. I. W. MANNING: Whereas what he was probably going to say was, "You beauty!"

Mr. NALDER: The provision is rather ridiculous.

Mr. I. W. MANNING: I find it difficult to understand how a person could attempt to commit an offence under this Bill. He either commits it or does not commit it. If a rabbit-trapper traps in a prohibited area, he commits an offence. If he is not trapping, he does not commit an offence, and cannot be charged. Then a farmer is required to carry out certain work. If he does not do so, he commits an offence and is liable to prosecution. If he carries out the work, he is doing the right thing. I see no reason for a provision such as this.

Mr. ACKLAND: I support the amendment. The Minister should realise that these provisions in the Bill are a protection to the members of this department. This provision appears to me to protect employees of the Vermin Branch even if they use no tact, and go on to a property and start to ride rough-shod

over somebody, thus inciting those they wish to proceed against to act in a way which would make them liable under this provision.

Already, the Minister has all the safeguards required; because, if people do certain things, they will be liable to a penalty. The Minister said that this was not his own idea but had been recommended by the departmental officers. In that case I believe that they want to be in the position that they need not act decently towards people but can ride rough-shod over them; and then, if they resent it, they will be prosecuted under this provision.

The MINISTER FOR AGRICULTURE: In other statutes there is provision for punishment for the offence of loitering if the loitering is known to be done with the intention of committing a felony. So this is not the first occasion upon which it has been suggested that somebody should be punished for attempting to do something. With regard to this measure, I can imagine a case where an area was declared a prohibited area so far as trapping is concerned; and yet a trapper, after the whole of the facts had been disclosed through the Press and in other ways, could set out with his traps for the purpose of committing a felony.

He might be prevented from doing so by an inspector or an authorised person who would tell him bluntly what he would be up for. He might argue and still proceed with his intention. If he did so, he would commit an offence. But under this provision, he would also have committed an offence by attempting to do something. That is one instance where this provision would operate; and there could be quite a number of other instances which, at the moment, I cannot call to mind. Evidently there was a reason for having this provision included in the Bill.

I suggest that the proposed new section be agreed to, with the amendment of the member for Harvey, and then I will have further inquiries made into the matter. Subsequently, unless a very good case could be put up for the retention of the provision, I could have it removed when the Bill reaches the Legislative Council. I believe that I have given a concrete case in support of the provision and I think it would be a mistake to agree to the amendment.

Hon. A. F. WATTS: I consider the whole provision to be quite ridiculous. There are already a number of substantial penalties provided for assault, and there are penalties for the use of abusive or obscene language in public or private places and for an attempt to commit offences, in respect of which the court can impose a penalty of half of that which would be imposed if the offence were actually committed. All of these are to be found in

various parts of the Criminal Code and the Police Act, and have been operating for years.

In regard to abusive language and the attempt to use it, it will be found that the penalty is a matter of £2. Even if we relate the £2 at the time of the passing of the Police Act to the present-day level of prices, it would not exceed £20. I am allowing for the value of the £ having depreciated to 1/10th, which is an excessive figure.

I cannot for the life of me see why on earth these provisions are inserted in the Bill, seeing that all the offences are already adequately provided for by other statutes and the penalties are—except in the case of assault, in respect of which one can get 12 months if bodily harm is not done and seven years if it is—lower than proposed in this suggested new section, even if allowance is made for the devaluation of the £.

We should not make ourselves look ridiculous, as I think we will if we pass a statute of this nature to deal with specific cases of this character when, if any of the things are done to a vermin inspector which it is suggested might be done, the offender can already be adequately dealt with by other laws. I support the amendment.

Mr. OWEN: I moved my amendment to give the Minister a chance to explain what was meant by the provision. He did suggest that it might cover the case of a person deliberately attempting to do something. But I think there would be many who might innocently attempt to do something or it could be proved that they did attempt to do it, although they were innocent. Under the wording of the clause, the inspector himself could be guilty if, by a wrong approach, he could be said to have attempted to encourage another person to commit an offence, and it could be interpreted that one word uttered out of place could amount to that. I think the amendment should be agreed to.

Mr. HEARMAN: I feel that the clause should be struck out. The Minister has not given any good reason for its retention.

The Minister for Agriculture: I gave a good reason.

Mr. HEARMAN: I do not think it was a good reason. In effect the inspector could tell a person that he must not trap in a certain place and if that person told him to jump in the lake and continued to trap, the inspector could follow him up and he could be prosecuted for trapping. The only case I can see which would come under this provision would be the man who shot at a rabbit and missed it. The Minister is hard put to it to know why the provision is in the Bill, and I do not think we should accept it.

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

Ayes	.....	17
Noes	.....	22

Majority against 5

Ayes.

Mr. Ackland	Mr. Nalder
Mr. Bovell	Mr. Oldfield
Mr. Cornell	Mr. Owen
Mr. Court	Mr. Perkins
Mr. Hearman	Mr. Roberts
Mr. Hutchinson	Mr. Watts
Mr. I. Manning	Mr. Wild
Mr. W. Manning	Mr. Crommelin
Sir Ross McLarty	

(Teller.)

Noes.

Mr. Evans	Mr. Lawrence
Mr. Graham	Mr. Marshall
Mr. Hall	Mr. Norton
Mr. Hawke	Mr. O'Brien
Mr. Heal	Mr. Potter
Mr. W. Hegney	Mr. Rhatigan
Mr. Hoar	Mr. Sewell
Mr. Jamieson	Mr. Sleeman
Mr. Johnson	Mr. Toms
Mr. Kelly	Mr. Tonkin
Mr. Lapham	Mr. May

(Teller.)

Pairs.

Ayes.	Noes.
Mr. Brand	Mr. Andrew
Mr. Mann	Mr. Brady
Mr. Ackland	Mr. Gaffy
Mr. Thorn	Mr. Nulsen
Mr. Grayden	Mr. Rodoreda

Amendment thus negatived.

Mr. I. W. MANNING: I move an amendment—

That in line 14, page 6, the words "one hundred" be struck out and the word "fifty" inserted in lieu.

Amendment put and passed.

Mr. I. W. MANNING: I move an amendment—

That all words after the word "person" in line 27, page 6, down to and including the word "case" in line 34 be struck out.

If the amendment is agreed to I shall move to insert the words "shall obtain the assistance of a member of the Police Force of the State who may take the person into custody" in lieu of the words struck out. As I said during the second reading, this provision would give the vermin control officer the powers of a police officer, which is wrong in principle and undesirable as such a person would not be qualified to arrest others.

If a vermin control officer attempted to arrest a person there could easily be serious consequences, whereas when a member of the Police Force is called, the guilty person can be dealt with according to law, pursuant to Section 50 of the Police Act. It is not reasonable to clothe a civil servant of this nature with the authority and power of a police officer because the Police Force trains its men to carry out work such as the making of arrests and when a uniformed police officer arrives, the guilty person usually does not argue.

THE MINISTER FOR AGRICULTURE: I have no objection to the amendment provided that at the end of the clause a suitable penalty is to be included in view of the fact that it is an offence that is referred to.

Amendment (to strike out words) put and passed.

MR. I. W. MANNING: I move an amendment—

That the words "shall obtain the assistance of a member of the Police Force of the State who may take the person into custody" be inserted in lieu of the words struck out.

The Minister for Agriculture: What are you going to do with him when you get him into custody?

MR. I. W. MANNING: I pointed out previously what would be done with him.

THE MINISTER FOR AGRICULTURE: I can understand what the hon. member is trying to achieve, but the amendment is not complete as it is. It is not much use taking a person into custody unless it is known under what section he is to be charged and what action is to be taken with him subsequently.

MR. I. W. MANNING: The amendment is quite in order because the Bill goes on to indicate what shall be done.

The Minister for Agriculture: I see. Under Section 50 of the Police Act.

MR. I. W. MANNING: Yes: It reads, "An officer of the Police Force may take the person into custody to be dealt with according to law pursuant to Section 50 of the Police Act."

Amendment (to insert words) put and passed.

MR. I. W. MANNING: I move an amendment—

That after the word "Force" in line 3, page 7, all words down to and including the word "pounds" in line 5, page 7, be struck out.

My purpose in moving this amendment is that the penalties are adequately covered by Section 50 of the Police Act, which section fits in with Subclause (7) of this Bill.

The Minister for Agriculture: What are the penalties prescribed under Section 50 of the Police Act?

MR. I. W. MANNING: For refusing to give a name and address, £5, or a term of imprisonment not exceeding three months with hard labour.

THE MINISTER FOR AGRICULTURE: If the hon. member, by seeking to have these three lines struck out, intends to bring it into line with the Act that he quoted, which provides for a penalty of £5, I cannot agree to it.

MR. NALDER: Plus three months' imprisonment with hard labour.

THE MINISTER FOR AGRICULTURE: Yes, I know, but three months would not be awarded for an offence of this kind. The maximum penalty prescribed in the Police Act is £5 and I believe even that is reducible. That is not a fair penalty for an offence of this kind, although I agree that the penalty of £100 is too severe. I prefer to see the Bill remain as it is with the exception that it should read "As if the maximum pecuniary penalty prescribed by that section were £25."

MR. I. W. MANNING: If that were done, I think the clause would clash with Section 50 of the Police Act, because there would be two penalties prescribed in the one clause. We are asking that a person committing an offence under Subclause (7) shall be dealt with according to law pursuant to Section 50 of the Police Act.

The Minister for Agriculture: The Bill is asking for that now.

MR. I. W. MANNING: In the Police Act we have one penalty prescribed and for a similar offence committed against the provisions of the Vermin Act we propose to insert a penalty which will be many times greater.

THE MINISTER FOR AGRICULTURE: There is no difficulty in interpreting what will be the meaning of this clause if what I suggest is agreed to because the Bill already has in it the provision that the case shall be dealt with according to law pursuant to Section 50 of the Police Act. This Bill overrides the Police Act because of the wording, "as if the maximum pecuniary penalty prescribed in that section of the Police Act were £100." This provision was inserted in the Bill because Section 50 of the Police Act was carefully examined by our officers. They disagreed with the penalty contained therein and we are seeking to amend that in this Bill.

The amendment provides for a penalty of £100 which I think is excessive and it should be reduced to £25. I am not agreeable to the hon. member's amendment because it will have the effect of reducing that penalty to £5. The only course open to the Committee is to defeat the amendment, following which I will move to reduce the penalty provided at the end of this subclause.

THE CHAIRMAN: If the amendment is defeated, the amount of £100 will stand.

THE MINISTER FOR AGRICULTURE: Then I ask the hon. member to consider including in his amendment the words that are provided here and to amend the penalty of £100 to £25.

MR. I. W. MANNING: The Minister said he would accept the previous amendment if some penalty were included in this part of the subclause and because of that I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

The MINISTER FOR AGRICULTURE:
I move an amendment—

That the words "one hundred" in line 5, page 7, be struck out and the word "twenty-five" be inserted in lieu.

Amendment put and passed.

Mr. LAWRENCE: I would like the Minister to define what an "inspector" means. Also, the words, "member of the Force" are used in this subclause. Does that mean a member of the Army Force, or the Navy Force or what does it mean? Further, does the word "inspector" mean an inspector of police? I think the matter should be tidied up having regard to the argument put forward by the member for Harvey.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. LAWRENCE: I move an amendment—

That after the word "inspector" in line 7, page 7, the words "who has been appointed by the board" be inserted.

I have had a look at the Act and find that the word "inspector" means an inspector appointed by the Governor or a board and includes the chief vermin control officer and a vermin control officer. When I look at the meaning of the word "board" as it appears in the definitions of the parent Act, it means the board of a district. Therefore it means an inspector from one district can go into another district and prosecute people in a district other than the one for which he was appointed. So I consider my amendment should be included because I feel the words "a board" mean it is simply jurisdiction on the part of any board, but if we insert "the board" it means that particular board should look after its own district. I feel this is most desirable.

The MINISTER FOR AGRICULTURE: If we effected any alteration to the Bill along the lines proposed by the member for South Fremantle, we would have to go back almost to the first page, because there are many references to inspectors and other persons which have already been agreed to by this Committee. Actually, there is no need for anybody to have any doubt in their mind as to what the word "inspector" means. Under the Vermin Act the definition of inspector means an inspector appointed by the Governor or it could be and includes the chief vermin control officer.

Mr. Lawrence: Which board?

The MINISTER FOR AGRICULTURE: The reference to a board here is to the board of a certain district. In this State,

particularly in the agricultural areas, all local authorities so far as I am aware are declared vermin boards and in some cases adjacent boards appoint an inspector when they feel they have not enough work for one in their own road district. In any case the appointment is the responsibility of the local authority or a board, as it is called under this Act. If a local authority, in its own right, appoints an inspector under the Vermin Act, that inspector would have no authority whatsoever to go into another district to exercise his rights as an inspector, unless there was prior agreement between the two boards.

Mr. Lawrence: He is an inspector.

The MINISTER FOR AGRICULTURE: Yes, or an authorised person. An inspector cannot be everywhere at once and boards appoint authorised persons to undertake the duties of an inspector.

Hon. L. Thorn: Do you have to approve of these appointments?

The MINISTER FOR AGRICULTURE: No. These appointments rest entirely with the local authority. The fact that it refers to "a board" and not "the board" has no material consequence whatsoever because its application is in respect of that district and no other.

Mr. LAWRENCE: According to the Minister's own words, I believe that my amendment should be agreed to. Too much very loose legislation is going through. There is much difference between the word "a" and the word "the". If the Minister can disagree with me, I would say he is not very legally-minded. I cannot see one reason why he will not agree to my amendment. Because of this sort of thing we have litigation in the courts and quite a lot of trouble is caused. I consider my amendment should be agreed to by the Committee.

Amendment put and negatived.

Mr. I. W. MANNING: I move an amendment—

That proposed new Section 121B, pages 7 and 8, be struck out.

This new section provides that the inspector or vermin control officer in performing his duties shall require the owner or occupier to do certain things. Written into the parent Act are all the things required of a landholder or occupier in carrying out the provisions of the Act for the destruction of vermin. Sections 94, 98 and 100 in the Act adequately cover all that is necessary to destroy rabbits.

As the various methods of vermin control are improved, so success is becoming more noticeable. I can readily foresee that in the not too far distant future the rabbit menace will be of very small consequence because of the work now being carried out. Therefore, why write into the Act powers as indicated here? It mentions that the authorised person has

the power to demand of a landholder that he shall shift his livestock under the direction of the authorised officer.

The Minister for Agriculture: That is not so.

Mr. I. W. MANNING: That could create some hardship.

The Minister for Agriculture: I thought you were referring to the Act.

Mr. I. W. MANNING: At the present time with a poison such as 1080 the landholder does not leave his stock in the area being poisoned, as he would lose them. When it is proposed to poison a certain area, arrangements are made with the landholder. If he cannot have the whole of his property done at the one time, portions are dealt with and it is left to the landholder to decide which portions, and he moves his livestock accordingly.

It is not right that an outside person who has no knowledge of the man's farming methods or conditions, should direct him how and where to shift his livestock. The provision deals not only with livestock. It goes on to say the owner or occupier must refrain from doing or omitting anything which, if done or omitted, would affect the work done by the inspector.

At present if the farmer co-operates, he assists the vermin control officer in carrying out the poison drive. It is only when there is co-operation that the work is successful. If co-operation is encouraged, this matter will be a success, but if the authorised person goes on to a property and is armed with these powers, and he demands that stock be shifted regardless of how it might affect the farmer, considerable hardship might result. I have strong objections to the provision. It can do nothing to assist in the destruction of vermin.

