the State. The reason for the grabbing of the assets of Western Australia is easily seen; it is that the other States need the production from Western Australia.

It seems to me that we should get back to the essentials of Western Australia and to the establishment of industry here. We will not achieve this if we allow our assets to be taken from us. If we look at what is happening we find that Mr. Whitlam is whittling away the assets of Western Australia, but that course of action is not being opposed by the State Government. We have a Government which is supposed to defend the rights of the citizens, to protect the existing industries, and to establish new industries. But what is it doing? The assets of the State are being taken from under the nose of the Government, but it is not protesting.

The Government should be prepared to make representations to the Federal Government as proposed in the motion, but it is not agreeable to take that course of action. There is no indication from the Premier or any member of the Government that the Government will agree to joining in a protest against the takeover of our assets by the Commonwealth. Because of this I definitely believe the Government has lost the confidence of the people of this State.

Adjournment of Debate

Mr. T. D. EVANS: I move—

That the debate be adjourned.

Motion put and a division taken with the following result—

Ayes—22

Mr. Bateman	Mr. Harman
Mr. Bertram	Mr. Hartrey
Mr. Bickerton	Mr. Jones
Mr. Brady	Mr. Lapham
Mr. Brown	Mr. May
Mr. B. T. Burke	Mr. Moiler
Mr. T. J. Burke	Mr. Sewell
Mr. Cook	Mr. Taylor
Mr. Davies	Mr. A. R. Tonkin
Mr. H. D. Evans	Mr. J. T. Tonkin
Mr. T. D. Evans	Mr. McIver
	(Teller)

Noes—22

Mr. Blaikie	Mr. Mensaros
Sir Charles Court	Mr. O'Connor
Mr. Coyne	Mr. O'Neil
Dr. Dadour	Mr. Ridge
Mr. Gayfer	Mr. Rushton
Mr. Grayden	Mr. Sibson
Mr. Hutchinson	Mr. Stephens
Mr. A. A. Lewis	Mr. Thompson
Mr. E. H. M. Lewis	Mr. R. L. Young
Mr. W. A. Manning	Mr. W. G. Young
Mr. McPharlin	Mr. I. W. Manning
	(Teller)

Pairs

Ayes	Noes
Mr. Bryce	Mr. Nalder
Mr. Jamieson	Sir David Brand
Mr. Fletcher	Mr. Runciman

The SPEAKER: The voting being equal, I give my casting vote with the "Ayes".

Motion thus passed.

Debate adjourned.

BILLS (5): RETURNED

1. Juries Act Amendment Bill.
   Bill returned from the Council with an amendment.
2. Motor Vehicle (Third Party Insurance Surcharge) Act Amendment Bill.
3. Nurses Act Amendment Bill.
4. Coal Mine Workers (Pensions) Act Amendment Bill.
5. Dental Act Amendment Bill.
   Bills returned from the Council without amendment.

House adjourned at 11.18 p.m.

Legislative Council

Wednesday, the 10th October, 1973

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

QUESTIONS ASKED OF THE PRESIDING OFFICER

Statement by President

THE PRESIDENT (The Hon. L. C. Diver): Honourable members, I would draw attention to the fact that at the last sitting The Hon. D. J. Wordsworth directed a question to the President.

As we have in the past followed the procedure of the House of Commons where no written or public notice of questions is addressed to the Presiding Officer, this question was not placed on the notice paper and I have replied to the question direct to the honourable member.

QUESTIONS (7): ON NOTICE

1. PRICES CONTROL

Legislation

The Hon. A. F. GRIFFITH, to the Leader of the House:

(1) Further to question 1 of the 19th September, 1973, concerning the Government's Excessive Prices Bill, and having regard to the answer given to that question, has the State Government since reviewed its intention with respect of the above-mentioned Bill, and if so, with what result?

(2) If the decision is to continue with the Bill, what does the Government hope to achieve?

The Hon. J. DOLAN replied:

(1) In the present economic climate and inflationary pressures, the Government believes that effective

excessive prices legislation is essential. Although the Commonwealth is holding a referendum, it will not be known until December 1973, whether this referendum is passed with the required majorities in each State to enable the Australian Government to implement a prices policy. The State Government intends to proceed with its Excessive Prices Bill and in the event of the referendum being successful, the legislation need not be implemented. If the referendum does not result in a sufficient majority to enable the Australian Government to act directly on prices, the legislation will enable price control measures to be instituted in this State to supplement the work of the Prices Justification Tribunal. Due to the seriousness of the problem, the Government feels more than justified in proceeding on this basis.

(2) Answered by (1) above.

2. RAIL AND BUS TRANSPORT

Pensioners: Concessions

The Hon. W. R. WITHERS, to the Leader of the House:

(1) Will the recent State budget proposals allow all pensioners in remote areas to hold free travel and concession fare certificates for free return travel within any two points in the State on a rail or bus?

(2) Will the concession apply to bus services where Government transport services are non-existent?

The Hon. J. DOLAN replied:

(1) Yes.

(2) No.

3. NATURAL GAS AND OIL RESERVES

Commonwealth Takeover

The Hon. W. R. WITHERS, to the Leader of the House:

(1) Does this Government agree with the advice given to Woodside-Burmah by the Federal Minister, the Hon. R. F. X. Connor, concerning Government take-over of the North West Shelf products of oil and gas?

(2) Will this Government resist any move to take control of Western Australian petroleum resources by the Federal Government?

The Hon. J. DOLAN replied:

(1) If the Honourable Member will state the advice to which he refers, an answer will be given to this question.

(2) The Government will, from time to time, determine its attitude as the situation arises. At present, no move has been made by the Australian Government to take control of Western Australian petroleum resources.

4. ABORIGINES

Metropolitan Area: Tribal Ceremonies

The Hon. W. R. WITHERS, to the Minister for Community Welfare:

(1) How many tribal groups currently exist in the metropolitan area?

(2) Where are initiation ceremonies performed for each group?

(3) Where do the tribes store their Tjuringas?

(4) Do the tribes still hold corroborees in the metropolitan area?

The Hon. R. THOMPSON replied:

(1) to (4) Persons of Aboriginal descent in the Metropolitan Area do not practise traditional Aboriginal life in the full anthropological sense, although some identify with tribal groupings which existed at the time of white occupation. Their individual beliefs and practices are their own affair and are not known to me.

5. PRISONS

Parolees: Reporting Procedure

The Hon. W. R. WITHERS, to the Chief Secretary:

(1) What is the required reporting procedure for parolees in the metropolitan area?

(2) What is the required reporting procedure for parolees in the north of this State?

(3) Is a parolee from the metropolitan area restricted in seeking a position of work in a remote area?

(4) What is the purpose in having parolees report to any authority?

The Hon. R. H. C. STUBBS replied:

(1) There is no set procedure.

A parolee must report to his Parole Officer as directed by him. This is usually in person, but in some circumstances reporting by letter or phone is permitted.

Depending on the parolee's need for guidance and counselling and on how well he is responding to parole he may be required by his Parole Officer to report weekly (or more often, but this is uncommon), fortnightly, monthly, or even at longer intervals (usually

towards the end of a long period during which the response has been good).

(2) In the North of the State parolees report to Honorary Parole Officers.

The procedure is the same as above.

(3) No, subject to the terms of his parole order that he notify change of employment and of address.

(4) To assist the parolee with his rehabilitation and resettlement in the community whilst he is serving the balance of his sentence outside of prison.

6. ABORIGINES

Unemployment Benefits

The Hon. W. R. WITHERS, to the Minister for Community Welfare:

(1) Has the recent Federal Government policy of unemployment benefits for mission residents been discussed with the State Department of Community Welfare?

(2) What guidelines will be given to missions to assist them in the implementation of the new policy?

(3) How will the new policy be implemented?

(4) What is being done to create employment for tribal people in some of the remote missions?

(5) Will the Aboriginal recipients of unemployment benefits still be allowed to hunt the reptiles, birds and animals, which are otherwise protected?

(6) Will the Aboriginal recipients obtain a hunting or fishing license?

(7) Will non-Aboriginal recipients of unemployment relief be allowed to hunt similar game for sustenance?

(8) If the answer to (7) is "No", what compensation will he be allowed to compensate for a lower level of sustenance?

The Hon. R. THOMPSON replied:

(1) No—although the Department is aware of the new policy from Press information.

(2) and (3) These are matters that only the Department of Social Services can answer.

(4) This varies from Mission to Mission depending on the availability of projects in each situation. On some missions very little is being done while other projects associated with cattle and building create some employment opportunities.

(5) and (6) Section 23 of the Fauna Conservation Act will still apply. This section enables Aborigines to "take fauna upon Crown Land or upon any other land not being a sanctuary but where unoccupied, with the consent of the occupier of that land, sufficient only for food for himself and his family but not for sale".

(7) Only so far as the provisions that already exist within the relevant State Statutes.

(8) Whether or not there is a lower level of sustenance the State does not propose to pay such compensation.

7. DEVELOPMENT

Pilbara Complex

The Hon. W. R. WITHERS, to the Leader of the House:

(1) Was the Hon. Premier correctly reported on page 11 of *The West Australian* dated the 8th October, 1973, in an article titled "Dampier Refinery" where he is quoted as saying "The Federal Government's ideas complemented the State Government's planning for the Pilbara complex"?

(2) If so, will he release the details of the State Government's planning for the Pilbara complex?

The Hon. J. DOLAN replied:

(1) Although the question is out of order, the fact of the matter is that the Hon. Premier expressed an opinion that the proposals for a refinery at Dampier and a petro-chemical industry, were complementary to the State Government's planning.

(2) Included in the terms of reference for the Pilbara Study is an item "Proposed Industrial Development" which requires, amongst other things, an outline of industrial development options, their likely magnitude, potential for growth, and inter-relationships.

The related industries mentioned by the Federal Minister for Minerals and Energy are amongst those under study.

The Pilbara Development Concept published in October, 1972, which I now lay on the Table, contains reference to them (Paper No. 340).

A study report is scheduled for completion in May, 1974.

LOCAL GOVERNMENT ACT AMENDMENT BILL (No. 3)

Introduction and First Reading

Bill introduced, on motion by The Hon. R. H. C. Stubbs (Minister for Local Government), and read a first time.

OFFICIAL PROSECUTIONS (DEFENDANTS' COSTS) BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. J. Dolan (Leader of the House), read a first time.

SHIRE OF ARMADALE-KELMSCOTT

Disallowance of Health By-law: Motion

Debate resumed, from the 9th October, on the following motion by The Hon. Clive Griffiths—

> That By-law 19 relating to General Sanitary Provisions made by the Shire of Armadale-Kelmscott under the Health Act, 1911-1972, published in the *Government Gazette* on the 20th July, 1973, and laid on the Table of the House on Tuesday the 7th August, 1973, be and is hereby disallowed.

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [4.47 p.m.]: With regard to the motion moved by Mr. Clive Griffiths to disallow health by-law No. 19 of the Shire of Armadale-Kelmscott, I would point out that it is customary to move within 14 sitting days of the tabling of a by-law for its disallowance.

This time limit is permitted under section 36(2) of the Interpretation Act. It will thus appear that Mr. Clive Griffiths is in order in moving the motion. However, the Health Act requires such a motion to be moved within 30 calendar days; that is provided under section 347 of that Act, and this period takes precedence. This is covered by section 3(1) of the Interpretation Act.

As the by-law was tabled on the 7th August, 1973, the notice of motion given on the 4th October, 1973, is therefore out of time; and the motion, if passed, is of no effect. As to the Interpretation Act, the House may argue that as section 36(2) states—

> Notwithstanding any provision in any Act to the contrary . . . the 14 sitting day period shall apply . . .

that period is in order.

The counter to this argument is that section 3 of the same Act states that not any part of the Interpretation Act applies in respect of section 347 of the Health Act, in relation to the express provision limiting the notice of motion to disallow to 30 calendar days. Consequently no recourse to the Interpretation Act is permitted in respect of the disallowance of health by-laws.

There are two examples of contemporary legislation passed in 1911 and 1912 which contain similar specific provisions regarding disallowances as recognised under section 3 of the Interpretation Act 1918—these being express provisions to the contrary in respect of section 36.

I refer first of all to the Veterinary Act of 1911 in which the period of time is limited to 20 days, and also to the Workers' Homes Act in which the specified period of time is 30 sitting days.

In my opinion there is another matter of much greater importance to be considered. Ordinarily, regulations, rules, and by-laws are tabled in each House to comply with the requirements of section 36 of the Interpretation Act, which section then proceeds to invest each House with a power to disallow such a tabled regulation, rule, or by-law so long as notice for that purpose has been given at any time within 14 sitting days of such House, after the regulation, rule, or by-law has been laid before it.

The Interpretation Act is expressed, by section 3 thereof, to apply to every Act of the Parliament of the State whether passed before or after the passing of the Interpretation Act, except in so far as there is any express provision to the contrary or, *inter alia* any provision of the Interpretation Act is inconsistent with the intent and object of a particular other Act.

It is to be noted that sections 346 and 347 of the Health Act provide for the tabling *inter alia* of by-laws before both Houses of Parliament, and for the annulment of by-laws so laid before either House. In particular, subsection (1) of section 347 reads as follows—

> 347. (1) If either House of Parliament, within thirty days next after any regulations or by-laws have been so laid before it, resolves that such regulations or by-laws ought to be annulled, the same shall, after the date of such resolution, be of no effect, without prejudice to the validity of anything done in the meantime under the same.

In my opinion section 347 deals with the same general subject matter as the provisions of section 36 of the Interpretation Act; namely, the review and disallowance or annulment by Parliament of, *inter alia*, by-laws and as the Health Act provides differently from the Interpretation Act there is, in my opinion, an inconsistency between the provisions of the respective Acts and, accordingly, section 36 of the Interpretation Act does not apply to by-laws made under the Health Act.

The opinion I received is that it is necessary to examine whether the honourable member's motion could now have legal effect under section 347 of the Health Act. The by-law in question was published in the *Government Gazette* of the 20th July, 1973, and laid on the Table of the House on the 7th August, 1973. It appears that the by-law could only be annulled if the House had so resolved within 30 days next after the date on which the by-laws were laid on the Table of the House.