The MINISTER FOR AGRICULTURE: This provision is one of the most important in the Bill because it overcomes a weakness in the Act. The member for Harvey mentioned two or three sections of the Act, but they do not give the power to do what is required under the section which he did not quote, and that is Section 121. He referred to Section 98 which only gives power to a Minister or the board to order the destruction of vermin. He also quoted Section 100 which simply limits the powers of the Minister or the board in the case of default. Therefore, under the one, certain work can be ordered to be done and by the other, if it is not done, remedial steps can be taken.

But in actual fact, the limiting factor in obtaining the full co-operation of the farmer, without obstruction of any kind, is centred in Section 121. The words "obstruct," "resist" and "hinder" do not cover the contingency that has arisen on a number of occasions where farmers have refused to remove their stock from one place to another in order that their farms

might be included in the general policy for the destruction of vermin in the area. This has not happened only once, but a number of times.

I believe the present position has arisen because, when the parent Act was drafted modern equipment for destruction and modern poisons were unknown. In those days it was difficult to organise a drive over a whole district, but today with mechanical rippers and modern poisons such work can be undertaken. It is disastrous if, within the boundaries of a drive, a number of isolated farmers, not wishing to co-operate, decide not to go in with the majority. Such an attitude could completely destroy the work of destruction of vermin in the area.

The clause is designed more to overcome the objections and obstructions of certain farmers who refuse to co-operate than for any other reason. I thought the hon member would realise the necessity for this additional provision to extend the powers not beyond an unreasonable limit, but to the position where an officer would have the right to instruct a farmer to remove cattle from one section of his farm to another so that a particular plan might be proceeded with. The legal interpretation of Section 101 is that it does not give power to organise a drive on the whole of a front without interruption or obstruction.

Mr. OWEN: The first part of the proposed new section referring to an inspector performing his duties and prosecuting his work is badly worded. Anyone who wishes to throw his weight around may do so. I am not clear on the wording of the last three lines of the provision. The Minister has explained that if any one farmer in a whole group fails to co-operate, he can upset the drive. But if nothing is to be done on his property, why should it be necessary for him to remove his stock or to do other things?

The Minister for Agriculture: You get the individual man who will not pull his weight.

Mr. OWEN: If in a particular area there is one property on which it is proposed that nothing shall be done, why should the farmer be ordered to do certain things? Unless the Minister can give reasons for this, I must support the member for Harvey.

Mr. I. W. MANNING: I shall be disappointed if the Minister persists in retaining this new provision. Many difficulties can arise under it. It gives to the people authorised under the Act the power to direct the farmer to do or not to do certain things. I believe this applies mainly to the 1080-poison drives. I understand it is not the wish of the department to force people to use 1080 poison because it is highly dangerous and it does give some

farmers considerable concern. The department, however, does its best to encourage farmers either to use it or to permit officers of the department to lay it on their land. The farmer should be allowed to say whether he shall or shall not use 1080 poison. Other poisons, which are successful, can be used.

The Minister for Agriculture: This has nothing to do with any special poison; his is a question of power.

Mr. I. W. MANNING: Yes, but the power was not needed until the 1080-poison drive commenced. It is not necessary to shift cattle if an area is being fumigated because the fumigating of rabbits has no effect on livestock. When 1080-poison drives are taking place, it is the custom for the inspectors to ask for the stock to be shifted, and for permission to bait a certain area. On a small unsubdivided property, where the stock cannot be shifted, discretion should be given so that some other poison, such as fumigation, may be used. This provision might create unnecessary hardship in the case of small properties. If the present position is successful, why not leave it as it is?

Amendment put and negatived.

Clause, as previously amended, agreed to.

Title—agreed to.

Bill reported with amendments and the report adopted.

BILLS (3)—RETURNED.

1, Criminal Code Amendment (No. 2).

2, Licensing Act Amendment (No. 4).

With an amendment.

3, Royal Commissioners' Powers Act Amendment.

Without amendment.

BILL—BRANDS ACT AMENDMENT

(No. 1).

Second Reading.

Debate resumed from the 25th October.

MR. PERKINS (Roe) [8.01]: I do not think any members will find the provisions in this Bill of the same contentious nature as those included in another Bill to amend the Brands Act which was discussed this session. I think the Minister, the Leader of the Opposition and I all agree that the House can quite safely accept this measure without its having any shattering effects on the State's economy.

If members examine the Bill they will note that it refers to the age marking of horses and I understand from the Minister's speech that this has been requested by the W.A.T.C. to make the practice

uniform throughout Australia. As far as I can see, it will have no ill effects and I agree to the Bill as presented to us and recommend that it be adopted.

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.

Bill read a third time and transmitted to the Council.

BILL—LAND ACT AMENDMENT

(No. 2).

Second Reading.

Debate resumed from the 8th November.

HON. A. F. WATTS (Stirling) [8.5]: It may be remembered that some months ago, in the early part of the session, I asked the Minister for Lands some questions about the position of persons who, when they took up conditional purchase leases under the Land Act, had no reservation against them of timber rights but who when, in the normal course of events, having done improvements and paid the purchase instalments, applied for their Crown Grants, received grants which reserved the timber to the Crown.

The unfortunate part about it was that those who applied for Crown Grants, having had such leases issued to them many years ago, were able to retain and dispose of the timber rights whereas those who had proceeded in the normal way to obtain Crown Grants were deprived of the timber rights. As the Minister pointed out in answer to my questions, this was the result of a ruling of the Crown Law Department.

However, at the time, the Minister was good enough to say that he regarded the position as unfair and indicated subsequently that he thought it right and proper that the Act should be amended to place all these people on the same footing. It will be quite impossible, of course, for the position ever to arise again as it arose out of the issue of conditional purchase leases many years ago whereas the conditions today are quite different. I am grateful to the Minister for having had the matter investigated and for having taken action along the lines he has.

This Bill sets out to remedy the position and to restore the timber rights to those who had the rights under their conditional purchase leases, but which they lost as a result of the issue of Crown Grants. It places the matter on a fair and proper basis, as was originally intended. I have much pleasure in supporting the second reading and at the same time I wish to thank the hon. gentleman for the care and attention he has given to the matter.

It does not affect a great number of persons but nevertheless it has affected the few adversely.

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.

Bill read a third time and transmitted to the Council.

BILL—TOWN PLANNING AND DEVELOPMENT ACT AMENDMENT.

Message.

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

Second Reading.

THE MINISTER FOR WORKS (Hon. J. T. Tonkin—Melville) [8.10] in moving the second reading said: The Bill has three main objects, firstly to define more clearly the section of the Act relating to injurious affection, particularly as regards the zoning of land. At present the Act is somewhat obscure on this point and it is very necessary that a clearer definition be set out in the legislation. Secondly, the Bill aims at preventing the sale of land in lots for which no certificate of title can be issued. Thirdly, it aims at extending the interim development order or extending the powers which were taken under the interim development order issued under legislation passed last session.

It is intended to extend those powers for a period of twelve months from the 31st December this year. In connection with the first objective, at present there is considerable doubt and quite a lot of fear among local authorities as to the affect that a comprehensive zoning scheme might have upon them. They are afraid that if they embark upon a comprehensive zoning scheme, they might find themselves liable for payment of very substantial compensation for injurious affection, a very large portion of which might be completely unjustified. The Bill provides that no compensation for injurious affection shall be paid in respect of zoning provisions of a town planning scheme, that is, the defining or classifying of the scheme area into various zones in which specified types of land-use are permitted, industrial, residential and the like.

However, the provision regarding no compensation will not apply unless the zoning scheme meets these two requirements—the scheme has to provide for the retention of existing use rights in land and buildings which do not conform to the

zoning proposals and permits the reasonable extension of any buildings. Secondly, the zoning scheme must permit the land to be developed or improved privately; that is, that it is not zoned or reserved for public purposes such as roads, parks, schools, etc., which would preclude private development.

Unless the zoning scheme meets those two requirements, the provision in the legislation that compensation for injurious affection shall not be paid will not apply. It must be assumed that the zoning will be properly carried out after careful assessment of existing and potential land-use; and if not properly carried out it follows that the scheme would not be approved in any case. There is already provision for objection to all town-planning schemes, so there is ample protection when people are likely to be affected; they would be well aware of what was proposed and be able to take action to object to a proposal.

It is now generally accepted that town-planning practice should provide for properly drawn up zoning schemes, and these schemes are no more onerous and objectionable than health or building requirements in a civilised community; and they should not be subject to the safeguards set out which carry compensation claimed for injurious affection. We believe we have advanced sufficiently far with our knowledge of zoning and town-planning development to be able to accept the position that there is a necessity for such schemes, and therefore, in most cases, compensation for injurious affection should not be paid.

But there are two exceptions to the general principle which I have already outlined. This principle of being able to proceed with the town-planning scheme without being liable for the payment of compensation for injurious affection has already been accepted in existing Victorian town-planning legislation, which is probably the most advanced in Australia. The principle formed one of the recommendations in regard to the legislation in the metropolitan regional plan, chapter 2C, page 247. If this part of the Bill, which is a very important part, is accepted, it will clear up many of the existing doubts in the minds of local authorities and ought to result in a much more positive approach to planning from the local authority angle.

Under existing conditions local authorities are timid; they are afraid to embark upon town-planning schemes which are wholly desirable because they fear they could be liable for the payment of substantial sums by way of compensation for injurious affection when, in fact, such payments cannot be justified because no real harm is being suffered.

Mr. Court: Is that based on legal opinion or threatened legal action?

THE MINISTER FOR WORKS: I think it is a combination of both. There is no doubt whatever that this fear does exist because of the obscurity under the legislation and the considerable doubt that results therefrom. One object of the Bill is to clear up this doubt as far as possible and to secure local authorities against payment of compensation for injurious affection, except in certain cases which, I think, members will agree upon study, are reasonable exceptions.

The other objective I have mentioned is to prevent the sale of land in lots when it is not possible to issue the purchaser a title to the land purchased. There has been a case where land which was owned in the Yanchep area was cut up into lots and sold to purchasers, and where no titles could be given to those purchasers and the lots remained in the title of the vendor. Nothing can be done about it because it is not possible to define the lots.

Application was made for a subdivision in the first instance; the application was refused. No recourse was made by the owner of the land to the appeal provisions of the Act. The owner simply proceeded and sold the so-called lots which were not properly subdivided, and the unfortunate purchasers cannot get a title to the land which they purchased. This Bill aims at preventing that from being done; so that an owner of land who intends to sell the land will not be able to do so if it is not possible subsequently to have a title issued to the purchaser.

Hon. Sir Ross McLarty: Would that be the type of land recommended under the planning scheme for future park uses and that sort of thing?

THE MINISTER FOR WORKS: No. The difficulty arose because the owner of the land when refused the right to subdivide, did not then have recourse to the Act and appeal, but proceeded, despite the lack of authority, to subdivide, to have the land cut up into so-called lots and then to dispose of it. There is no existing power to prevent that being done except that there is no provision for the issuing of a title to such land in the circumstances, and the ones who suffer are the unfortunate purchasers who, I suppose, should have inquired into the position beforehand. But they did not and they now have land to which they themselves cannot get a title; the title for the land remains with the vendor who has received payment for the land. The Bill aims at preventing that being done.

The third objective of the Bill is in connection with interim development. Members will recall that last session Parliament amended the Act to give interim development powers in the metropolitan region

and the power to promote an interim development order to hold the position until such time as the metropolitan regional plan is finalised. It was expected at the time that twelve months would be sufficient to enable that to be completed. It was found in practice that a considerable time was entailed in getting out a new set of special maps; and it was not until the 7th of September of this year that it was possible to gazette the order. So it has only been in operation a matter of two or three months. It is necessary that a longer time than that should be available in order to hold the position and the Bill aims at extending the time for a further twelve months from the 31st December of this year.

It is not absolutely necessary to introduce a Bill for that purpose—that power could have been obtained by getting a resolution of both Houses. It is felt, however, that as a Bill was being brought down to effect these other objectives, it would be convenient to include this provision which will obviate the necessity of dealing with it separately and getting a resolution passed by both Houses of Parliament. It will be readily seen that there is not a great deal contained in the Bill. It is perfectly simple and easy to understand.

To recapitulate: There are three main points. I will take the last one first: This deals with the interim development order and the extension of powers for twelve months. The second is to prevent any person from selling land in so-called lots when it is not possible for a title to be issued. The other objective is to define more clearly the provisions in the Act with regard to the payment of compensation for injurious affection and to provide for the protection of local authorities in certain cases where the payments of compensation for injurious affection cannot be justified.

Mr. Court: Are you going to give us any details as to how far the Government has proceeded with the regional plan?

THE MINISTER FOR WORKS: If the hon. member seeks information with regard to that, I shall be very pleased to supply it during the Committee stages of the Bill. At this stage it is sufficient to know the purposes for which the Bill is being introduced, and these I have already outlined in the House. The point the hon. member now has in mind could more properly be dealt with in the Committee stage as we are going through the measure clause by clause. I move—

That the Bill be now read a second time.

On motion by Mr. Court, debate adjourned.

BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

MR. CORNELL (Mt. Marshall) [8.28]: This Bill is one of the several measures that the Government has brought down to raise additional revenue, and it follows the pattern recently set by the Government of New South Wales which Government, a few months ago, imposed a land tax in that State. It was estimated that the New South Wales land tax would bring in an amount of £5,250,000 in a full financial year. Incidentally, the secretary of the Taxpayers' Association in that State said that although the tax would bring in £5,250,000 per annum, it would cost £2,000,000 to collect. To my knowledge, that estimate has not been refuted.

It is generally recognised that land tax is most expensive and complex to administer and this was one of the reasons why the Commonwealth Government, four years ago, vacated the land tax field. In the last full financial year of the Commonwealth's imposition of land tax, that tax realised, I think, £4,000,000. That amount came from the whole of Australia. This tax that is to be imposed will realise approximately £1,000,000 to £1,250,000 and it is quite obvious that the rates are much higher than those imposed by the Commonwealth Government. They are also higher than the rates recently imposed in New South Wales.

I shall give some comparative figures to prove that point. On land valued at £5,000, the tax in New South Wales is £28, and in this State it will be £42. On land valued at £10,000 the New South Wales tax is £68, and in this State it will be £83. On land valued at £15,000 in New South Wales the tax is £120, and in this State it will be £146. On land valued at £20,000, the tax in New South Wales is £208, and in this State it will be £182. On land with an unimproved value of £200,000, the tax in New South Wales is £5,713, and under the proposed legislation here it will be £5,800.

There is no record available to me to show the land tax rates applicable in Victoria, but I have ascertained that land with an unimproved value of £15,000 in that State pays a tax of £86, and land with an unimproved value of £30,000 pays £247. As I mentioned, the respective figures for this State are £146 and £375. In view of those figures, this is one occasion when the Grants Commission cannot complain that this State is below the standard States.

The New South Wales Act also provides for a board to be set up to deal with cases where the payment of tax will entail a hardship. I do not think the amending Bill or the Act itself contains a similar

provision, although no doubt the Treasurer is empowered to write off tax where a hardship is proved. It may be that he could give consideration to the formation of a board similar to the set-up in New South Wales to deal with cases of hardship. It must be admitted that there are some such cases.

The legislation in New South Wales also lays down that provided an owner possesses only land, and the land he owns is used for the purpose of primary production, it is completely exempt if the unimproved value is £10,000 or less; if the value lies between £10,000 and £15,000 it provides for a deduction of £10,000, less £2 for every £1 by which the value exceeds £10,000. The exemption for an owner of land, other than that used for primary production is £5,000 under that legislation, diminishing by £2 for every £1 by which that value exceeds £5,000, thus cutting out at £7,500. If a person owns land which is used for primary production, as well as other land, the Act provides for the exemption to be included to give due weight to the value of each class of land owned.

In addition to these general exemptions, there is provision for a number of specific exemptions. These, among others, embrace the owners of land such as the Crown, local governing authorities, certain public authorities, marketing boards, public and private hospitals, charitable and educational institutions, religious societies, friendly societies, building societies, hospital and medical benefits funds, ambulance associations, boards controlling horse and dog racing clubs, clubs not carried on for pecuniary benefit, sporting bodies and agricultural societies. The exemptions provided under the New South Wales Act go a good deal further than those contemplated in this legislation.

The Treasurer: The existing exemptions in this State are fairly wide under the Act.

Mr. CORNELL: That is so. Four years ago when the Commonwealth vacated the land tax field, the Treasurer, Sir Arthur Fadden, speaking on the occasion of the introduction of the Bill to repeal that legislation said—

It cannot be denied that land tax is a tax upon a capital asset. In the case of primary producers the tax is upon their main revenue producing asset. As between producers using land and producers using other types of asset, a most inequitable discrimination is set up against landholders. While other assets, such as plant and machinery, are not regarded as proper subjects for the imposition of a tax, the Federal Government is unable to agree that land should be singled out for such a special imposition.

Recently when speaking on another of the Government's budgetary proposals, namely, the tax to increase licence fees

payable by the liquor trade, I pointed out then that that legislation ignored the ability to pay and was virtually a tax on turnover. Similarly, the Treasurer said the same thing when replying to the debate in respect of the turnover tax on book-makers' holdings. He went to some length to point out that it was a peculiar form of taxation and was not related to the ability of taxpayers to pay. Despite a good deal of pressure from the Opposition he was unable to see his way clear to increase the turnover tax.

The proposal in regard to land tax is on all fours with the other two propositions I mentioned. Land tax bears no relationship to the capacity to pay. It is based on land values and it is payable irrespective of economic conditions or financial experience. As members will appreciate, this measure is an endeavour to milk the tax-paying cow ahead of the Commonwealth. By tapping the stream before it reaches the Commonwealth, the State Government will draw some revenue at the expense of the Federal authority.

I appreciate that most companies paying land tax will receive a deduction to the extent of 8s. in the £, because as we all know it is an allowable deduction for income tax purposes, that is to say, a company paying £4,000 in land tax will have an allowable deduction for income tax assessment of at least £1,600. However, this state of affairs does not apply to everyone who will be paying the land tax. In respect of certain classes of taxpayers, a hardship will result because land tax is not based on ability to pay. A high increase could reverse a favourable return from property and put that proposition in the red.

The Minister for Transport: Who are some of the parties you have in mind?

Mr. CORNELL: A high increase in land tax could convert an income from rent on some properties from a payable proposition to a losing one.

Hon. Sir Ross McLarty: He has given you an example.

The Minister for Transport: That company will still have an allowable deduction.

Mr. CORNELL: Taxation deduction loses a lot of its force when the income is reduced to nil. As I mentioned previously, certain clubs and non-profitmaking concerns under the New South Wales Act are exempt from land tax. Maybe the Treasurer could extend similar consideration to non-profitmaking concerns in this State. He may not be able to go all the way, but he may be prepared to give some consideration to lessening the impact of land tax in respect of clubs and other non-profit organisations by limiting the amount of land tax payable to the amount applying at the date of the introduction of this measure.

Last night a good deal was said about land values. We all realise that a good deal of argument can be raised as to the

method of arriving at the unimproved value of land. There are several methods of arriving at that assessment. The principle adopted by the Taxation Department to justify an assessment is to draw attention to comparative sales in the locality. When land is sold, of course, the purchase price relates more to the improvements on the land than to its unimproved value.

The valuers of farm land are much keener on inspecting fences and other ancillary improvements than to get a detailed appraisal of the good, bad or indifferent land on the property. Some valuers assess the value by taking the reasonable sale price of the property, and deducting from it the value of the improvements to arrive at the unimproved value. As the member for Roe pointed out, a good deal of the farm lands in this State would finish up with the unimproved value as being a minus amount if that procedure is adopted.

A case which comes to mind is one in the road district of Bencubbin. A fairly well improved farm was recently sold for £6 an acre. Similar land to that at the same price is obtainable in the district. If one were to allow £4 per acre for clearing, which is a most conservative estimate, £1 for fencing, and £1 for water supply, without reference to buildings and other improvements, one would cut out the sale price that was involved, thus leaving the unimproved value of the land as nil.

I do not propose to continue with the proposition regarding the unimproved value of land because we could talk all night and we would still be at variance on the subject. In any case, if the Taxation Department insists on its established schedule of unimproved values against which it is difficult to argue successfully, it is very difficult to secure a reduction. The necessity for this class of taxation does bring into bold relief the senseless cross-firing which has taken place over the last few years between the State and Federal Governments on taxation generally and on taxation reimbursements. A good deal of discussion which took place in this Chamber on the desirability of abolishing the pay-roll tax is a pointer in this regard. The question should be explored much further.

An article which appeared in "The Taxpayers' Bulletin" of October, 1956, has this to say on the subject—

It is certain that no taxpayer would be willing to revert to the pre-war system of the Commonwealth and States each levying tax on the same income under separate assessment procedures.

At the same time, an indefinite continuation of the present position with the Commonwealth showing huge surpluses and the States serious deficits is unthinkable.

While it may be true that most of the States' difficulties arise from their own extravagances, it cannot be said that the Commonwealth has shown any marked characteristic of economy. To that statement may I add, "audited and found correct." The extract continues—

A solution to the problem of Commonwealth-States financial relationship is not a matter for party political determination nor for legalistic interpretation.

Conferences between the Commonwealth Treasurer and the State Premiers are, on past record, futile. The action of the Victorian Premier appealing to the High Court does not offer a satisfactory solution whatever the outcome may be. It creates the ironical situation that the Australian taxpayer will foot the legal bill for both contestants.

What is called for is an independent inquiry, perhaps a Royal Commission, which could dispassionately examine and report upon the financial needs of the parties, the economic capacity of the nation as a whole and which could evolve a fair, equitable and permanent solution of the problem.

Whilst the advocacy of the return to the States of the full taxing powers that existed in prewar days is one which, before proceeding with it, would need more investigation than I have given it, I feel that it would be preferable to the rotten system which obtains at the moment with the State and the Federal Governments continually sniping at one another on this very vexed question. I can only agree with one of the submissions in the article I have read—that it is unthinkable for States to continue piling up deficits while the Commonwealth Government continues to return considerable surpluses.

I admit that this tax is not unduly burdensome on primary producers and to this end the proposal to impose a land tax on the unimproved value of land in Western Australia was made as palatable as possible to the Country Party. However, despite its sugar coated properties, I find myself unable to swallow the principle associated with land tax. It is sectional in character, and it amounts to a capital levy. For instance, the tax on a property valued at £200,000 is £5,800. That ignores any other taxes. Thus the owner of that land would repurchase it from the Government every 33½ years.

Reference was made by the Leader of the Opposition to the encroachment of land tax on a province which should solely belong to local authorities. In that respect he was on reasonably sound premises. It is quite obvious that if State Governments muscle in on a taxing field which should be reserved for local authorities, it could

result in some embarrassment to such local authorities in getting the revenue necessary for them to continue their services.

Summing up, therefore, I oppose the Bill for these reasons: It is unfair and sectional, being a levy of a capital nature and, as I have just said, it trespasses on the traditional field of local government, because a tax on land values is the only means by which municipalities and road boards can obtain revenue. It disregards all principles of ability to pay. The administration of land tax is difficult and complex. Finally I feel, as other members of the Opposition do, that this is legislation for which the Government had no mandate.

MR. ACKLAND (Moore) [8.50]: To begin with, I want to congratulate the member for Mt. Marshall on giving us one of the most thoughtful and logical speeches I have heard this session. I only wish he would speak a little more frequently.

Hon. A. F. Watts: Hear, hear!

Mr. ACKLAND: I am afraid that the speech I want to make will not compare with his in that regard. But I want to say at the outset that I am opposed to this legislation without any mental reservations or equivocations of any sort.

The Minister for Transport: Why?

Mr. ACKLAND: I believe it is wrong and strikes at the very basis of what the Country Party stands for. I would like to see the Press give up trying to put the Country Party in a wrong light.

The Premier: Hear, hear!

Mr. ACKLAND: I believe in this instance every member on this side will oppose the second reading of the Bill. It has been said that country people will not suffer to the same extent as people in the city. It has been said that by this legislation the Government wishes to raise £1,000,000.

Hon. Sir Ross McLarty: An additional £1,000,000.

Mr. ACKLAND: Yes; and that the country people will only subscribe one-third of that amount. I do not care whether it is one-fifth of that amount. There is a principle attached to our attitude in this matter which cannot be got over or got around in any way. Every time that the Government has wanted to introduce fresh legislation to impose additional taxation, there has been a threat that, if it is not agreed to, there will be an increase in railway freights.

I am sick of hearing those threats. I want to take the land tax and every other tax on its merits; and if the Government decides it is going to increase railway

freights at a later date, let the responsibility be its entirely. Do not let it make railway freights a means of bargaining with people on this side.

My mind goes back to March and April of this year when the present Government was returned to power because it persuaded the people that the Federal Government had done a terrible thing in introducing a Budget which was going to tax beer and tobacco. With the assistance of the s.p. bookmakers, who found many thousands of pounds to defeat the non-Labour candidates, the Government was successful in its campaign.

I have vivid recollections of "The West Australian" asking the leaders of the three parties a series of questions. Amongst them was: "If you are returned to the Government benches, are you going to increase railway freights?" The Treasurer, who prides himself on his short replies to questions, without any embellishments used the one word, "No." But we are now told that if we do not pass this legislation, there will be an increase in railway freights.

We were told that if we did not pass the probate legislation, there would be an increase in railway freights and also—if we did not agree—increased licence fees for cars and liquor trade. So far as I know when the Government has thought of introducing legislation to bring in additional revenue, the only people it has approached to see whether they were able to meet fresh commitments were the s.p. bookmakers.

The Treasurer: They were not approached.

Mr. ACKLAND: They are the only ones I have heard of.

The Treasurer: You are completely wrong, as usual.

Mr. ACKLAND: I may be wrong, but the Treasurer can put me right.

The Treasurer: I am tired of putting you right.

Mr. ACKLAND: So far as I know the only people to whom I have seen any reference in the Press—

The Minister for Transport: In the Press! You don't believe them, do you?

Mr. ACKLAND: The only references I have heard in speeches have been to approaches to the s.p. gentlemen, these parasites—

The Treasurer: That is absolutely untrue.

Mr. ACKLAND: It may be so. The Treasurer can disprove it if he likes. I am telling him what I have read and heard.

The Treasurer: I am telling you it is absolutely untrue.

Mr. Heal: Why do you call them parasites?

Mr. ACKLAND: Because that is what they are.

Mr. Heal: The farmers are the worst parasites.

Mr. ACKLAND: That cannot be said truthfully, and the hon. member knows it, because they contribute something to the State. This proposed tax is a capital tax. It does not matter a scrap whether the people who are to be taxed have had a year of deficit or a year of profit—the tax will remain exactly the same. They can show a loss for the year, as so many did. The member for—I cannot remember the electorate—I am thinking of Mr. Bovell—

Members: The member for Vasse.

Mr. ACKLAND: I wish that when members interject they would speak clearly, because I am getting deaf.

Mr. Lawrence: We all think you are dumb.

Mr. ACKLAND: I think you are the best judge of what dumb is because you are as dumb as anybody here—every bit as dumb.

The Treasurer: What about war service?

Mr. Lawrence: Where are your medals?

Mr. ACKLAND: This is a capital tax, and it does not matter whether a man has the ability to pay or not, or whether he has made a profit or a loss. As the member for Vasse said, many primary producers have no money to pay but this tax will still be imposed on them. I am in favour of an income tax. Income taxation is the fairest taxation there is because, irrespective of a man's income, he pays according to his ability to pay. That does not apply to several other forms of taxation, including this one.

This tax also taxes the tools of trade of people who are producing our wealth. I am opposed to it all the way and I am astonished that the Treasurer and his Government, who definitely said they were not going to increase railway freights, have used threats in connection with this legislation and other taxing legislation, to the effect that if we do not agree to the measures, those freights will be increased.

I believe that the industry in which I am principally interested would be better served by paying this tax than by an increase in railway freights, because the amount would be less. But that is not the point. If we forgo our principles, what good are we? I would be unworthy to represent the people living in country districts if I gave any consideration to a tax of this kind.

Mr. Lawrence: Will you answer me one question? How long is it since there was a Premier of this State who did not come from a country district?

Mr. ACKLAND: I would say that the present Premier does not represent, in the main, primary producers. He represents the wage-earners living in the town of Northam.

Mr. Lawrence: I asked how long it was since a city man had been Premier.

Mr. ACKLAND: I will now deal with some matters raised by the member for Leederville last night. We have often heard him in this House airing his knowledge on financial matters and on several occasions he has referred to the wheat industry. Last night he said that if he had his way rail freights would be increased on wheat transport in Western Australia, because under the cost-of-production formula the State of Western Australia had a great advantage over the Eastern States.

Mr. Johnson: That is wrong—

Mr. ACKLAND: No matter what argument the hon. member pursues, if he tells only half the story he can probably make out a case. I will give the House some information that has a great bearing on the disadvantage of Western Australian primary producers in this regard. In order that the information might be accurate, I obtained the figures I wanted from the Australian Wheat Board today.

It is true that the freights in the various States alter and that an average of all the freight for grain is taken. It is also true that the average haulage in New South Wales is 350 miles as against 130 miles in this State, but the freight in New South Wales was 1s. 9.97d. per bushel, in Queensland 1s. 4d., in Victoria 1s. 2.963d., in South Australia 8.13d. and in Western Australia 1s. 1.34d., while the average works out at 1s. 4.7d.

So it will be seen that Western Australia does receive a 3d. freight preferential as compared with the average of the States upon which the cost of production is based. But it is also a fact, which has a real bearing on this matter—and a bigger bearing than the 3d. in regard to freight—that in Queensland the average production per acre is 20.2 bushels, in New South Wales 16 bushels, in Victoria 20.5 bushels, in South Australia 18.7 bushels and in Western Australia 15.7 bushels.

That is the average over the last five years, and so the average for Australia, on which the cost of production is based, is 17.6 bushels per acre and Western Australia's average is two bushels below that, which does not represent 2d. but 26s., and if the member for Leederville is going to

deal with a factor such as 3d. in regard to freight, it is only right that he should examine the other side of the picture also.

Mr. Johnson: And you have a right to examine what I said.

Mr. ACKLAND: I thought it advisable to put these facts before the House. Another important factor is fertiliser, of which none is used in Queensland and none in the wheat districts of New South Wales, while it costs each farmer in this State at least 20s. per acre on the land which he crops with wheat. There is also a limit, in the interests of the State, above which these people cannot be taxed.

It is only a few years since New South Wales was the biggest producer of wheat in Australia with a yearly production of between 50,000,000 and 70,000,000 bushels, but owing to ever-increasing costs, in which freight was a big factor, wheat production in that State has fallen to a little more than 35,000,000 bushels, and this year, owing to seasonal conditions, it will be even less than that.

Whether it be in the form of land tax, increased freight or any other form of taxation, there is a limit beyond which no Government can go without cutting its own throat by stopping production. I wish to make it clear that I am 100 per cent. opposed to a basic principle of taxation of this nature as far as the country people are concerned.