The Hon. A. F. Griffith: After notice having been given.

The Hon. J. DOLAN: Accordingly, in my view, the last day on which the House could lawfully annul the by-law in question, under section 347 of the Health Act, was the 6th, or perhaps, the 7th September when the period of 30 days expired. Thus,. even if the honourable member's resolution were passed by the House it would not be effective to annul the by-law in question.

Consequently, Mr. President, I would request that you give a ruling as to whether or not the motion is in order.

The PRESIDENT: As there is no great urgency regarding an examination of this matter I will give it my attention, and give a ruling at the next sitting of the House.

The Hon. J. Dolan: Thank you, Mr. President.

BILLS (3): THIRD READING

1. Railway (Kalgoorlie-Parkeston) Discontinuance and Land Revestment Bill.

   Bill read a third time, on motion by The Hon. J. Dolan (Leader of the House), and transmitted to the Assembly.

2. State Electricity Commission Act Amendment Bill.

   Bill read a third time, on motion by The Hon. R. H. C. Stubbs (Minister for Local Government), and passed.

3. Adoption of Children Act Amendment Bill.

   Bill read a third time, on motion by The Hon. R. Thompson (Minister for Community Welfare), and transmitted to the Assembly.

WESTERN AUSTRALIAN ARTS COUNCIL BILL

Third Reading

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [4.55 p.m.]: I move—

> That the Bill be now read a third time.

THE HON. G. C. MacKINNON (Lower West) [4.56 p.m.]: During the debate on this Bill a number of members referred to Mr. John Harper-Nelson, who has been the executive officer of the W.A. Arts Advisory Board for, virtually, the last two years. Several members mentioned that a rumour was abroad that Mr. Harper-Nelson may not continue in that post.

It has been officially announced today that he will not apply for a post with the new W.A. Arts Council. I believe, as will many other people, that is a very sad state of affairs because Mr. Harper-Nelson has had considerable experience.

In view of the many comments made with regard to the Commonwealth Council for the Arts it is interesting to note the reasons given for Mr. Harper-Nelson's resignation. According to a report, he said—

> My reasons centre on the apparent lack of communication between the Australian Council for the Arts and the state bodies.
>
> I'm afraid that in the long run the Commonwealth will try to take over the WA Arts Council.
>
> You cannot run the whole of the Australian arts from North Sydney—which is what the Australian Council for the Arts seems to be trying to do.

I think members will remember the comments made by Mr. Wordsworth in this regard when he read out the long list of appointments from North Sydney. Mr. Harper-Nelson continues—

> I think the WA decision to have an Arts Council here is a step forward. If all other States set up statutory bodies in the same way, then the Commonwealth Government could work through them.
>
> As it is, too much money is being spent on administration and local areas are missing out because of this. The sums spent on the sculpture Girl Table and painting Blue Poles could have been better spent in giving the ordinary man a chance to participate in art.

Mr. Harper-Nelson goes on to say how interesting his job has been, and he refers to the three positions which are to be advertised for the W.A. Arts Council—legislation for which, as he states, is going through Parliament. He concludes his statement by saying—

> So many people are criticising the way the Australian Council for the Arts is working, that they must listen.
>
> It should be working through local agencies and boards, rather than flying somebody over from Sydney to look into the arts situation here.

I repeat that whilst I was Chairman of the Bunbury Arts Promotion Council I was fortunate in being able to secure two sums of money from the Australian Council for the Arts but I also repeat that dealing with that body was extremely difficult. The forms which had to be filled in would have frightened anybody other than a professional, and in country areas professionals are not available to do these things.

Several members made reference to the very expensive trips which are made by members of this body in order to investigate comparatively small items of expenditure.

I think it is a great pity that Mr. Harper-Nelson has seen fit to relinquish this position. As one who has had some

association with the general work of encouraging arts and crafts in a country area, and in my capacity as a member of Parliament, I would like to place on record my appreciation of Mr. Harper-Nelson's enthusiasm for his job and the way in which he carried it out. In the article from which I have just quoted, he expressed the hope that he had pointed the work in the right direction. I would like to assure him that many people believe he has done so and that he has set an example which the Federal body should follow; that is, dealing in local groups on a person-to-person basis rather than being centralised in North Sydney and using the most complicated forms of application for finance.

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [5.01 p.m.]: I assure the honourable member I will have his remarks conveyed to the appropriate authority and the Minister associated with this matter, with a view to his having a written reply.

Question put and passed.

Bill read a third time and passed.

ELECTORAL ACT AMENDMENT BILL (No. 2)

Second Reading

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [5.02 p.m.]: I move—

> That the Bill be now read a second time.

For some time past a subcommittee has been examining the provisions of the Electoral Act and electoral matters, generally. The amendments sought in this Bill are largely the outcome of the recommendations of that subcommittee.

It is proposed to repeal and re-enact paragraph (c) of section 18 dealing with disqualifications. It is considered that the disqualifications in regard to convicted persons should be more specific than they are at present, while yet remaining operative.

The price of 10c for an electoral roll, which has been stated in the legislation since 1907 (section 33), is now unrealistic. An amendment will permit of a price being prescribed in the regulations and varied as considered necessary. This is in keeping with the electoral legislation in each of the other States and the Commonwealth.

An amendment to section 45 will increase the penalty for failure to comply with the compulsory enrolment provisions of the Act. The present penalties are considered to be inadequate and the amounts stated in the amendment are in keeping with those sought in respect of section 156 for failure to comply with the compulsory voting provisions; namely, $5 for a first offence and a sum not exceeding $20 for any subsequent offence.

Amendments to sections 52 and 59 are consequential upon the passing of the amendment sought to section 18. Section 52 relates to the removal from the rolls of persons who have been convicted and sentenced to a term of imprisonment for one year or longer; and section 59 provides for lists of those persons to be forwarded to the Chief Electoral Officer.

In a proposed new section 77A, provision is made for a candidate in any election to make an application for a party designation to be shown in connection with his name on ballot papers for that election. It is the first of several relating to the same subject.

In the proposed new section 77B, any body or group of at least 20 persons may apply to the Chief Electoral Officer to be registered as a party. Provision is made for party designations to be shown on ballot papers.

There is set out in a proposed new section, numbered 77C, the procedure to be followed in objecting to the registration of a party, and also provision for the hearing of any objection by a stipendiary magistrate.

A proposed new section 77D sets out the method of dealing with an appeal against the decision of the Chief Electoral Officer to refuse an application for registration, and 77E sets out the effect of the issue of a writ on any application received by the Chief Electoral Officer for the registration of a party.

A proposed new section 77F provides for the registration of a party by the Chief Electoral Officer after the requirements set out in the appropriate preceding new sections have been complied with, while 77G provides for the alteration of particulars of the registration of a party.

Proposed section 77H provides for the renewal and cancellation of the registration of a party. Registration is for a period of three years once effected.

The proposed new section 77I stipulates that where a party designation is not authorised to be shown on ballot papers in connection with the name of a candidate, the designation "Independent" shall be shown against the name of the candidate.

There is an amendment to section 81 to increase from $50 to $100 the amount of deposit to be lodged by a candidate with his nomination. It is considered that the existing amount is too low and that it is time for an increase. In parallel, a candidate for election as a member of the House of Representatives is required to lodge a deposit of $100.

Section 86 is to be amended to provide for the production of all nomination papers at the hour of nomination by the returning officer. The requirement is that the applications for party designations should also then be produced.

As to section 90, it is intended to delete provisions requiring an issuing officer to initial a postal ballot paper issued by him. This clause is complementary to the amendment to section 125.

A further amendment seeks to modify the provisions in section 92 in regard to authorised witnesses. This amendment will be found to be complementary to that which immediately follows.

Section 94, which contains the list of authorised witnesses for postal votes, is to be repealed and re-enacted. The re-written section provides that any person who has attained the age of 18 years is an authorised witness. The existing provisions are inadequate and the amendment will make the locating of an authorised witness much simpler, particularly outside Australia.

Section 95, dealing with offences relating to postal voting, requires amendment to extend the existing provisions set out in subsection (8) to institutions and hospitals to which the proposed new section 100B will apply.

It is desired to provide in section 100 for the appointment of a polling place at which ordinary votes may be cast for any province or district. Such a polling place at suitable premises such as the Town Hall, Perth, would lessen the number of absent votes which would need to be recorded. A central polling place of this type is used, for example, for State elections in Queensland and, I understand, also in Tasmania.

A proposed new section 100B provides for the operation of mobile portable ballot boxes at specified institutions and hospitals at which polling places for the use of the general public have not been appointed. It is proposed that this service will function on polling day or during the five days immediately preceding that day. It will afford an opportunity to vote to each elector who is for the time being resident in the institution or hospital and, by reason of illness, infirmity, or approaching maternity, is unable to attend a polling place to vote on election day.

The next amendment is complementary and seeks to amend section 102 to provide for a presiding officer and another officer to be in attendance with and operate each mobile portable ballot box at the institutions and hospitals referred to in section 100B.

Another amendment seeks to amend section 113 to provide for the inclusion of party designations on ballot papers and for ballot papers to be affixed to numbered butts. The provision for butts operates in Queensland and facilitates a check of ballot papers issued.

In proposing an amendment to section 125, the Bill seeks to remove the necessity for a presiding officer to initial a ballot paper before it is delivered to an elector. Incidentally, the necessity to initial ballot papers was recently deleted from the Elections Act of Queensland.

There follows a complementary amendment to section 127 to delete the reference to initials on a ballot paper which appears in that section.

Section 139 deals with informal ballot papers. From this section we seek to remove the reference to initials and to require that a ballot paper be informal if it does not have indicated on it the party designation of any candidate, having regard to the provision which is made for the term "Independent" to be used against a person's name where no party designation has been applied for and registered. If no party designation has been applied for and registered, under the legislation the designation "Independent" would then be authorised to be used by the printer.

As mentioned earlier, the Bill contains an amendment to section 156 to increase the existing penalties for failure to comply with the compulsory voting provisions of the Act. It is sought to increase the penalty imposed by the Chief Electoral Officer under subsection (12) from the present $2 to $5 for a first offence and from $10 to $20 for any subsequent offence. The clause also amends subsection (16) to increase from $10 to $20 the penalty which may be imposed by a court. It is considered that the present penalties are inadequate.

Section 177 is to be amended to provide that a candidate is required to send a return of electoral expenses to the Chief Electoral Officer within three months after the day on which the election takes place instead of within three months after the day on which the declaration of the poll takes place.

The amendment to section 187 stipulates that it shall be an illegal practice to represent that a candidate or a person is authorised to use the name or party designation of a party without the authority of that party.

The repeal and re-enactment of section 192 is designed to make it an offence for any person on polling day to canvass for votes or solicit the vote of any elector in a polling place or within 100 metres of the entrance thereof.

The practice of distributing electoral matter on election day and soliciting votes within a given range of a polling place has, for some years, been the electoral practice within the State electoral laws of Tasmania. The Minister for Works, the Minister for Labour, and the Attorney-General were in Tasmania last year on the day the

State elections were held and witnessed the manner in which people voted, even though they were confronted with what appeared to be a strange ballot paper—one issued under the Hare-Clarke system. I think the late Ben Chifley referred to it as the "Harey system". The people seemed to manage to vote without great difficulty. They did not have the aid of, nor were they confused by, a proliferation of how-to-vote material.

The Attorney-General indicated in another place when introducing this Bill that, in response to an inquiry, the Chief Electoral Officer has sought on his behalf some information relating to the practice of including the reason for designation and registration of party names on ballot papers.

From information provided the position is as follows—

> Canadian legislation provides for party designations to be shown on ballot papers in that it is provided that the nomination paper shall contain a statement of the name, address, occupation, and political affiliation of the candidate, if any, and that the political affiliation of the candidate, if any, shall be set out on the ballot paper after or under the name of the candidate.
>
> South African legislation requires the name, address, and occupation of the candidate to be shown on the ballot paper but does not make reference to political affiliation.
>
> In the United States of America party identifications are usually on the ballot paper, though sometimes "non-partisan" elections are held. In the 1960's probably more than half of elective offices in the United States were filled using a nonpartisan ballot. Ballot papers showing party identifications of candidates are of two types—
>
> (1) The Indiana ballot where candidates are grouped under party affiliation.

This appears to have been adopted in approximately 30 of the American states, and—

> (2) The Massachusetts ballot where candidates are listed under the name of the office being sought, but with party endorsement added.

This appears to be used in about 20 American states. The Chief Electoral Officer advises that no reference to the issue of how-to-vote cards on polling day being unlawful has been found.

For example, no reference is made to the fact that distribution of this material in Tasmania—which is a fact—is unlawful. The Chief Electoral Officer attended the South Australian general election on the 10th March this year and his report is quite enlightening. He says—

> A recent amendment to the South Australian Electoral Act provides for the exhibition of "how-to-vote" cards in the voting screens in polling places. Briefly, if the candidate desires to exhibit a "how-to-vote" card in voting screens, he must apply to the returning office for the State within 48 hours of his nomination for approval of a prototype of his "how-to-vote" card. There are regulations governing size and other matters regarding the card and the returning officer for the state is required to make a draw for each district of the position on the poster in the voting screen which shall be occupied by each "how-to-vote" card.
>
> The returning officer for the State has absolute discretion in deciding whether "how-to-vote" cards submitted to him comply with the regulations.

It was the experience of the Chief Electoral Officer, doubtless gained by advice offered to him by his counterparts, and doubtless as a result of his own observations that there were problems. He says—

> Naturally there were some problems associated with the "how-to-vote" cards submitted to the returning officer for the State and he was obliged to seek legal advice regarding the cards submitted.

The Hon. A. F. Griffith: Did he give any example of the problems that existed?

The Hon. J. DOLAN: I do not know but I will try to find out.

The Hon. A. F. Griffith: He should say so in those circumstances.

The Hon. J. DOLAN: The problems may relate to size, etc.