MR. OLDFIELD (Mt. Lawley) [9.6]: I differ from the member for Moore inasmuch as I do not regard this as a capital tax because a capital tax is based on capital assets and before one can arrive at such a tax, one must take into consideration not only the assets but also the liabilities of the persons to be taxed. The tax with which we are dealing is being imposed on an asset without regard for what the liabilities of the taxpayer may be.

A person or group of persons might be the occupiers or title-holders of a large area of land, of which the unimproved value might reach astronomical figures, but there could be a large mortgage on the property and the holders of the land, although in the high income bracket, might not be making sufficient profit each year to meet the taxation. A person might have industrial or other property with a high unimproved rating and might be operating his industry inside a building for the construction of which he had borrowed a large sum of money at a high rate of interest. At the end of the year when the balance-sheet was brought down the net profit could easily be less than the land tax.

For those reasons this is not, as the member for Moore says, a capital tax, but a straightforward land tax. I am not altogether opposed to a land tax although I believe that the only fair method of

taxation is income taxation which, unfortunately, is the close preserve of the Federal Government, which means that the State Governments must explore other avenues to raise urgently-needed money.

As a private member of this House who is always requesting the Premier or members of Cabinet for certain things to be done—of either a State or a parochial nature—I realise that it takes a great deal of money to implement the essential works that I and other members seek to have done. We realise that the Government must at times impose unpopular taxing measures on the people in order to raise money. However, I feel that the increases with which we are now dealing are a little severe, particularly in the higher brackets, and that applies not only to business premises but also to land held by various institutions.

I understand that certain clubs in this city will find themselves in difficulties owing to this land tax and that one of them will have to raise its fee by £5 per year to meet the increase. A club of which I am a member will have to raise its fee by £1 per year—

The Minister for Labour: The Weld Club?

Mr. OLDFIELD: My club will have to raise its fee by £1 per year per member.

Mr. Bovell: You did not hear the Minister.

Mr. OLDFIELD: Speak up, open your mouth.

The Minister for Labour: I wish you would shut yours. I said the Weld Club.

Mr. OLDFIELD: No, because I am a politician I am not eligible there. You should know that, because you got knocked back, too! I understand that other clubs are similarly placed. Last night the Leader of the Opposition referred to certain land held by the Church of England, the net return on which at present is not sufficient to meet the increased tax. We can only take the question to its logical conclusion and suggest that if the land is revenue-producing and not land upon which a place of worship or other church buildings are erected, it should be taxable, just as the land of other landlords is.

I know it can also be suggested that the churches can increase their rents in the same manner as other landlords around the city, but I feel there is a danger in the steep increase to be made in the land tax such as we will find in connection with the highly-rated city properties. This can only result in a steep increase in city rentals which will also mean an increase in overhead among the expenses of the business section of the community which, in turn, will pass on these increased costs to the consumer or the general public.

Therefore, I feel that this tax could have a dangerous effect on the Government of the day in a way that it did not consider

when it decided to bring this measure forward. I will admit that the Government must have money to meet its commitments, but the person who eventually has to pay taxes such as this is the one who produces the wealth of the country, whether he be a worker or a primary producer. I can visualise another problem arising in regard to agricultural development. Possibly a point that has not been raised by any speaker as yet is: What is to happen to the Esperance land which was the subject of another debate in this Chamber a short time ago?

Recently we had tabled in this House an agreement wherein the Government entered into negotiations with the Chase syndicate over certain land known as the Esperance Downs. Without having a copy of that agreement before me at this stage, I recall that there were certain acreages which the Chase syndicate had to undertake to develop to a certain stage before a certain date. However, there is nothing in the agreement which stipulates the maximum amount of land that the company can take up at any one time, nor is there anything mentioned about the rate of development.

It is hoped that the rate of development in that area will be as rapid as the financial resources of the company can maintain. By this Bill we suddenly thrust upon this newly-formed company a tax which it never anticipated when it entered into the agreement with the Government. Therefore, it is only logical to assume that the company in question is not willingly going to pay away money in tax by taking up land which it will have to develop within a certain period. On the contrary, it will make haste more slowly. I should think that the company would be inclined to take up only the minimum requirements of land provided under the agreement and develop that portion before it took up any other parcel because this tax represents a telescopic charge and the higher the value of the land which the company holds, the higher the rate it will have to pay. By virtue of the telescopic nature of the tax, this would encourage the company to develop the land it has taken up at a slower rate than it would otherwise.

The Minister for Transport: You have hold of the bull by the wrong end. The quicker it develops the land, the less tax it will have to pay.

Mr. OLDFIELD: It will not take up 1,000,000 acres in one hit.

The Minister for Transport: But it has.

Mr. OLDFIELD: But it is making application for only so many acres in certain periods. As the company takes a section of land over, so it will develop it to a certain standard. I understand that it was its intention to take over 50,000 acres in one parcel and then another 50,000 acres, and so on. If I were in charge of the company, I would say that I would take up

the minimum requirement immediately, dispose of it, then take up another 50,000 acres; but if the company took over 1,000,000 acres in one operation the taxation it would have to pay would be terrific.

This would apply not only to the Chase syndicate and the Esperance Downs but also to other agricultural land throughout the State. Is conditional purchase land taxable and, if so, at what value is the tax to be imposed? In the case of Esperance, is the tax to be imposed on the value of 4s. an acre or at the amount per acre upon which the settler selected his block when the land was granted to him, or are other values to be taken into account? I do not see how anyone is going to assess the unimproved value of the land at Esperance Downs at 4s. an acre. Surely the value of the land there must be in excess of that figure!

Likewise, with respect to the balance of the agricultural land throughout the State, despite the fact that the Lands Department might make it available at a nominal figure to settlers, the unimproved value should be assessed in all circumstances despite what the member for Roe has set out to prove, namely, that unimproved land has a minus value when everything is worked out. In my opinion, there must be a mistake in some of his figures because no land has a minus value before it is developed.

Mr. Perkins: Perhaps the settlers made a mistake in taking it up.

Mr. OLDFIELD: Many a person has voiced the opinion that he has made a mistake in taking up land in a certain area.

Mr. Perkins: Of course, some work much harder than most people expect them to work.

Mr. OLDFIELD: I agree with that, too. However, I would be pleased to work hard also if I could obtain some of the incomes that are being enjoyed by farmers at the moment.

Mr. Perkins: If you worked 16 hours each day, you might be able to get that income.

Mr. OLDFIELD: There are many questions that remain unanswered. I feel that although there may have been some justification for an increase in the land tax—and I concede that the Government requires money and it must be obtained from somewhere—I still reiterate what I have said on many occasions; that is, that when we impose a tax, it must be imposed on those who can afford to pay it. In this case, I believe it is going to be imposed on some people who cannot afford to pay it because no consideration is to be given to the amount of land involved.

However, in taking it from those people who have to pay, we must also have regard to their capacity to pay the tax. Further, we must have some regard to the capacity of those to whom it is passed on. In other

words, there is an economic limit to which a country can be taxed. I feel the increase in tax in this measure is far too steep and it almost reaches the danger point at which certain industries will not be able to stand the sudden imposition of land tax. I therefore oppose the measure.

MR. HEARMAN (Blackwood) [9.26]: At the outset I would like to point out to the Treasurer that I understand, in the exemptions to this tax, there is provision covering purchasers to conditional purchase land. When he replies to the debate I would like to hear from the Treasurer what he thinks about the people who have taken up new land which has not been developed, but which has not been taken up under conditional purchase arrangements. I refer to those people who are in areas largely alienated and where it is necessary to obtain undeveloped land from private individuals.

Initially, those people are entitled to some consideration; that is, those who take up blocks from other people under conditional purchase. I would like to hear the Treasurer on the suggestion that he considers some exemptions under this legislation are warranted. The second point I would like to make is that I do not consider that the proposition which has been put forward, namely, that if we accept this measure because the Grants Commission insists that we should adopt it, we can avoid rail freight increases.

It seems to me that the Grants Commission should also insist on rail freights being increased. A list of figures which I had last year indicated that by comparison with the standard States, on a 100-mile basis and on 16 commodities, Western Australian rates are below the standard State for 12 of them. On a 200, 300 and 400-mile basis, out of the 16 commodities the State railways are below the rates charged in other States on the whole 16 of those commodities.

So it seems to me that if the Grants Commission is going to insist on an increased land tax, it is rather hard to accept that it will not insist on rail freight increases. By answers to interjections, the Treasurer has led us to believe that there is some sort of understanding between himself and the Grants Commission so far as rail freights are concerned for the next 12 months. Personally I feel that if there is any understanding of that nature, it is much more likely to be in connection with improving the efficiency of the railway system and not over land tax.

The Treasurer: Who said these things about the Grants Commission?

Mr. HEARMAN: I did not say anybody said them. I said the Treasurer led us to believe there is some such understanding.

The Treasurer: None whatsoever!

Mr. HEARMAN: If none whatsoever, it leaves no substance in the suggestion that we can resist rail freight increases. I was prepared to think the Treasurer might have some knowledge of which we were not possessed, and this led me to think there would be no increases for twelve months.

The Treasurer: The Grants Commission does not insist on any increases. It simply penalises a State where its taxation or charges are less than the average of the standard States.

Mr. HEARMAN: Then are we to infer that the Treasurer is prepared to accept the penalty of rail freights and not land tax? If he would answer that, it would clarify the position. In any case, it seems to me that it is time we looked at the proposition of the Grants Commission, who appear to be more interested in uniformity among the States than efficiency in administration.

It seems, so far as the claimant States are concerned, that the Grants Commission insists there shall be a uniformity of charges or taxation rates for the standard States and if not, they will be penalised. It seems a wrong principle, inasmuch as I feel there should be some credit given for efficiency. If we are to merely accept the proposition in Parliament that so long as we can avoid penalties from the Grants Commission, everything is all right, we are placing no store whatsoever upon the need for efficiency.

I feel very strongly that the general public, who are being increasingly taxed today, are becoming more and more concerned about wasteful and extravagant Government expenditure, and they are becoming acutely aware of the waste that goes on in many directions. I doubt if there is a member of this Chamber or another place who could say Government administration was efficient and economic.

Governments over the years have I think, earned a shocking reputation for wasteful expenditure and it is high time, before imposing additional taxes, we endeavoured to take a look at ourselves and see what economies can be effected rather than say we have not any money and must get more by taxation.

Taxpayers say there is a waste in Parliament.

Hon. Sir Ross McLarty: I think there is some justification for that, too.

Mr. HEARMAN: They might be right. I think it is asking a lot when the Government of the day on the one hand brings down a taxing measure which is second only to Queensland in its severity in order to satisfy the Grants Commission, and, on the other hand, brings down industrial arbitration amending legislation which will involve the State in considerable and unpredictable increased costs

to both the Government itself and industry generally. It seems to me this is asking too much.

I feel it is high time that Parliament had a look at all Government expenditure and made a real effort to effect economies in administration and costs. I believe that in a period of increasing prices when we are constantly being advised of the need to avoid cost spirals, efforts should be made to reduce costs and not increase them. Additional taxation must inevitably increase all sorts of costs which are passed on, and, they must reflect themselves in the general cost of living, and ultimately in the basic wage.

Sooner or later we must confront realities and tackle the matter. We can reach a stage where costs and taxation are such that we will get a reduced yield. In this taxing measure, we have gone a considerable distance towards that end. It has been fully demonstrated here that the imposition of this tax in the city will make business properties uneconomical and will inevitably have the effect of reducing the valuations of such properties. Therefore if sales are made at reduced valuations, I presume the ultimate result must be a reduction in the valuation generally and a reduced yield from the tax.

It has been demonstrated that certain organisations, such as the Anglican Church, will be out of pocket by about £1,000 as a result of taxation on the property they own. However, I know the Treasurer intends to cover that particular situation by way of exemptions, but surely there are plenty of private land-owners who will be in a similar position. There is no question that these people will have to dispose of their properties and the fact of a number of such properties being on the market, will have a depressing effect on the yield from taxation.

I feel there is a distinct responsibility on the Government and on the Treasurer in particular, to demonstrate not only to this House, but to the State generally, a really earnest desire to put our finances in order and effect economies wherever possible. An attempt should be made to cut out the wastage which seems to exist almost throughout the Government services. I made mention the other night of a tender by the Main Roads Department of 45s. a chain for clearing when the successful tenderer got the job for 27s. 6d. These things are repeating themselves all over the place.

In my opinion, the public is getting fed up and is entitled to. I say the public is entitled to know that the Government is aware of the position and is prepared to do something about it and will take some action in this regard before additional tax is imposed. I believe the average taxpayer thinks the £1,000,000 a year which will be raised from this tax

could easily be achieved by effecting economies in administration and generally increased efficiency in Government departments.

It would not surprise me if the saving were not at variance with that figure, unless it could be more than £1,000,000. The Treasurer must be well aware of what is happening all over the place as there is plenty of evidence of waste on the part of various Government departments. Country and city members of Parliament know of the lack of efficiency in administration, and I think the Government should take a grip on the situation which exists and is recognised by everybody, before it goes out and asks for another £1,000,000 involved in the imposition of a tax. I believe there is a need for the Government to set an example in this matter.

If we are to get our costs down to meet overseas competition with our export commodities—it is necessary to keep internal costs down—the Government must set an example in that direction. There is plenty of room for the Government to demonstrate its willingness and earnestness to tackle this situation. I do not suggest that the present Government is the only one to blame, but it is no defence to be in company with others. To accept this taxation measure without any indication that the Government is prepared to effect economies, would not be in the best interests of the State and for that reason alone I am quite prepared to oppose this legislation, and I think all members of the House should be prepared to oppose it until we know some real economies are to be effected.

MR. I. W. MANNING (Harvey) [9.43]: The Treasurer is asking too much in wanting us to support this measure, because the effect on some people will be staggering if it becomes law in its present form. It will put many out of business and create extreme hardships for others.

Mr. May: Have you ever agreed to anything yet?

Mr. I. W. MANNING: It will bring unemployment in its wake and it could mean that the extra £1,000,000 the Treasurer will obtain for the State will be offset by the harm done in obtaining this money.

I will cover the effects this measure will have in my electorate where the farmers are already taxed into the ground. These people are already paying heavy irrigation rates, drainage rates, local authority rates, vermin tax and loan rates. In addition, they are paying increased car licence, truck licence, tractor licence, plus the cost of fertiliser, and a dozen and one other rates and taxes which increase the cost of production.

The increased land tax will cost the average dairyman approximately £1 a week. The unimproved capital value of

the highest valued land between Waroona and Capel is approximately £40 an acre and it is on this figure that the proposed tax of 2d. in the £1 will be based. It can readily be seen that a tax on an unimproved capital value of £40 an acre will be a heavy one indeed, especially as this unimproved capital value is a fictitious one brought about, not by the earning capacity of the land, but by past sales of land in the area.

The true unimproved capital value should be based upon the economic earning capacity of the land. The present values are brought about when sales take place, and we have seen many of them since the war. Small dairymen sell out and the land which they vacate does not go to an incoming owner but to an adjoining owner. This, of course, is because an outside person cannot compete with an adjoining owner in the purchase of the land. The adjoining owner is always in a better position to bid for the land because he has his own plant and machinery for working it, and he has his dairy set-up. He does not have to provide these things for the land which he buys, as an incoming person would have to do. Therefore he is able to outbid anyone coming in and seeking to buy a farming property.

In this manner, the value of land is being continually pushed up until such time as we get to the position where, if we assess the value of the improvements and deduct it from the total cost of the property, it is found that the unimproved value has become very high—so much so that in quite a substantial area of my electorate it has reached £40 an acre.