The Hon. A. F. Griffith: When you are introducing a system like this which is Labor Party policy you should give some examples of where the problems apply.

The Hon. J. DOLAN: I am using this by way of comparison to show what has applied in other parts of Australia. Provision is made in South Australia for candidates themselves to seek approval to have displayed how-to-vote cards but this system does not seem to be the best found as yet. By way of comparison, it is suggested that the inclusion of party designation on our ballot papers will go a long way to assist electors and to make it easier for candidates at least to know that the chances of electors being confused at the time of voting—voting for a person in the belief that that person is allied to some other party—may be minimised. The Chief Electoral Officer said—

> Reports were received that in some cases "how to vote" cards had been removed from the voting screens or had been defaced.

> The whole procedure in South Australia had administrative difficulties and this would be particularly so if a candidate was to nominate very late. No doubt the legislation was introduced with the object of eventually eliminating the handing out of "how to vote" cards outside the polling places. However, for this election . . .

He is referring to the last election in South Australia—

> . . . the cards were still being handed out outside the polling places.

I mention, in conclusion, that the Government has received quite a few requests from various persons and organisations asking why the use of party designations on ballot papers cannot be adopted.

I commend the Bill to the House.

Debate adjourned, on motion by The Hon. A. F. Griffith (Leader of the Opposition).

CONSTITUTION ACTS AMENDMENT BILL

Second Reading

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [5.21 p.m.]: I move—

> That the Bill be now read a second time.

Provisions in this Bill are comprised mainly of amendments the subject of recommendations made by the subcommittee on electoral matters.

The Bill seeks to amend section 7 of the principal Act to reduce from 21 years to 18 years a qualification for election as a member of the Legislative Council. I believe members will accept the fact that this provision is consistent with other steps of which this Parliament approved during the previous session when it accepted the Age of Majority Bill. Also, in 1970—during the life of the previous Administration—Parliament approved the granting to 18-year-olds of the right to vote in Legislative Council and Legislative Assembly elections. The provision in this measure is a progression of that principle. This, and the variation embodied in the amendment to section 20, are in keeping with the 1970 extension of the franchise to persons not under 18 years of age.

Section 20 is to be amended to reduce from 21 years to 18 years the age for qualification for election as a member of the Legislative Assembly.

It is also proposed to amend section 31 of the principal Act by deleting the disqualification for membership of either the Legislative Council or the Legislative Assembly of a clergyman or a minister of religion. This sanction, or disqualification, does not apply under the corresponding Commonwealth legislation. Therefore, amongst the members of Federal Parliament one might well find persons who have, in fact, in the past been ordained members of the clergy but who, because of the provisions existing in our Constitution, are permitted to contest but prohibited from taking a seat in either House of the Western Australian State Parliament.

A further amendment also removes the disqualification of any person who has been, in any part of Her Majesty's dominions, attainted or convicted of treason or felony, that person having repaid the debt to the community assessed by the laws of the community.

Debate adjourned, on motion by The Hon. A. F. Griffith (Leader of the Opposition).

DAIRY INDUSTRY BILL

Second Reading

Debate resumed from the 2nd October.

THE HON. N. McNEILL (Lower West) [5.24 p.m.]: The Bill we now have before us has been introduced essentially for the purpose of creating a single industry authority covering the dairy industry of Western Australia. It proposes to repeal certain other Acts which have operated through the years and in the administration of the Western Australian dairy industry. The three Acts which the Bill seeks to repeal are the Dairy Industry Act 1922-1969, the Dairy Products Marketing Regulation Act, 1934-1937, and the Milk Act, 1946-1971.

Because of the importance of this legislation, and because it provides for a complete upheaval in the existing administration of the dairy industry of Western Australia, and as it has application over one of our major industries, it is not surprising that it has suffered from or enjoyed, as the case may be, a good deal of controversy.

The controversy has taken place not only in the passage or career of the Bill through Parliament—and I think I can describe that career as being somewhat jerky or spasmodic—but a great deal of controversy about the Bill has also taken place outside of Parliament; not just while the Bill has been under discussion before Parliament, but also in its embryonic stages and, indeed, long before it was ever conceived.

I have referred to the fact that the progress of the legislation has been somewhat spasmodic. I place a little emphasis on this, and I intend to devote a few words of examination to that aspect, because numerous references have been made in various quarters to the effect that the Opposition—that is the Liberal Party Opposition—in Parliament, and even outside of Parliament, has used its endeavours to obstruct the progress of the Bill.

I think it must be placed on record as to just what the situation has in fact been. The Bill was first introduced on the 4th October, 1972. The second reading was given on the 5th October, 1972. A message was received on the 10th April, 1973, and the second reading debate was continued on the 12th April, 1973.

I want to make it clear that from the time the Bill was given its second reading on the 5th October, 1972, many steps and actions were taken by various parties and sections of the industry in different quarters and also by people who had an interest in the legislation, all of whom tried to obtain an assurance from the Government that it would not proceed with the legislation in any haste.

At that time the Leader of the Opposition requested a delay of at least three weeks before the debate was proceeded with and the Government was asked to agree with this. The Premier and the Minister for Agriculture, however, declined to grant a delay. They wished the Bill to proceed.

Action was taken by certain parties within the industry—because they felt they had insufficient time in which to examine the totality of the legislation and were accordingly somewhat apprehensive of its provisions. It was not unnatural that the people involved in the industry should want to become aware of the implications of the Bill.

However the Government at that time declined to delay the passage of the legislation and accordingly it was not a little surprising that the Bill at that time was not brought on again in the 1972 session, despite the rejection of the requests that were made to the Government at the time.

So in April 1973 we found ourselves with the second reading debate continuing; that is, after the adjournment had been taken by one of my colleagues, the member for Wellington (Mr. Iven Manning).

I want to make it clear and once again have it on record that, when the debate resumed, all the amendments that were proposed by the Opposition party were placed on the notice paper. I say this quite advisedly, because it could well be held that one of the reasons that the debate did not proceed with any appearance of expedition was because of the existence of a considerable number of amendments that were proposed to it.

However when the debate was resumed on the 12th April, 1973, a member of the Government moved for the adjournment of the debate. The debate was resumed on the 9th May, and once again a member of the Government moved for the adjournment of the debate. It was resumed on the 14th August and again a member of the Government secured the adjournment of the debate. It was resumed on the 22nd August and once again a member of the Government moved for the adjournment of the debate. Finally, on the 12th September, the Committee stages were completed and on the 19th September the Bill passed through the third reading. The rest we know from the time of the introduction of the Bill to this House.

So this Bill has been on the drawing board—shall I say—for more than 12 months. Whilst I emphasise that the members of the Opposition certainly gave the Bill close and analytical attention, to the best of my knowledge and belief this was done simply to satisfy themselves as to the provisions in the legislation and to be certain that all interests involved in the dairying industry were being adequately protected. Also, it was to ensure that in the progress, and perhaps the eventual adoption, of the legislation the dairying industry and, more importantly, the people engaged in it would be better off as a result of the legislation, because surely this must be the ultimate objective of such wide-ranging changes as proposed in this Bill.

So whatever examination was given to the legislation by members of the Opposition, the purpose of it was to ensure that the industry and those engaged in it would benefit materially. They desired an assurance that the overall operation of the industry and its place in the economic life of Western Australia would benefit materially. I hope I have adequately stressed that fact because I now wish to pass to certain other features which I hope will give the lie and put an end to any claims and accusations that the Liberal Party members have been responsible for trying to defeat the legislation or to obstruct its progress unnecessarily.

I will now outline three particular and pertinent facts. The first is that, in the main, the dairying areas of Western Australia are represented—I believe very effectively—by Liberal Party members. Therefore, to me, it would seem quite inconceivable that members who have been supported so loyally in the past by those engaged in the industry should, in the course of major legislation such as this, do anything that would be detrimental to such people. I believe that in this respect loyalty has been a two way operation and it is certainly loyalty which members appreciate in these days and will continue to appreciate over a long period.

The second point I wish to make—and it is a fact—that of all political parties, the Liberal Party alone, prior to the last State election—I know I have stated this fact on a previous occasion in this House, but I repeat it for the purpose of this debate—announced a policy which, among other things in relation to the dairying industry, provided for the creation of a single dairy industry authority. In confirmation of that fact, in this House on the 26th August, 1970, in the course of debate, I gave an explanation of that policy which,

I repeat, included provision for the creation of a single dairy industry authority. That speech appears in volume 1 of the 1970 *Parliamentary Debates*.

In addition to that I have, on subsequent occasions, made numerous allusions to the operation and the application of policy in regard to the dairying industry; that is, a composite dairy industry of Western Australia. These are to be found in the *Parliamentary Debates* of 1970 and 1972. I am sure members will recall my speeches on those occasions because I do not want to quote the particular references.

The third fact I would like to outline is that the Leader of the Parliamentary Liberal Party (Sir Charles Court) committed his party to the concept of a single dairy industry authority whilst attending a conference of representatives of the whole-milk section of the Farmers' Union earlier this year. These features alone—there may well be others—I hope once again will put an end to any suggestions, claims, or accusations that may be made in relation to the Liberal Party's attitude towards the creation of a single dairy industry authority.

I would like to progress one step further, because what I am about to say concerns me personally. When the industry was giving some attention to the question of resolving what were thought to be problems within the industry, a seminar was convened by the Farmers' Union. At this stage I will not elaborate on that seminar, but I will return to it a little later. I only refer to it now for the purpose of indicating that Liberal Party members were invited to take part in that seminar. I was one of the half-dozen people, at the invitation of the Farmers' Union of Western Australia, who endeavoured to try to establish some guidelines for the creation of a single dairy industry authority, and that is referred to in the *Farmers' Weekly* dated Thursday, the 14th January, 1971.

The article, which included a photograph, had, in bold type, the following heading—

> Milk industry sees need for State Advisory Council

However I will return to that matter also a little later.

So the six people who took part in that discussion were responsible people. I took part in the discussion as a person who was thought to have some knowledge and experience of the dairying industry. The people concerned were the Chairman of the Milk Board of Western Australia, the chief of the dairying division of the Department of Agriculture, a prominent executive of a leading manufacturing concern in Western Australia, and Farmers' Union executives. So to me it is inconceivable that anyone could think that one's motives in relation to this legislation would be other than to have, as the ultimate objective, the benefit of the milk industry in general and the people engaged in it.

As members will be aware, the legislation is not totally comprehensive. I repeat that it does not provide for the complete behaviour of people engaged in the operational side of the dairying industry. That being so, it has to be clearly established that if there is to be change it must be shown there is a need for it. In other words, the need must be clearly stated and understood. I know that members will be aware that in the early part of his second reading speech the Minister gave some reasons as to why a single dairy industry authority should be created.

I will not quote that particular reference because members will have heard the Minister's speech and they can read it for themselves. To my way of thinking the reasons the Minister has given are very incomplete and virtually barely ripple the surface of those questions which gave rise to the moves for the creation of a single dairy industry authority. The background leading up to this was, I believe, very important because members will understand that when making a decision on the provisions of the Bill the chief motive for the change, prior to the conception of the measure, was the need to obviate the clashing of responsibilities in the administration of the milk industry between the Milk Board of Western Australia, the Public Health Department of Western Australia, and the Department of Agriculture.

I repeat that because I have any number of reasons to justify and to support my contention. There was an overlapping, and there is still an overlapping, in the functions and the responsibilities of those three departments and this has long been recognised. Over a long period I have emphasised the need to try to obviate those duplications of administration and the overlapping of responsibilities. I will just give as an illustration the operation of the distribution of milk in the metropolitan area which essentially was a matter that came under the administration of the Milk Board, but the wholesomeness and the purity of the product was subject to the Health Act.

In referring to the quality content of the milk in terms of butterfat, protein, and so on this was, essentially, regarded as being the responsibility of the Department of Agriculture. Therefore it was not the simplest task in those days to try to achieve some uniformity and to avoid the duplications which arose as a result of the various pieces of legislation which governed these activities. Of the Statutes involved clearly the Health Act took precedence in the administration of an industry which in my view was not quite satisfactory. In fact, it could be improved upon.

The Minister in his second reading speech referred to the need to try to maintain a manufacturing section in the dairying industry of Western Australia. I will not elaborate on that need at this moment, because I will be supplying certain figures later to illustrate how the situation has developed. Furthermore the Minister, once again, has given some information in regard to it. It was recognised that, for a number of reasons, such a step should be taken to try to maintain a manufacturing section in our dairying industry. I will also refer to these later.

Related to that particular item was the desire to ensure that the Western Australian dairy industry could meet its own domestic requirements. This is a separate aspect and I believe that, despite the situation which existed in the whole of the Commonwealth, Western Australia was finding itself in an ever-deteriorating situation in its capacity to supply its domestic needs. Perhaps it is regarded as a parochial approach, but it worries me not if it is, because in fact in Western Australia we had an industry in which people were involved, an industry which was one of the best examples of decentralisation, but it was going by the board virtually by default. Here again a need was established.

I regard those three features as being the basic reasons for change, but other considerations were involved as well and they are not always recognised or identified publicly. However, for the purpose of this debate I believe I should state the considerations which in my opinion contributed to the conception of the legislation. I repeat that some of these points may well be regarded as being in a rather latent sort of undercurrent.

I am not necessarily stating them in their order of priority, but the first one was the necessity to ensure better returns to butterfat producers, perhaps even at the expense of what was considered to be the more profitable whole-milk section. I qualify that by saying that this is a statement which does not have general application, but I believe it was a consideration which exercised the minds of certain people in the industry because there appeared to be two sections, one which was deteriorating and in which the returns in many instances were barely adequate, and the other—the whole-milk industry—which, in the eyes of a great many people, seemed to be far more prosperous and profitable. So I repeat that I consider that was one of the latent considerations.

Something which had a more tangible effect was a fear of a Commonwealth restriction on butterfat production arising perhaps from the proposed entry of Britain into the European community. It is of some interest to note that the Minister in another place, when introducing the Bill there, referred to this possibility when dealing with the possible necessity for production control. He said—

> . . . critical analysis of the world supply and demand position after England joins the E.E.C. indicates on the one hand that Australia will have little or no access to the United Kingdom market . . .