Hon. Sir Ross McLarty: Unimproved?

Mr. I. W. MANNING: Yes, the unimproved capital value.

Hon. Sir Ross McLarty: Has the Treasurer heard that land in the Harvey district has an unimproved value of £40 an acre?

The Treasurer: They are lucky to have it.

Mr. I. W. MANNING: I do not think the Treasurer realises the impact that this tax will have on the farmers in the Harvey area; nor does he realise that these people, who are already taxed into the ground, will be paying an additional £1 per week by way of land tax. That is what I mean when I say it is too much to ask these people to pay the tax.

Let us look at the position further south in the heavily timbered country where, as has been pointed out by previous speakers, it costs more to clear the land than could be obtained for it afterwards. Yet, it has an unimproved capital value of 35s. to 40s. an acre, and it is on this figure that the land will be taxed. Many people who are farming in that area, as the member for Vasse mentioned, are not paying taxation

simply because their income is not sufficient to bring them into the tax-paying category. How are they going to pay a land tax, because a tax such as this does not take into consideration the ability of the landholder to pay? If he is on the breadline now, he must surely be faced with increased difficulty by the imposition of this tax.

There is also the case of the undeveloped land. Much undeveloped land today is in that state only because finance has not been available to develop it. Repeated requests have been made to the Government for a scheme to assist the owners of these partially developed or undeveloped properties to bring them up to an economic earning capacity; and this amply demonstrates that the reason for the undeveloped land is the need for capital to assist in its development. If this land is to be taxed at a higher rate than the developed land, it can only mean that the difficulties in developing such land will be increased, and those people who are battling now on partly developed properties will be forced into a state of extreme difficulty.

I am wondering whether the Treasurer really appreciates these points, because what is proposed here is undoubtedly going to put a real imposition on many people. What I have said applies to the country—to the areas which I represent and those further south. In addition, we have the metropolitan and other urban areas. It has been pointed out by the member for Vasse that aged people in homes in the city, or living on city blocks, will be heavily taxed because of this increase, yet those people cannot afford to pay what is suggested here. I know of an old lady who is living in an old family home situated on two or three acres of ground in the metropolitan area. This land should be developed by having flats erected on it. Simply because this lady is aged, does not mean that there is any hurry to turn her out of her home and put her somewhere else. Because she has not been turned out of her home, nothing has been done to the land. There are many such instances, and these people will find the tax a severe hardship.

Then there is the question of the big business concerns mentioned by the Leader of the Opposition who quoted the Tivoli garage. This illustrates the magnitude of the increased tax. It means that many people will be put out of business if these figures are correct; and what about the very big business houses? Their tax must be increased by something like £10,000 per annum. Does not the Treasurer think it is out of all reason to increase a tax by £10,000? Had he doubled the existing amount it would have sounded like a severe tax, but to treble it is beyond any reason whatsoever.

The Treasurer: There is a substantial taxation deduction from the figures you are quoting.

Mr. I. W. MANNING: We all realise that charges such as this are a deduction from taxation.

The Treasurer: It is £40 in the £100, I think.

Mr. I. W. MANNING: It still leaves a very big increase, and members can realise that in the incidents mentioned by the Leader of the Opposition, the taxation deduction is not very effective because the company he dealt with would go out of business. I say that this measure will tip the scales in many instances not only in respect to men on the land, but business people. So, I say again, we can only oppose such a proposition because it is too much to ask that Parliament should permit the Government to place on the people such an imposition.

MR. OWEN (Darling Range) [9.55]: I rise to voice my objection to the provisions of the measure. I feel that this land tax can be unjust in many cases. For instance it does not take into consideration the ability of the individual to pay. Previous speakers have pointed out this aspect very clearly. The Bill is in marked contrast to a measure which was recently before the House when the Treasurer, and particularly the Minister for Works, went to great lengths to point out the inability of certain individuals to pay an increased tax.

If the Treasurer had taken that into consideration, he would not have moved to impose such a burden on various sections of individuals in the State. Many members appreciate that the financial situation of the Treasurer is becoming desperate, and therefore desperate measures must be taken to put things right. Nevertheless, I cannot agree to the provisions of the Bill. I wish to point out how it affects people in my electorate. It has been said that in rural areas, because the unimproved capital value of land is comparatively low, primary producers will not be unduly affected by the tax. The member for Harvey has just informed us of the high unimproved capital values which rule in the Harvey district. I point out that the same thing applies to much of the territory in the Darling Range electorate.

There, because of the geographical situation—being close to the metropolitan area—and being very popular from the residential angle, the value of land increased quite steeply under the last taxation revaluation. The whole district is again due for revaluation, and I feel that once again the values will rise steeply. Where we have high class residential land right alongside rural land, it is only natural that the value of the rural land will rise likewise. Under the provisions applying to the Taxation Department, cognisance is taken of the fact that rural land is generally in broad acres whereas

residential land is in comparatively small blocks. Nevertheless much of that land is valued at something greatly in excess of what it is worth as a rural proposition.

Some 12 months ago, at a sale of land on the slopes of the Darling Ranges blocks of about half an acre—some a little in excess—were sold by public auction at figures up to £500. Fairly close to where this land was sold—within half a mile—there are considerable areas of rural land and although they are at present not valued at £500 a half-acre, I feel that with the increasing demand for residences there, and the fact that there is no spare land for agriculture, the value of the land used for agriculture is unduly high. It might be said that the figure at which some of this rural land has changed hands has set the value on it, but there are peculiar circumstances which arise and put the fictitious values there, because being so close to the metropolitan area we have so many pseudo agriculturists or would-be agriculturists who are engaged in the city and they like to take up horticulture as a hobby.

I sometimes think they like to sink some of their excess income there and so avoid taxation. As a result they are prepared to pay high prices for land. This means that the genuine primary producer has been faced with high valuations, valuations which he does not wish to take advantage of by selling his land because he is tied to his industry, he is too young to retire but too old to sell out and start another farm in another district. So I draw the Treasurer's attention to the peculiar circumstances which rule in that area.

On previous occasions I have mentioned this to the Minister for Lands and the Minister for Forests in an endeavour to have those departments make more land available in the area; but so far my pleas have been unavailing and we have a bigger demand among the rising generation to purchase more land. That again is forcing up the unimproved capital value of land in the area and I feel it will not be long before many genuine primary producers will be forced to give up their calling because it will have become uneconomic to carry on with agriculture. With those on this side who have spoken previously and who have opposed the measure, I wish to state that I intend to vote against the second reading.

THE TREASURER (Hon. A. R. G. Hawke—Northam—in reply) [10.3]: First of all, I would like to make clear the position of the Grants Commission in connection with rates of taxation and levels of charges as imposed by a claimant State. The member for Blackwood seemed to be labouring under two or three misapprehensions in connection with this matter. He seemed to think that the Grants Commission was insisting that the

Government of this State should increase some methods of taxation but need not bother about other methods of raising revenue. He also suggested that the policy of the Grants Commission towards the claimant States was one broadly of trying to establish uniformity of charges by the claimant States on the same basis as similar charges were imposed by the standard States.

The Grants Commission does not insist on any claimant State Government increasing any particular type of taxation or class of charge. The Grants Commission studies the levels of taxation and charges which are imposed by a claimant State and measures those up against the average of similar charges imposed by the standard States and then decides on the debits and credits to be recorded against the particular claimant State.

For instance, if a claimant State is in some respects levelling higher taxation or imposing higher charges than the average of the standard States, the claimant State concerned is given credit to that extent. Where a claimant State is imposing lower rates of taxation or charges than, of course, the claimant State has debits recorded against it by the Grants Commission. The total of the credits is subtracted from the total of the debits and the claimant State is penalised accordingly.

But the Grants Commission in no way seeks to dictate to a claimant State Government the policy which that Government should follow with regard to the levying of taxation and charges. I think it desirable that members should understand that point, and understand it clearly. It would be most unfortunate if members, and the public generally, were to gather the impression that the Grants Commission dictates, or even seeks to dictate, policy in respect to taxation and charges of any claimant State Government.

In his speech the Leader of the Opposition pointed out that the Consolidated Revenue Estimates for the current financial year provided for the collection of increased taxes and charges of £2,000,000, including, of course, the amount which is covered by the Bill we are now discussing. Even with that additional amount of revenue, the Estimates for this year, as members will have seen in the printed document, provide for a deficit of £1,407,000. In other words, even allowing for an increased collection of taxation and charges of approximately £2,000,000, there will still remain a deficit of nearly £1,500,000 in the Consolidated Revenue account at the end of the current financial year.

Clearly, therefore, there is every necessity in the world for the Government to collect the estimated amount of approximately £2,000,000 which is provided for in

the Budget by way of increased taxation and charges because there will be, even after that, a deficit of nearly £1,500,000 and the Government will be under the necessity of making temporary arrangement to finance that deficit.

I suppose if we were to follow religiously the path of financial stability and caution and rectitude, we would have asked Parliament to provide for increased taxation, over and above what is already provided for, to the extent of the estimated deficit in order that the Consolidated Revenue account for the current financial year would finish in a balanced condition. However, members of the Government considered that the economy of our State as a whole would not be in a condition safely to carry the whole of the burden which would have to be imposed if a completely balanced budget were to be achieved.

I mentioned, when introducing the Budget, that the costs of some of the very important services which the Government has to carry on have risen considerably in recent years. I pointed out, for instance, that the education services which the Government provides will cost the Government this financial year approximately £8,500,000 and the health services which the Government provides will cost for the same period over £5,000,000.

Every member of this House will agree that the services I mentioned, to give only two as examples, are of paramount importance and extremely urgent. I suppose every member would admit that if there are two things in his parliamentary life upon which he has to concentrate more than any other, they would be the provision of educational and health facilities in the electorate which he represents in this Parliament. Therefore, it is absolutely essential that the additional revenue which is provided for in the Budget should be collected.

Some members have talked about the necessity to effect economies. Members of the Government agree with that contention; however, it is easier to talk about that than to achieve substantial results. We can all stand up in a superior kind of way and argue that economies should be practised, but practised indeed at the expense of the other fellow. When this practice of economy hits home on us individually, most of us are inclined to take a dim view of it.

Mr. Court: I think you are entitled to ask Parliament to be objective in its approach to any real economies you try to effect.

The TREASURER: We have done that and we shall continue to do it. I am merely pointing out, by way of general reference, to general criticism on this point that most of us—and this might even go for the member for Nedlands—are very

good at preaching economics so long as it affects the other fellow and does not affect us very much.

Mr. Court: I always find that it is best to start at home for one's own personal good.

The TREASURER: I might agree with that, too. The Government has been looking very closely at every avenue of Government expenditure and we have already achieved some worth-while results in that direction. For instance, a Bill will come before this House during the next few days the purpose of which is to achieve a saving of £80,000 a year to the Consolidated Revenue Fund. This proposal is related to a merging, as it were, of the Commonwealth and State Statistical Departments. Under this proposal the Commonwealth Statistical Department will take over most of the officers in the State department and will still provide to the State the same statistical services as were provided previously. Obviously, this is a very good move, which I should think everybody would support and applaud. The State loses nothing by way of service in making this arrangement, but by virtue of it will save an expenditure of £80,000 a year to the Consolidated Revenue Fund. We are pursuing a principle of other substantial economies, some of a similar type and others of a different type. I am convinced, however, that when some of these other economies are applied there will be complaints and grizzles and protests; and members of Parliament will no doubt be asked for their assistance, and they will be expected to lead deputations to the Government and the issues concerned might easily become party political.

I would, however, make an appeal to all members both on the Government side and on the opposite side of the House to take a realistic view of circumstances of this kind when they do develop during the next few months, as I am sure they will develop. We must have another look at this economic advocacy because economy can usually be effected substantially only by reducing the number of people employed.

In other words, the achievement of substantial economy by the Government will mean the retrenchment of some people at present employed by the Government. This has, I repeat, happened in connection with some of the State trading concerns due to the fact that the building industry is much quieter now than it was, say, two years ago. Already there have been questions in this House about the slackening of efforts in these particular undertakings and in connection with the number of men already retrenched and the number likely to be retrenched in the near future.

So this argument for economy is rather a two-edged weapon in two ways. If the practice of strict economy involves the

putting out of employment of hundreds of men, then we solve one problem in one direction and immediately create perhaps an even more serious problem in another. Accordingly, the achievement of economy is not as easy as it might appear by discussing it in this Chamber where the results that flow from such economy are not all to the good, indeed some of them are very bad and very regrettable.

An idea seems to have got abroad—and I think this has been helped somewhat by one of the newspapers—that this Bill will impose taxation upon some people who were not previously taxed at all. For instance, I notice one newspaper today put the churches in the front line to sort of shield everybody else behind them. Anyone who cares to read and study Section 10, Subsection (1), paragraph (c) of the Act will know that there are very substantial total exemptions existing already. This measure does not propose to disturb any of those existing exemptions. They will continue to apply. Those exemptions cover a very wide range as members who have already studied that part of Section 10 of the Act will be aware.

Mr. Court: I think the reference in the House was only to church-income producing property.

The TREASURER: If the member for Nedlands were to study carefully some of the speeches made during the second reading debate on this Bill, he would gather quite a different impression from the one he has just mentioned. The Government is prepared to add to an already long list of exemptions in that paragraph of Section 10 by including any hospital conducted by or on behalf of any religious body. I have already handed in an amendment to that effect and I should think that amendment would appear on tomorrow's notice paper.

I do not desire to occupy the time of members by reading the paragraph of Section 10 to which I have referred. It is a long paragraph and is well worth reading and studying by every member; and I hope the newspaper people will also read and study it and make some comment on it tomorrow.

Hon. Sir Ross McLarty: If this is the only amendment you propose to make—to include hospitals—you are not going to help the churches that I read about.

The TREASURER: The point the Leader of the Opposition has in mind is a different one altogether, and Cabinet proposes before tomorrow's sitting commences to give consideration to that angle, and to two or three other angles which have been represented to the Government during the last two or three days. I am simply saying that the Government does propose to include in the list of exemptions which already appear in Section 10, the one which I mentioned concerning hospitals. If the Leader of the Opposition

would study paragraph (c) of Section 10 he would see that it goes a long way not only in regard to churches but in relation to a great many organisations including all those he mentioned last evening. It must be appreciated, however, in regard to churches that some of them own a great deal of very valuable city property.

Hon. Sir Ross McLarty: Yes.

The TREASURER: Upon some of that land there have been erected premises used solely for commercial purposes. Those premises are rented by picture show proprietors, for instance, and by a variety of other companies which engage in trade and commerce—they are in competition with some businesses across the street, and if we are to pay any heed at all to the principle of fair, or reasonably fair, competition, the argument surely arises as to whether we would desire to give a trading and competitive advantage to one company, or one business individual, simply because he was fortunate enough to be renting premises which had been built upon land owned by a church.

In Committee I think that argument should be faced realistically and every member should think it over in the meantime. It is not as easy to decide as might appear on the surface. I am not able completely to see the validity of an argument which would lay it down that a company with which I was associated, by renting a picture theatre on church land, would be able to rent it more cheaply than a company in which the member for Nedlands was a member, which was renting premises and running a picture theatre on the other side of the street, and paying a higher rental for those premises than my company, because the land on which the premises which his company was renting was land owned not by a church but perhaps by some other organisation or individual.

Mr. Court: You should consider the fact that the church does not get the same taxation advantage out of the land tax as does a trading concern.

The TREASURER: I think I can say in advance that we would be prepared to give favourable consideration to that angle. We might possibly be prepared to go even further and say that as money obtained by the church in rentals from the letting of the premises concerned would be devoted solely, or mainly, to church purposes, including hospitals and schools, and so on, some additional consideration might be justified.