I just make that passing reference, but I am relieved to note that the Minister here, when introducing the Bill, made no such reference. I consider it is of some significance that the fear of the E.E.C. and a resultant imposition of Commonwealth-wide production control was given as a further reason for a change. However, I am relieved it was not mentioned in the Minister's second reading speech in this House. The then President of the whole-milk section of the Farmers' Union (Mr. Eckersley) is reported as follows in the *Farmers' Weekly* of the 9th March, 1972—

> Australia's dairy industry was in a planned recession today because it had swallowed a red herring, Mr. Eckersley told the Wholemilk Section Conference.
>
> Britain's intended entry into the European Common Market was "perhaps the biggest red herring ever thrown across the path of the Australian dairy industry," he said.
>
> "This bait has been swallowed hook, line and sinker, and as a result the dairy industry has gone into a planned recession.
>
> "It takes years to slow an industry like ours down and as many years to build it up. Australia has lost millions of dollars worth of market opportunities because of falling production.
>
> "We must all share the blame for this situation. The average producer has little knowledge of his industry outside his own farm gate.

I believe that final statement has additional significance.

I will leave the question of the E.E.C. and give a few moments' attention to the Commonwealth controls. It will be recalled that in the previous year the Government indicated that it intended to legislate for the creation of a single industry authority and that incorporated in the legislation would be provisions complementary to the legislation passed in the Commonwealth Parliament under the previous Government. That legislation provided for what was called a two-price quota scheme. However, what has happened? Certainly the two-price quota scheme legislation was passed in Federal Parliament, but up to the time of the change of Federal Government, the States had failed to agree on how that legislation should be implemented.

Many people well versed in the industry believed that the Federal proposals were intended simply as an insurance so that in the event of certain things occurring overseas and Australia not being able to dispose adequately of its production, the machinery would be available under which production controls could be introduced on the advice of the industry itself in order to avoid production being in excess of, I think, 220,000 tons of butter and 75,000 tons of cheese. Whilst those people believed that it was an insurance, they did not believe that the provisions would ever be put into operation because in its dairy history Australia had never exceeded that production anyway. There was nothing in the overall economic situation to indicate that in the foreseeable future production was likely to exceed that figure. Therefore it was believed that the Federal legislation would never be necessary. However, it was considered that the mechanism should be available in case it was required. This again was one of the features which gave rise to the need for a change.

A third undercurrent of questionable significance was a resentment among producers in the various sections because the manufacturers did not always give producers a fair go in relation to price and returns. That undercurrent was well recognised and, while I refer to it with some diffidence, I feel that as it existed it should be placed on record in a debate of this nature.

Another important aspect was the existence—not so much now, but certainly in the past—of rivalries in connection with overlapping jurisdiction and responsibilities of the Department of Agriculture, the Milk Board, and the Health Department. I had personal experience of this rivalry. When legislation was being contemplated to try to resolve some of the difficulties, it may well be that notice was taken of the background of some of the rivalries between various organisations.

I could say that in some respects those actively involved in the industry—that is, the producers and those in the manufacturing sections—almost became the meat in the sandwich as a result of rivalries. However, I emphasise that this situation, if it exists today, is certainly not noticeable and would be quite minimal. Nevertheless at one time it was of some consequence.

These are what I consider to be the main reasons for the mobilisation of those forces which eventually prevailed upon the Government to introduce legislation and I am afraid that unfortunately those aspects I have mentioned are reflected in one form or another in the Bill; that is, either by their existence or their omission.

I have not mentioned one item which I believe could well have been the chief motivation behind the Bill but which gains very little recognition these days and which has received minimal attention in the Bill; that is, the need for promotion in order to develop marketing strategies and thereby sell more.

I agree the Bill contains some reference to promotion and marketing. However, those provisions are out of all proportion in comparison with so many other vital provisions which are entirely different in their intent.

In enumerating those particular aspects I have given recognition to what has been or what was considered to be behind the need for a change in the industry and the need for a different administration under completely new legislation.

I desire to acknowledge the fact that the Farmers' Union deserves credit for its organisation of a seminar in 1969. I have spoken previously of that seminar and the report it produced. With other members of my party I attended by invitation and it was, in my view, one of the finest gatherings totally representative of the dairy industry, which I have known in my 25 to 30 years' association with the industry.

The seminar was indeed a good move. It brought together the people who had the greatest knowledge and expertise in the dairy industry, administratively and in every other way, into one body for the purpose of discussing any problems that may have existed. I wish to dwell briefly on the matter of that seminar because of its importance and also because the Minister referred, in his second reading speech, to the activities of the Joint Committee of the Farmers' Union—that is, the whole-milk and butterfat sections of the industry. I shall refer to the report of the seminar and, in particular, to the findings of that seminar. I ask members to pay attention to some of the conclusions which came out of the seminar. I shall quote from a booklet entitled, "The Dairy Industry in W.A.—Report and Recommendations of the Farmers' Union Joint Dairy-Wholemilk Committee, which has been considering the Industry's Future." It is dated February, 1971.

I repeat that I was one of the people who took part in the seminar; in fact, I was one of the group leaders for it. I shall state the questions and answers given in the conclusions. The first question is—

> Should the State produce sufficient to meet its own needs?

The answer given is—

> It was generally agreed that State production should be at a level sufficient to maintain a degree of stability and viability in the industry as a whole. There should be sufficient flexibility to increase production in relation to the growth factor. From the State viewpoint self-sufficiency would be desirable but from the National

viewpoint it would be preferable to maintain production at the suggested quota level (6,500 tons butter, 2,000 tons cheese, plus the wholemilk consumption figure) plus the allowance for the natural increase in consumption.

I do not intend to read all the conclusions, because they are not strictly relevant to what I wish to say. However question 2 is relevant and reads—

Should the industry be re-organised to remain viable and give maximum return to the State and the people in it in respect to (a) single integrated authority, (b) composition of such authority?

The answer given is—

It was generally agreed a single industry was desirable. However, there was no concrete agreement on how the authority should be defined. It was felt any control of the industry should be divided into two categories, one administration and the other advisory, supervisory and technical. There was disagreement on whether the two categories should remain under one authority or two separate authorities or alternatively should the advisory, supervisory and technical services become a separate branch of the authority.

Question 2c reads—

Industry council or committee (to advise and make policy recommendations)?

The answer given is—

It was generally agreed that an advisory committee would be beneficial and should include representatives of all sections of the industry. It should have recognition by the Government but no powers except advisory. It should be properly constituted and reflect the whole field of industry thinking.

It was recommended that a committee should be formed immediately to include one representative from each of the wholemilk section, the dairy section, the Milk Board, the Treatment Plants Association, the retailers, the Agriculture Department, division of dairying and the butter and cheese manufacturers association. The committee should elect its own chairman.

I digress from the report at that stage to make some reference to the seminar recommendation for an advisory committee. I have already referred to one article which appeared in the Press and at the time I said I would refer to it again a little later. I refer to an article in the *Farmers' Weekly* of Thursday the 14th January, 1971, under the heading, "Milk Industry Sees Needs For State Advisory Council". The article reads, in part—

Strong recommendations for the formation of a Milk Industry Advisory Council in W.A. arose from a meeting of industry representatives last week.