However, I do not think it is a valid argument that such land should be totally exempted from land tax. I think that land where it is let for commercial purposes—even though the land is owned by a church—should have some land tax levied upon it even if only for the purpose of trying to maintain a reasonable degree of fair competition as between the business people who

occupy the premises on church land and the other business people who occupy premises across the street on land that is not owned by the church.

We have heard a good deal about the extent to which this proposed land tax will apply. Admittedly, the rates proposed are substantial. I would point out, however, that the maximum rate in each of the other States is as high as those proposed in this State—it is as high in Queensland and New South Wales, and almost as high in the other States. I would also point out that all the other States apply a graduated system.

Hon. Sir Ross McLarty: Does New South Wales?

The TREASURER: Yes; the maximum rate in New South Wales is 8d. in the £. Even in the Liberal Party governed State of South Australia the maximum rate is 7½d. in the £; and in Victoria the maximum is 7d. in the £. It is also interesting to give some thought to the increases in land tax collections which have taken place in other States in recent years, including the estimate of collection for the current financial year. New South Wales has only reconstituted the land tax in the present financial year and so it is not possible to get a comparison except to say that last financial year they collected nothing. In the current financial year they expect to collect £3,250,000; and in a full financial year New South Wales will collect, under the present rate, more than £5,500,000.

Mr. Court: From a population of over 3,000,000.

The TREASURER: From a population considerably greater than our own.

Mr. Court: I would say from a population of over 3,000,000.

The TREASURER: In Victoria, in 1954-55, the collection amounted to £2,624,000. In the next year the collections were £3,250,000; and the estimate for the current financial year is £4,500,000. So obviously the Government of Victoria has either been increasing the rates of tax or the valuations of land in that State have been going up very substantially from year to year.

Mr. Court: It would still be less per head than what we are going to pay.

The TREASURER: That is not so. I shall give the relevant figures later.

Mr. Court: I am going on the figures you have quoted, as compared with the estimated population.

The TREASURER: I happen to have the per capita figures on hand.

Mr. Court: I was making a quick calculation from those figures.

The TREASURER: The free and easy interjections of the hon. member on this occasion are off the beam. I think that he is making some quick interjections for

political purposes rather than quick calculations. He is rather adept at that. I admire his adeptness even if I do not admire his motives. In Queensland the amount collected in 1954-55 was £1,206,000, and the amount in 1955-56 was £1,386,000. The estimate for the current financial year is £1,450,000. Regarding South Australia, I know this will appeal to the member for Nedlands unless he has not the same opinion as the Prime Minister has of the Premier of South Australia. I understand that the Prime Minister considers the Premier of South Australia to be the biggest socialist of all the Premiers.

In South Australia the amount collected in 1954-55 was £568,000 by way of land tax, in 1955-56 £567,000, and the estimate for the current financial year is £1,390,000. The figures for Western Australia are collections in 1954-55 £391,000, in 1955-56 £529,000 and the estimate for the current financial year is £1,000,000 less deductions in respect of the abolition of the vermin tax. In Tasmania £207,000 was collected in the first year under discussion, £234,000 in the second year, and the estimate for the current financial year is £340,000.

The per capita payments on the estimated total collections for the current financial year are 18s. in New South Wales, 34s. 3d. in Victoria which is the highest of all the States, 20s. 11d. in Queensland, 32s. 6d. in South Australia, 29s. 2d. in Western Australia and 20s. 9d. in Tasmania. To be quite fair, I have to say that I am not in a position to know whether the figures for South Australia, Victoria, Queensland and Tasmania are based on full collections during the current financial year, or whether they are in the same position as New South Wales and Western Australia which collected during the current financial year only a portion of the total increase because of the late introduction of amending legislation, and consequently the late application of the increased tax.

The Minister for Transport: You have to credit the W.A. figure with the vermin tax.

The TREASURER: I think I mentioned that.

The Minister for Transport: You have to credit the figure you just quoted.

The TREASURER: That is true. As the Minister for Transport said, we would have to credit the per capita payment for this State by whatever deduction would apply, because of the action we propose to take in respect of the vermin tax.

Hon. A. F. Watts: Roughly it is 3s.

The TREASURER: The percentage increase of estimated per capita payments for 1956-57, compared with actual collections in 1955-56, is 1.625 per cent. for New South Wales, due of course to the fact

that there was no land tax there last year at all; 35.2 per cent. for Victoria; 2.1 per cent. for Queensland; 139.2 per cent. for South Australia; 84.5 per cent. for Western Australia and 41.8 per cent. for Tasmania.

Mr. Court: Those figures are based on the estimated collections for 1957.

The TREASURER: It is the percentage increase of estimated collections for the current financial year compared with the actual collections of the last financial year.

Mr. Court: When the full effect of the tax is received by the Treasury next year we will be paying over £2 per head land tax in this State.

The TREASURER: I explained the position in regard to that angle a few moments ago. I said I was not in a position to know whether the amounts to be collected during this financial year in all the States, except New South Wales and Western Australia, were the full collections or whether they are collecting only a portion. On the other hand, they have during the current financial year applied increases to the land tax rates, consequently this year they will collect only a part of the total amount which they will collect in the next financial year.

However, these figures show that each State, even including Tasmania, has taken very substantial steps in the last 12 months or so to raise considerably increased revenue from this source. I am not even in a position to say whether all or any of the other States, have applied the increase in land tax which they have imposed in an effort to avoid increasing railway freights. If an examination of that angle were to be made it would be found that some of the other States in addition to increasing land tax substantially, have also increased the railway freights.

It has been said that the land tax is a sectional tax. To some extent I suppose it is a sectional tax. It would be very difficult to name a tax which is not sectional. It would also be very difficult to name a tax, the imposition of which would not result in some of the people who were called upon to pay that tax being placed in a position where they simply could not pay it. If one were to have a discussion with the Deputy Commissioner of Taxation in this or any other State, one would be told that there are many people assessed for income tax who, because of the circumstances, are in no position to pay the tax. In those situations the persons or the business organisations concerned would have to seek relief. They either ask for time to pay or for some other consideration.

As far as I know, the taxation authorities are fairly reasonable, provided they are convinced that the circumstances are genuine and that the cases represented to them are of a deserving character.

Fortunately, I have never been called upon to represent many cases to the taxation authorities. However, when it has been my duty to represent a case which is deserving, the result has always been satisfactory to the person or business organisation concerned. I know there is an idea in the minds of many people that the taxation authorities are ruthless, that they have no feelings, no conscience and no heart. Maybe that idea is spread throughout the community by those who try to defeat the taxation department—

Mr. Court: That idea started from the tax-gatherers in the Bible.

The TREASURER: —by the exercise of methods which are dishonest and unscrupulous. When the taxation authorities ultimately run them down, naturally when brought to justice, as it were, they have an everlasting grievance against those authorities and never cease to defame them. However, other members of the Chamber will be in a position, if they wish, to relate their own experiences in regard to this matter.

The member for Mt. Marshall mentioned that provision is made under the New South Wales legislation for the establishment of a board to consider representations from individuals, organisations and business firms, where they are not in a position to meet the assessment of land tax levied against them from time to time.

I had a look at the personnel of the board under the New South Wales Act, and without trying to depreciate the sympathetic qualities of the officers concerned and without trying to praise my own sympathetic qualities, I think I would give most people more sympathetic consideration in regard to land tax than the personnel of that board. The New South Wales board consists of the Commissioner for Taxation, the Auditor General and the Under Treasurer. I notice almost a smile on the face of the Leader of the Opposition. I think he would remember from his experience as the Treasurer of the State that Government officers of that kind are a bit tough. They look at most cases of this type from the Treasury's point of view, and not so much from the individual's point of view.

All I wish to say on that point is that I would give an assurance to this House that any cases of hardship which would arise would receive very sympathetic consideration from me, and I am sure from any other member of this House who is likely to become the Treasurer of the State in the years ahead. No doubt he would not hesitate to give the same assurance, and would, when the occasion arises, carry the assurance into practical effect.

One speaker said that greater values are placed on land in the city than on land in the country. I suppose on balance that would be true. It would also be true that

the greater land values in the city are in the hands of fewer persons, when compared with the lower land values in the country. This question of the value of land is, of course, a very complicated one. The owners and holders of land play a part in creating an added value for the land. However, I think it cannot be denied that expenditure by Governments—both Commonwealth and State—by local governing authorities, and by other organisations all goes towards increasing very substantially the value of land, and particularly the value of city land.

This, I think, is termed by some students of economics as unearned increment. The values are created by someone else other than the owner and holder of the land, but become the possession of the owner. Therefore there is at least some justification for arguing that the land tax is not a vicious tax in principle, as the member for Moore would have had members believe, but is a tax which has some basis in justice. In other words, it takes back to the whole community some of the unearned increment which the expenditure of taxpayers' money as a whole has created.

By way of interjection, I have already emphasised that there is a substantial taxation deduction available for most people and organisations paying land tax. I am advised that this taxation deduction amounts in many cases to £40 in £100 of tax paid. Therefore, when we are working out the amount of land tax which has to be paid under these proposals, we have to deduct from the total amount worked out, particularly where the amounts are large, £40 in £100 because of the taxation deductions which are available.

Hon. Sir Ross McLarty: We are told that when local rates and taxes are increased. We are told it is a deduction from taxation; and so it goes on.

The TREASURER: If it is a fact—

Hon. Sir Ross McLarty: It is a fact.

The TREASURER: —it is worthy of consideration, and it should be put into the picture in order that the picture we see in regard to these proposals might be as complete as it is possible for use to make it.

Hon. Sir Ross McLarty: We can go on telling them. Whether it is increased rail freights or increased water rates or anything else, we can tell them that it is a deduction from taxation.

The TREASURER: The proposals before us, to which we have to give our consideration at present, are proposals to increase land tax. A point has been raised in regard to valuations which members of Cabinet will consider before the House meets tomorrow. This point has been raised by some members who have spoken in this House on the Bill; and it was also

raised by a very representative deputation which waited on me today and put forward other proposals in addition to the one in connection with valuation. The request the deputation made in connection with valuations was that some provision should be made in the Bill to stabilise the amount of tax to be paid by each taxpayer for at least a period of three years. In other words, on this point of valuations, the deputation argued that stability should be given to the new rates of tax, whatever they might be, for at least a period of three years.

Hon. Sir Ross McLarty: There is some merit in that suggestion.

The TREASURER: In other words, that any valuations which take place after the tax is imposed in any of the next three years should not be used for the purpose of gathering increased taxation; that the rate of tax first applied should apply in regard to valuations for each of the first three years during which the amended rates of tax would apply.

The SPEAKER: Order! The Treasurer's time has expired.

On motion by the Minister for Works, time extended.

The TREASURER: Thank you, Mr. Speaker.

Mr. Court: That would be a sound proposition provided that all the values for the different districts were brought up to a comparable level.

The TREASURER: I raised that point with the deputation.

Mr. Court: They are inequitable at the moment.

The TREASURER: They are. But we might have to wait a long time before they become completely equitable as between one district and another.

Mr. Court: As long as they were determined at a certain date, that would be equitable.

The TREASURER: I do not know if the hon. member is going into reverse gear—

Mr. Court: No.

The TREASURER: —and suggesting that we should go back to the valuations of 1950.

Mr. Court: I would like to see them go back to 1930.

The TREASURER: I was afraid that was the way the hon. member's mind was working.

Mr. Bovell: Make it 1950. We will settle for that.

The TREASURER: As I have said, members of Cabinet will give consideration to the suggestion made in that direction by the deputation.

Mr. Johnson: What happens with a change in money values?

The TREASURER: I think that that would not alter the situation very much. More than one member has spoken about the pay-roll tax. All I want to say is that I think there might be a lot of merit in the suggestion that all the Premiers and State Leaders of the Opposition should join in a deputation to the Commonwealth Prime Minister and the Commonwealth Treasurer on the question of the pay-roll tax as a whole, irrespective of whether it be applied to Government or to private industry; and I have already given an undertaking to take that suggestion up with the other Premiers. I shall proceed to do that in the very near future. I will also have an inquiry made into the point raised by the Leader of the Country Party who suggested that the imposition of the pay-roll tax by the Commonwealth Government upon the State Governments might be ultra vires the Commonwealth constitution.

Hon. Sir Ross McLarty: It is a wonder your fellow-Premiers have not been advised of that, if there is anything in it.

The TREASURER: It is. It is also possible that they have been advised. The trouble that arises when a State Government starts to fight the Commonwealth Government on a legal issue is that the Commonwealth Government controls the finance. The State might win a legal case against the Commonwealth on an issue like this, and the Commonwealth's reaction could very well be, "You have deprived us of this source of revenue. As a result, we now receive £10,000,000 or £20,000,000 a year less than we were receiving before you took this legal action against us. Consequently we will have to reduce correspondingly the taxation reimbursement payments or the complementary grants which we will make to the State Government in future." In a situation of that kind, a State could win a great legal victory over the Commonwealth and finish up suffering a financial loss, or at least no financial gain.

Hon. Sir Ross McLarty: I think that in the first place the Commonwealth said it used this tax for child endowment.

The TREASURER: However, the point raised by the Leader of the Country Party in this direction is a very interesting one, and is worthy of some investigation. I am sorry the member for Moore is not present, because he retailed a canard which he might have invented himself, which he might have imagined, or which he might have misread from something he read somewhere in connection with s.p. bookmakers and the Government. The member for Moore said that the only people approached by the Government regarding their ability to pay taxation were the s.p. bookmakers. By way of interjection, I said that the hon. member's statement was

absolutely untrue. I say now that at no time has the Government approached s.p. bookmakers on the question of taxation; and at no time in future would this Government—or, indeed, I should think any other Government—approach those people on that or any other subject.

The fact of the situation was that the association which represents those bookmakers made some written representations to the Government, as it was entitled to do. As I mentioned a few moments ago, representatives of various organisations came to me today in connection with this tax—which was, of course, their perfect right. Any group of people in the community, provided they are operating legal activities, and provided they are citizens inside the law, are entitled to make representations to the Government; and any Government is bound, as a matter of duty, to receive those representations and to consider and to decide them on their merits.

So I would say very clearly to members of this House and the public that it is nothing more nor less than a canard for anybody to say that the Government went after the s.p. bookmakers and asked them what was the maximum amount of taxation they could pay, or how much tax they would like to pay. There is not a skerrick, not a grain of truth in a statement of that description.

There are only two other points I want to mention. One was the suggestion made by at least one member that whenever I discussed the question of increased taxation or charges, I expressed a threat that unless those increased charges were made or the higher rates of taxation were agreed on, railway freights would be increased. I want to say quite clearly that I have never made that statement in the form of a threat. It is a statement of absolute fact.

Mr. Court: You said that you would hold us responsible. If that is not a threat, what is?

The TREASURER: I do not think it is a threat. It is a statement of fact.

Mr. Court: That is not a statement of fact but a threat. If you do not do this, you are responsible.

The TREASURER: That is not a threat. That is a statement of fact. I am surprised that the member for Nedlands is not able to understand the true meaning of words in the English language. I think I will have to get the Hon. George Bennetts, M.L.C., to have a talk with him.

Mr. Court: I think he would agree with my interpretation. He is a down-to-earth person.

The TREASURER: I have tried to tell members, as I try to tell them again now, that the Government has worked out certain proposals to raise additional revenue with which to carry on the essential services of the State. I have

emphasised in that regard particularly the Education and Health Departments. If Parliament denies to the Government that additional revenue, what is the Government to do? Half close down the Education Department and the Health Department? Put out of employment 5,000 people? Of course not! No Government with any sense of responsibility or decency would do that whilst there was still available to it other sources from which it could raise reasonably adequate supplies of additional revenue.

The only source available to the Government from which additional revenue could be raised in substantial measure is railway freights. Obviously, if the Government is denied by Parliament the additional amounts of money which it asks Parliament to grant, it has no recourse but to obtain the money from the only remaining available source. I consider that to be a plain statement of fact, and not a threat.

The Minister for Works: It is more of a promise.

Mr. Nalder: I suppose it would include rail fares as well?

The TREASURER: In that regard I would say there is what is known as a law of diminishing returns, about which I think the member for Katanning would know something. It is doubtful whether by increasing rail fares to any considerable extent we would in total obtain more revenue from that source at the end of a six months or twelve months period.

Mr. Perkins: Would not the same argument apply to freights?

The TREASURER: Not to nearly the same extent because, as the hon. member knows, there is a statute which controls the freight situation to a considerable extent.

Mr. Perkins: It could cause a diminution of the production of some commodities from which the railways derive considerable revenue.

The TREASURER: I am glad to hear the hon. member say that as it makes the speech he made during this debate appear rather illogical. My final point deals with direct taxation as compared with indirect taxation. The land tax is a direct tax and I think members know of several indirect taxes, so I need not mention any. When introducing the Bill I said that some writer on economics and taxation in the past had laid it down in a book that one could indirectly tax the very shirts from people's backs without their getting very hot under the collar, whereas if one put upon the same people even half that amount of direct taxation it would cause a revolution.

The declaration is applicable to the present situation here. When a direct tax is applied to people they look on it

as an unjustifiable imposition and the idea remains with them for a long time because with direct taxation one receives an assessment yearly and one has to pay in a lump sum, which makes one feel that that tax is a vicious thing.

Hon. Sir Ross McLarty. You did not like the indirect taxes on beer and tobacco. You thought they were vicious.

The TREASURER: When indirect taxes are put on the people there is a great surge of protest at the time—probably equal to any protest resulting initially from direct taxation—but after the passage of perhaps a few weeks the feeling of anger disappears and people get into the habit of paying the extra penny for cigarettes and the extra penny per pot for beer, and so on.

Mr. Court: It was lucky for you that they had not got used to it by the date of the election early this year.

The TREASURER: The hon. member cannot blame me for the fact that the people by then had not become accustomed to the indirect taxation which the Federal Government had imposed not long before. I think the action of the Federal Government at that time was exceptionally unfortunate for some people in view of the situation as it was then developing in Western Australia.

Mr. Bovell: I am afraid the Federal people are full of remorse.

The TREASURER: Rail freights are a kind of indirect taxation. Of course, somebody pays directly every £ of rail freight but many who do that then incorporate the cost of the freight into the charge for the goods they sell to other people and so that freight becomes an indirect tax upon those who live in the country and buy machinery, groceries and goods of all kinds.

I can understand the average person who has to pay land tax and who lives in the country looking upon it as a vicious tax, and yet if rail freights were increased they would look upon that as a vicious imposition also, for the moment, but after a while those freights would be incorporated in the prices which the stores at Bunbury, for instance, charged to the people there and those people would soon forget about them. I ask members to keep in mind the psychology—because I think it is that mainly, if not completely—in regard to the reaction of people to direct taxation as against indirect taxation.

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

Ayes	....	....	....	....	20
Noes	....	....	....	....	16
					—
Majority for	....	....	....	....	4
					—

Ayes.

Mr. Evans	Mr. Moir
Mr. Graham	Mr. Norton
Mr. Hall	Mr. O'Brien
Mr. Hawke	Mr. Potter
Mr. Heal	Mr. Rhatigan
Mr. Hoar	Mr. Sewell
Mr. Johnson	Mr. Slesman
Mr. Kelly	Mr. Toms
Mr. Lapham	Mr. Tonkin
Mr. Lawrence	Mr. May

(Teller.)

Noes.

Mr. Bovell	Mr. Nalder
Mr. Cornell	Mr. Oldfield
Mr. Court	Mr. Owen
Mr. Crommellin	Mr. Perkins
Mr. Hearman	Mr. Roberts
Mr. I. Manning	Mr. Watts
Mr. W. Manning	Mr. Wild
Sir Ross McLarty	Mr. Hutchinson

(Teller.)

Pairs.

Noes.

Mr. Andrew	Mr. Brand
Mr. Brady	Mr. Mann
Mr. Gaffy	Mr. Ackland
Mr. Nulsen	Mr. Thorn
Mr. Rodoreda	Mr. Grayden

Question thus passed.

Bill read a second time.

BILL—LAND TAX ACT AMENDMENT.*Second Reading.*

Debate resumed from the 22nd November.

HON. SIR ROSS McLARTY (Murray) [11.12]: This Bill sets out the rate of tax to be imposed, and, of course, what was said on the previous measure relates closely to this one. I hope that during the Committee stage the Treasurer will agree to some reduction in the rate of tax. It is a graduated tax going from 2d. in the £ where the figure does not exceed £10,000, to 8d. in the £ where the figure exceeds £60,000, and it can be described as a very heavy tax.

I have already given a number of examples of how steep a tax it is and I cannot believe that the Treasurer will get only £1,000,000 extra from it. I feel sure he will receive an amount much in excess of that figure. That is why I think the Treasurer should agree to some reduction in the rate of tax, should the Bill become law. As we know, land tax in this State is at present levied on a flat rate on all town and unimproved rural lands. It is on that basis where it is less than £250, 2d. in the £, and where the value exceeds £250, 2½d. in the £. Where the value exceeds £250 the rate is 2½d. in the £ and there is a rebate of 50 per cent. in the rate of tax that is allowed on land which is improved within the meaning of the Act. At present, as we all know, improved rural land is exempt from land tax.

It is proposed to delete Section 9 of the Land and Income Tax Assessment Act which provides for this exemption on improved rural land, and also the deletion of the 50 per cent. rebate allowed on town land and to provide a uniform graduated

scale on both town and country lands which, as I have already stated, will bear a tax which will be graduated from 2d. in the £ on amounts not exceeding £10,000 up to 8d. in the £ on amounts exceeding £60,000. Of course, unimproved land will carry the additional rate of 1d. in the £ on the unimproved value.

I was extremely interested to note the greatly increased amount of tax that has been raised from land tax over the last few years. In 1953-54—these are the Treasurer's own figures—£296,843 was received. In 1954-55 that amount rose to £390,466; that is an increase in the one year of £93,623. The amount of tax increased from £390,466 in 1954-55 to £525,412 in 1955-56; an increase of £138,946. Those are very steep increases and members should bear in mind that valuations of land are going on apace both in the city and in the country and land-holders will "get it in the neck"—to use a common expression—by the increased rates that are to be imposed and they will also suffer as a result of the greatly increased valuations.

So I can sympathise with the members of the deputation that waited on the Treasurer today when they suggested to him that something should be done in regard to fixing a period when valuations will not be increased. Of course, there are some difficulties there, because in certain districts these increased valuations have been already made and in parts of the metropolitan area and also in the country districts, valuations are still proceeding. So that does present some difficulties. However, I would think that the suggestions that have been put before the Treasurer by the deputation today merit some consideration.

No doubt the members of that deputation know that with the greatly increased valuations and the incidence of this land tax—which is very severe—the tax will considerably increase this year and no doubt will cause a great deal of discontent from one end of the State to the other; both in the metropolitan area and in the rural areas as well. That would be particularly the case if there were a fall in the price of our great exportable primary products. As I said in my speech on the other Bill, at present wheat is moving fairly freely and wool prices have been moving up, but that is only because of the tense international situation that now exists and when that position eases I am certain that there will be a drop in the price of wool.

The Government hopes to receive £500,000 additional revenue for the current financial year and the Treasurer said it would amount to £1,000,000 for a full year. I can only repeat that his estimate of £1,000,000 will be greatly exceeded. The Bill provides for a graduated scale of tax to apply for the financial year during which the tax is levied, and I presume

the liability for the higher tax will accrue from the 1st July, 1956. The Treasurer will probably tell us whether the tax will be retrospective to this date. I would say that his taxing year will start from the 1st July, 1956.

Therefore, it would seem that the taxpayers will be liable to a full year's tax estimated to total £1,000,000 as from the date mentioned irrespective of whether the assessments for 1956-57 are issued. That is a point the Treasurer might explain to us when he replies to the debate. He gave

us some idea of what was being paid in other States. With the exception of Queensland, the proposed graduated scale of tax is heavier in incidence in this State than in any other and generally higher than the Commonwealth land tax was when it was in full force. So I will give a few comparisons of the tax on the unimproved land in the various grades in the different States. That is the assessed value of unimproved land. The following table shows the rates of tax imposed in the various States of the Commonwealth:—

Land Tax—Amounts Payable in Various States.

Unimproved Capital Value.	Western Australia (Improved land).		Victoria.	South Australia.	Tasmania.		Queensland.		New South Wales.	Federal, 1951-52.
	Present (A).	Proposed.			Urban.	Rural.	Urban.	Rural.		
£	£	£	£	£	£	£	£	£	£	£
5,000	28	42	(B) 21	16	30	2	104	(C) 85	Nd	Nd
7,500	39	62	31	31	51	28	158	142	47	Nd
10,000	62	83	45	47	83	55	229	194	68	6
15,000	78	146	86	99	146	119	344	328	120	35
20,000	104	208	133	161	219	192	500	442	132	75
30,000	156	375	247	297	383	356	813	732	339	189
40,000	208	583	398	464	573	546	1,083	1,064	536	347
50,000	260	833	482	651	790	768	1,458	1,335	776	550
75,000	391	1,025	1,146	1,286	1,427	1,400	2,500	2,322	1,547	1,251
100,000	621	2,458	1,862	2,026	2,157	2,129	3,333	3,310	2,850	2,172
200,000	1,042	6,792	4,778	5,151	5,073	5,045	6,666	6,643	5,713	5,922

(A) Improved rural land exempt.

(B) Reduced to £17 for rural land.

(C) Crown leases exempt.

From those figures, it will be seen that our proposed tax will be the highest in Australia except for that imposed in Queensland. The Treasurer said that there was some objection to this tax because it is a tax on capital and I think that is so. As pointed out by quite a number of members, it is imposed without any regard to a person's ability to pay. It is payable by both town and rural property-owners whether their businesses are producing profits or losses. The rural producers in times of adverse seasonal conditions or in times of unpayable prices will be more severely affected. The statement by the Treasurer that this tax will be a deduction from income tax is, of course, factual, but this argument is being used as a reason why increases should be made, whether by Federal or State action, and there is a limit to which these particular arguments can apply.

As I said by interjection, the local authorities tell us when they fix a new loan rate or we get an increased drainage rate or increased local rates generally, that they are deductions from taxation. The facts are that all these taxes are taking more and still more from the people and the result must eventually be that they will have very little on which to pay income tax.

I said that the primary industries cannot pass this tax on because they have got to sell on the open market and this applies particularly to our great exportable

primary products and to a very great extent to a number of our other local products as well. The greatest proportion of the higher tax will, in the first instance, be borne by the metropolitan industries which will inevitably be forced, so far as they are able, to recover the additional burden in the prices of their commodities.

The figures I have given in regard to certain businesses must be a clear indication that a number of these firms will have to pass on this greatly increased cost which they will have to face up to. As far as primary producers are concerned, they will be required not only to bear their own land tax, but also to meet the other taxes as well. They will have to meet the tax and the indirect taxes which the Treasurer spoke about.

I cannot help but feel that this graduated tax is a harsh tax and must be inflationary in its incidence. I do not think the Treasurer can argue that it will not be. It must inevitably increase rents and the cost of living. In a State like Western Australia where we are talking about land settlement at the present time, both in the city and country, I would say it is a most unfortunate tax and will not encourage the bringing of new capital into the State.

While I have given a number of examples of what this tax will mean, yet more have been sent to me. I have three here and these people complain about the heaviness of this tax and also its injustice.

The first one was in respect of a taxable valuation on which at present £279 is paid. That will be increased to £935. The next example is £498 which will be increased to £2,316. The third one is at present £767, while the proposed tax is £4,034. Members can therefore see what a terrific tax increase this is.

It is proposed to abolish the rate levied in regard to the Vermin Act and to allocate from the land tax a sum of £100,000. The vermin rate at present is levied on the unimproved capital value of the land on the following basis: On freehold rural land it is 15/32nds of a penny in the £, and on pastoral leases 1½d. in the £. In 1955-56 the amount of £87,918 was collected through the vermin rate. In regard to the vermin rate on farming lands—£35,000,000 is the unimproved value—at 15/32nds of a penny in the £, £70,000 was collected. On pastoral leases—unimproved capital value £3,200,000—at 1½d. in the £, £20,000 was collected.

Therefore the total collected from the vermin tax was £90,000. The Treasurer estimates that the proposed tax will produce an additional £500,000 from rural lands for the present financial year. After deduction of £100,000 allocated to the vermin trust fund, the Treasury would benefit by an amount of between £300,000 and £350,000 from the land tax on rural lands. As time goes on, of course, the return from rural lands will be doubled—I would say again more than doubled.

Let us take a farming property with an unimproved capital value of £10,000 and what the land tax payable under the proposed new system would be. On a freehold farming property the land tax at 2d. in the £ would provide a tax of £83 6s. 8d. from which we have to deduct the vermin tax, which is 15/32nds of a penny in the £, or £19 10s. 8d. So the additional taxation on that farm will be £63 16s. If we take a pastoral lease also with an unimproved capital value of £10,000—500,000 acres; £1 per acre or £500 per year—the land tax at 2d. in the £ would yield £83 6s. 8d. less a vermin rate of 1½d. in the £, £62 10s., and the additional taxation would amount to £20 16s. 8d. These calculations are based on the minimum rate of 2d. in the £ and do not take into account the additional burden created by the tax that will be applied.

An objection could be raised to the Treasurer's proposal to allocate a flat rate of £100,000 to the vermin trust fund. That, of course, will be a static amount and the indications are—and they are strong indications—that the amount of land tax he will receive will gradually increase, yet he says he proposes that £100,000 only shall be paid to the vermin trust fund. I do not think that is a fair proposition. There is a call in many parts of the State for the destruction of vermin, noxious weeds and diseases, etc., and to say there shall be a

flat rate of £100,000 irrespective of what this land tax brings in, clearly seems to me to be an unfair proposition and I would ask the Treasurer to give some consideration to that particular aspect.

I do not propose to say much more because the subject has been covered pretty fully by most members who spoke on the last Bill, but I would say to the Treasurer that he should give serious consideration to making some reduction in the rates which are set out in this Bill. I have put an amendment on the notice paper to which he can give some consideration and the particular amount I have set out in my amendment will give a very greatly increased amount of money to the Treasury. However, it does not go anywhere near what the Treasurer sets out in his Bill. I propose that in cases not exceeding £10,000 there should be a rate of 2d. for each £ and that above that figure there should be a flat rate of 3d. The present rate is 1½d. and the rate of 4d. for unimproved land would still apply. From that tax the Treasurer would receive a very substantial amount of money indeed, but it will not have such a harsh effect upon the people.

For the reasons that I opposed the previous Bill, I must oppose this one. I was interested to hear the Treasurer say he was thinking of making some concessions and further consideration was being given to the proposals in both of the measures which are before us, and I hope he will review the whole situation from a practical point of view and realise the harshness of this taxation. I do not wish to say anything more except that I will oppose the second reading of this Bill.

MR. BOVELL (Vasse) [11.43]: In speaking to the second reading on the Land and Income Tax Assessment Act Amendment Bill I referred to two phases of industry, in particular one being the primary producing industry which will be called upon for the first time in 25 years to pay a tax on improved agricultural land on an unimproved basis for taxation purposes, and also to the small house-owner who occupies his own premises. I would like the Treasurer to give consideration to further amendments to the schedule. When the Bill is in Committee I propose to move that amounts not exceeding £5,000 in value shall be taxed at 1½d. for each £. I do this with the object of cutting down the amount of tax which would normally be paid by home owners, primary producers who farm properties of relatively small value, and also by people engaged in businesses of a small nature.

We find that the small corner shop is gradually going out of existence, its survival being threatened by the big chain stores and the combines that now operate. I feel that the small man in the community should be given some relief, and

I hope that the Treasurer will give consideration to agreeing to a tax of 1½d. for each £ of valuation not exceeding £5,000. If he does I shall go on to move that for the valuation exceeding £5,000, but not exceeding £10,000, the tax shall be 2d. in each £ as stated in the Bill.

I know the Leader of the Opposition has some further amendments, which I propose to support, but my main reason for speaking on the second reading was to indicate to the Treasurer my hope that before we go into Committee on the Bill he will give consideration to reducing the tax in the £ for amounts not exceeding £5,000. Even though I foreshadow these amendments, I still oppose the second reading of the Bill.

MR. PERKINS (Roe) [12.48]: The severity of the taxation scale provided in the Bill has already been commented on by several members who spoke on a previous measure. I do not wish to go over the same ground again. Some discussion can take place in Committee if, as seems inevitable, the Bill reaches that stage. A couple of points were raised in the earlier debate by members on the other side of the House—the Treasurer and some other Government members—on which I think I might appropriately comment at this stage.

The member for Leederville said that my statement that a land tax on agricultural land was a taxation on tools of trade could equally be applied to a factory in the metropolitan or suburban area. I submit that the comparison is not tenable. In the case of a factory, there is a considerable site value, usually. Perhaps the factory could be moved to an area where the site value is much less, but the major part of the capital invested by the manufacturer is not in the site value of the land but in the factory itself and the equipment contained in it.

In the case of an agriculturist the position is entirely different—most of the capital is the soil itself. The soil in its virgin state was useless for the purpose to which it was later applied. In its original state it grew natural herbage which, in most cases, was of very little use for domestic animals. It maintained a few kangaroos and emus, and a few birds nested in the trees, but beyond that it did little towards providing for the economy which is built on land throughout the State.

Mr. Johnson: That is the same for a site value in towns, too.

Mr. PERKINS: The real improvements effected by the agriculturists have been the clearing of the trees, or other natural growth, from the soil and the building up of the soil over many years—in many cases over an indefinite period—to increase its productivity. So I submit that

the two cases are not comparable, and that is the reason why the agriculturists take such strong exception to the imposition of a tax on agricultural land.

The real value of this land is in the building up of the soil itself. I think this point of view was supported by the Federal Treasurer, as quoted by the member for Mt. Marshall when he spoke on the relinquishment by the Federal Government of the Federal land tax at the time when the appropriate measure was before the Commonwealth Parliament.

Another point I desire to comment on is the one made by the Treasurer about the railway freights and fares. In reply to an interjection, the Treasurer stated that if fares were increased there was a danger of the law of diminishing returns operating so that the total amount received by the Railway Department would be no greater, and perhaps even less than that being received under the scale of fares at present in force.

I assure the Treasurer that it would be dangerous for him to ignore the danger of the same law of diminishing returns operating if he makes further increases in freights in Western Australia. Already there are indications that primary producers are finding it unprofitable to produce grain, and so are changing over to stock, mainly for the production of wool.

If members peruse the railway returns they will be impressed by the gross amount which the grain traffic returns to the Railway Department. They will also find that although wool is charged at a high freight rate the gross amount received by way of freight from wool is very much less. I also submit to the Treasurer that he will find that the net return on the carriage of wool is not nearly as great as the gross rate charged might seem to indicate.

Mr. Potter: You can put a bigger impost on wool.

Mr. PERKINS: That is a peculiar suggestion. Heaven help the economy of Western Australia if that is the kind of argument that is going to be adduced in support of legislation before the House! I suggest that the Treasurer should carefully consider this question because if he holds the opinion that the freights in Western Australia can be further increased without there being some effect on a changeover from corn production to other forms of production from our agricultural lands, where the freight item is not such a big amount in the costs, he can easily suffer a serious disillusionment.

The other point I wish to raise concerns the question of unimproved land values of agricultural land, which I dealt with at some length when speaking to the second reading of a previous measure. I do not wish to go over that ground again; all I wish to say at this stage is that

I have made arrangements to interview Mr. Steffanoni, at the Taxation Department tomorrow morning to get a more accurate record of just what those unimproved land values are, for a bigger area than I have figures for at present.

I strongly suspect that there will be many appeals against the present unimproved land values assessed by the Taxation Department when the landholders find that those unimproved land values are being used not only for the assessment of their local government vermin rates, but for a tax to provide general State revenue. However, I do not wish to deal with this point in further detail at the moment. I feel that after I have had a discussion with the Taxation Department officers I shall be in a better position to bring it forward when an opportunity presents itself during the Committee stage of the Bill.

MR. COURT (Nedlands) [11.58]: I wish to say a few words on this, the taxing measure, because it is from this Bill that the severity of the tax will ultimately be felt by the taxpayers. I have more than the normal regret that the rates have been increased with such severity because land tax is one where it cannot be claimed by the Government that the change in money values has been detrimental to the Government.

The system of revaluation is such that without consultation with Parliament, the Administration can obtain extra revenue. It is just a matter of the mechanics of the Taxation Department and its valuers. Systematically the districts are combed and new values are fixed and, of course, income flows into the Treasury at a greater rate as a result. Therefore in the case of land tax it cannot be argued that the 1½d. in the £ has lost its value to the Government in view of the revaluation process.

It is almost felt by taxpayers that the system of revaluation of land is a form of taxation by stealth because one day the taxpayer receives a visit from these gentlemen, when they are combing a district, and some time later, without the taxpayer having done anything about the matter, he receives an assessment which declares that his property has gone up two, three or four times beyond what it was valued at formerly.

Considerable play was made by the Treasurer on the fact that land tax is a taxation deduction for income tax purposes; that is so in respect of people producing taxable incomes. But we cannot overlook the fact that a great proportion of this tax will be levied on people who do not get a taxation deduction. Therefore we have to take due regard for the effect on these people. Also those who get a taxable deduction include many people who get a deduction which is of very little financial benefit to them because of the nature of their income.

If we take the average suburban cottage the tax of 2d. in the £ would mean about £10 per annum; and that would be for a very modest suburban residence. So that land tax instead of being only a nominal figure of something under £1, in most of these cases will be something in the vicinity of £10, £12 or possibly £15. With regard to the bigger homes, in the more wealthy and more popular suburbs, the owners will pay higher amounts and on one piece of property alone they could pay £40 for land tax. If they have any other property to be added to it they could be thrown into a higher taxing bracket.

As far as industry is concerned, in spite of the fact that they do receive taxation deductions for land tax, it cannot be denied that it will be an extra cost and that it will find its way into the cost structure. It will be a matter of prudence for any business to say, "We now have an increased overhead expenditure which is unavoidable," and they will plan their finances on an appropriate basis. I am rather interested to find out how the Treasurer proposes to get his overall figure of approximately £1,500,000 when the full effect of this amendment is felt. I think that is a fair figure to quote, as a round figure. Apparently the Government is now getting approximately £500,000 and the Treasurer expects to get a further £1,000,000 when the legislation is in full effect, bringing the total to £1,500,000 per annum.

At the moment we on this side have not the necessary information to make an estimate as to how this amount will be received in the various tax brackets, under the first group of £10,000, the next group of £20,000, and so on. I think that is information we are entitled to have so that we can assess the relative contributions from the different groups within the community, thus making up this total of £1,500,000. The rough calculations which I have made—and they are purely guesses because I have not the faintest idea as to how much of the land value will fall into the different groups—make it appear that it may be more like £2,000,000 when the full effect of the amendment is felt, rather than the £1,500,000 which the Treasurer has estimated.

But there again I am only guessing and making certain suppositions to try to arrive at these figures. My proportions between metropolitan land and land held in the higher brackets might be completely wrong. No doubt the Treasurer has been provided with estimates regarding the different groups, otherwise he would not have arrived at the figures he did. State Treasury officers would be fairly well informed on the point and if he could give us the amounts of contribution for each different group it would be of considerable assistance.

I oppose the measure because I feel that the rates proposed are out of all proportion. Had the Treasurer come along and said, "I want to alter the tax from 1½d. to 1½d. to get some additional contribution to revenue in excess of what has already been received automatically through revaluations, and what will automatically be received in the future through revaluations," it would have been a reasonable approach. But this is a very heavy impost and out of all proportion. Therefore, I oppose the measure.

THE TREASURER (Hon. A. R. G. Hawke—Northam—in reply) [12.5 a.m.]: I do not propose to spend any time at all in replying to this debate. I will try to make available, when the Bill goes into Committee tomorrow, the information sought by the member for Nedlands.

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

Ayes	23
Noes	16
Majority for	7

Ayes.

Mr. Evans	Mr. Marshall
Mr. Graham	Mr. Molr
Mr. Hall	Mr. Norton
Mr. Hawke	Mr. O'Brien
Mr. Heal	Mr. Potter
Mr. W. Hegney	Mr. Rhatigan
Mr. Hoar	Mr. Sewell
Mr. Jamieson	Mr. Sleeman
Mr. Johnson	Mr. Toms
Mr. Kelly	Mr. Tonkin
Mr. Lapham	Mr. May
Mr. Lawrence	

(Teller.)

Noes.

Mr. Bovell	Mr. Nalder
Mr. Cornell	Mr. Oldfield
Mr. Court	Mr. Owen
Mr. Crommelin	Mr. Perkins
Mr. Hearman	Mr. Roberts
Mr. I. Manning	Mr. Watts
Mr. W. Manning	Mr. Wild
Sir Ross McLarty	Mr. Hutchinson

(Teller.)

Pairs.

Ayes.	Noes.
Mr. Andrew	Mr. Brand
Mr. Brady	Mr. Mann
Mr. Gaffy	Mr. Ackland
Mr. Nuisen	Mr. Thorn
Mr. Rodoreda	Mr. Grayden

Question thus passed.

Bill read a second time.

BILL—VERMIN ACT AMENDMENT (No. 2).

Second Reading.

Debate resumed from the 22nd November.

HON. SIR ROSS McLARTY (Murray) [12.10 a.m.]: As members know, the proposal is to abolish the vermin tax and from

the proceeds of the land tax make available to the vermin trust fund an amount of £100,000 per annum. I have some figures which were obtained from the Treasurer as a result of questions asked by the member for Vasse. They show a steep increase in the vermin tax and for the last few years the figures for the amount collected are as follows:—

1951-52	£38,954
1952-53	£63,230
1953-54	£72,983
1954-55	£79,437
1955-56	£87,919

That is an indication of the fairly steep rise in the vermin tax. I do not think we should agree to the Treasurer's proposals. He will get an additional £1,000,000 on his own estimate from the land tax but the figure of £100,000 will remain static, no matter how much increased land tax may be obtained. I do not think that members who represent rural areas, in particular, could agree to this. The fight against vermin goes on continually and as other costs are increasing, so the cost of this work is increasing.

I think that the Treasurer should tell us what it is costing today for vermin eradication. Has he anything left over from the vermin trust fund, or is he using the full amount that is collected? Does the Treasury have to subsidise it in any way? I have not looked up the figures but I think there has been a subsidy from the Treasury and I do not think that the sum of £100,000 will be sufficient to meet the needs of the Agriculture Protection Board in coping with vermin throughout the length and breadth of Western Australia.

The Treasurer: In that event we would subsidise from the Treasury.

HON. SIR ROSS McLARTY: I do not know that that is a sound proposition either. While the vermin tax is being abolished the land tax is being increased so steeply that I think there should be some provision for a further amount to be allocated to the vermin trust fund.

The Treasurer: What amount would you suggest?

HON. SIR ROSS McLARTY: I do not know; I am not suggesting anything. As this tax increases there should be a pro rata increase in the money provided for the vermin trust fund. I think that would be a sounder proposition than the one which the Treasurer has now put before us. In any case I have opposed the two previous Bills and as this one is closely related to them, I intend to oppose this Bill, too.

HON. A. F. WATTS (Stirling) [12.15 a.m.]: I do not feel nearly so inclined to oppose the second reading of this measure because, while I object to the rate of tax proposed under the measure we have just

been dealing with, namely, the land tax Bill, this measure does away with the obligation of rural lands to be the only contributor to vermin tax. I have long been of the opinion that this question of the destruction of vermin is a State-wide responsibility. I was a member, and chairman, of an honorary Royal Commission which sat, I think, in 1944, and made a very careful investigation into the question of vermin and desirable amendments to the then legislation. The Minister for Lands was a member of that commission, as was the Leader of the Opposition, the present member for Avon Valley, and the former member for Mt. Magnet, Mr. Triat.

In the course of that inquiry we endeavoured to make some assessment of the damage and loss that was done to and suffered by the rural industries of the State as the result of depredations of vermin of various kinds, from the northernmost portion of Western Australia to its southern end. We also made some estimation of these depredations and their effect upon the general economy of the State, particularly in regard to the metropolitan district. While at that time costs of production were much less than they are now, returns from primary production were also, in respect of nearly all commodities, very much less than they are today.

We estimated at that time that not less than a sum of £2,000,000 was being lost annually to the State by the depredations of vermin. In view of the happenings in recent times and the vastly increased prices for primary products, and the very considerable increased production that has taken place, in this State, had there not been some very determined effort to at least minimise vermin in Western Australia, the losses caused by their depredations would, today, have run into many more millions of pounds than the figure I have mentioned. Undoubtedly the need for substantial resources for the Agriculture Protection Board was very evident, and indeed is evident today, because although there has been one means or another of considerable reduction—in some instances almost amounting to extermination—of the rabbit population, there are nevertheless very considerable expenses occasioned for the destruction of foxes, and the various types of creatures we have had to declare vermin in other parts of the State, particularly in the North-West.

It is true that over and above the vermin tax that has been struck, there has been, throughout all the years since the Agriculture Protection Act came into operation as a result of that commission, a contribution from the Treasury. The claims of the Agriculture Protection Board are nevertheless likely to increase rather than diminish—notwithstanding the recommendation of that commission that

consideration should be given for the reasons stated to imposing the tax upon all the land in the State; notwithstanding that in the intervening period the burden has fallen entirely on the rural land, and again notwithstanding that the destruction of vermin has been a tremendous advantage to everybody in the State.

This measure, as I see it, does away with the vermin tax and makes the contribution to the Agriculture Protection Board come out of the land tax—and though we may dispute and oppose the incidence of that particular tax, it does provide a certain and substantial amount for the Agriculture Protection Board from the amount of tax collected from the whole of the community. I agree with the Leader of the Opposition that some provision should be made for increasing that contribution rather than having a fixed sum of £100,000. But that is a matter for consideration in Committee and not a matter of principle.

So far as the principle is concerned of vermin tax being paid by the whole of the community, in the circumstances I have just outlined, I must say that my personal view is that it is a sound principle and I submit it was supported by the inquiry made by that commission to which I have referred whose report was presented to His Excellency the Governor in 1945. So while I would like to see the Bill amended, I am not prepared to vote against the second reading.

Question put and passed.

Bill read a second time.

House adjourned at 12.22 a.m. (Thursday).