The article then describes the seminar and mentions those who took part in the group discussion. Last year I asked the Minister whether he had any knowledge of any approaches for the creation of an industry council. I shall now refer to the *Hansard* in which I asked this question. I refer to Volume No. 3 of the 15th August, 1972, when I asked—

(1) Has the Government at any time received a request from interests in the dairying industry for the creation of an advisory committee, representative of the total industry, to report on and plan the needs of the industry?

(2) If so, what action has been taken, and with what result?

I ask members to take particular note of the reply which Mr. Willesee, who was then Leader of the House, gave. It reads—

(1) Requests have been received from dairy interests for membership of the proposed Dairy Industry Authority.

(2) It is intended to form an Advisory Committee, on which all interests will be represented, which will advise the Dairy Industry Authority.

In other words, my question was not answered. There was no reference whatsoever in the answer given to me of the approach which I thought had been made to the Government asking it to recognise the necessity for a State advisory council to be set up to examine the industry's needs.

I shall now refer to a Press article in the *Farmers' Weekly* of the 24th June, 1971—bearing in mind that the question I asked was dated the 15th August, 1972—under the heading, "Wholemilk Zone Council Meeting Report—Evans' Views Sought on Single Dairy Authority". The article reads in part—

A joint letter has been sent to the Minister for Agriculture, Mr. Evans, by Farmers' Union wholemilk section president, Mr. D. P. Eckersley, and dairy section president, Mr. T. R. Noakes.

The letter outlined the attitude adopted by the two sections on the joint dairy-wholemilk report and sought the minister's views on:

A single dairy authority;

An industry committee, as recommended in the joint report;

On the 15th August, 1972, the Minister advised me—and the House—that he had received requests from dairy interests for membership of the proposed dairy authority.

Sitting suspended from 6.08 to 7.30 p.m.

The Hon. N. McNEILL: I do not wish to presume on the reasons why the Minister, in my opinion, evaded the question I asked in relation to the establishment of the advisory council. However, I am prepared to think that it may well have been, perhaps, the result of some lack of appreciation by him of the practical side of such an exercise; he did not fully appreciate the situation. I want to make the suggestion, in the event of the Minister for Agriculture or the Government reflecting at any time upon the career of this legislation so far, and wondering why it has run into difficulty when there appeared to be unanimity in the industry, that the trouble can be summed up in one statement—no industry advisory council was formed to represent the total industry as recommended in the seminar conclusion. I believe that a great many of the teething problems in relation to this Bill would not have arisen if an advisory council had been set up prior to the drafting of the legislation and the creation of the single industry authority. This is my reason for taking some time to build up to this particular point. It is a very important point in my view, and I greatly regret, for whatever reason it occurred, that an industry advisory council was not formed.

Let me refer to one or two items in the seminar conclusion. Once again I ask members to give some thought to these recommendations, and bear them in mind while considering the provisions of the Bill. A further question was asked in relation to production controls and the answer was as follows—

> A. Not necessary at this stage.
>
> Q.3a. If a single authority is considered advisable, should such an authority be a marketing body with full powers?
>
> A.3a. A single authority should coordinate marketing without actually engaging in it.

Question 3b reads as follows—

> Q.3b A statutory authority with vesting planning of the industry?

And the answer reads—

> A.3b Generally speaking full vesting powers were not agreed to, but it was felt there should be powers to rationalise transport and direct milk to the most productive outlets.
>
> Q.4 Who should be responsible for the immediate future planning of the industry?
>
> A.4 The industry committee referred to.

I will not read any more of the questions and answers in this document, but any interested member may have access to it. The matters I mentioned are of particular significance in considering the legislation.

I have already stated what happened after the seminar. A group of six people got together and gave some thought to the matter. Subsequently, in February of 1971, the joint committee of the wholemilk and dairying section of the Farmers' Union produced what I have referred to as the joint committee recommendations. I feel these recommendations are the basis of the single industry authority, and this was confirmed by the Minister in his second reading speech. The recommendations are as follows—

> A single authority should be established to take over the present functions of the Milk Board and the W.A. Dairy Products Marketing Board. It should have additional powers over prescribed dairy products and should have the power to rationalise transport and to direct producers' supplies to treatment plants.
>
> An industry committee as recommended in the seminar conclusions should be set up to establish the guidelines necessary for legislation. This committee should have recognition by the Government for this function. Once the guidelines have been established they must then be referred to both the wholemilk and dairy sections for approval, before being submitted for the drafting of legislation.

I will not read out all the recommendation, but I would like to read some of these to the House—

> This conference should recommend and approve the study being undertaken by the Director General of Transport into all aspects of milk transport in W.A.

In my opinion these were important recommendations, and I believe very sound ones. Legislation could well have been prepared using the recommendations as a basis. In fact, while the move for an advisory council came to nought, at least some little progress was made in relation to transport. The recommendation was that a survey should be undertaken and this request was conveyed to the Government. This is recounted in volume 3 of *Hansard*, 1972, where I asked the following question—

> (1) Has the Director General of Transport been requested to report on the transportation of milk in Western Australia?
>
> (2) If so—
>
> (a) has the report been submitted to the Government; and
>
> (b) will the Minister table a copy of that report?

In replying to the question, Mr. Dolan said—

> (1) In February 1971 the Joint Dairy/Whole Milk Committee of the Farmers' Union of W.A. (Inc.) requested that the Director General of Transport arrange for a comprehensive study to be made into the transport system employed by the Milk Industry.
>
> (2) (a) A study was not undertaken.

I will now read the answer to part (4) of the question—

> (4) The successful completion of the proposed research project depended on the co-operation and direct assistance from companies engaged in the industry, particularly in respect of the provision of data. Unfortunately some of the companies declined, for a variety of reasons, to participate at that time which meant that a study could not proceed.

I appreciate that fully. Under the circumstances such a survey would have achieved little purpose.

I say again that had an industry advisory council been in operation, we would have had the necessary atmosphere of co-operation amongst all sections of the industry to enable such information to be readily available in the planning of the legislation.

I wish to refer to several items in the Minister's second reading speech. I will take these as I meet them, and perhaps I will be able to elaborate a little later. Certain points were made, and very early in his speech the Minister referred to the divisions in the industry. He said—

> These distinctions have put difficulties in the way of obtaining a rationalisation of the industry leading to economies in farm and factory production, in transport of milk and cream and in the utilisation of the available milk. It has also resulted in increased costs to the industry through overlapping supervisory requirements.

A worthy motive, I agree, but I would like to say that effecting economies in the industry may well take the form of the employment of less labour, and much stress has been put on transport costs. While there is a need to contain costs and to effect economies, many of the measures could affect the local communities. We know that the transport of goods and all the activities associated with transportation are very important to the local community, and if we must rationalise in order to improve the economics of the dairying industry, it must be recognised that some economies may well swing back and we may see a further loss of people in country towns and some other disadvantages in ancillary industries, and perhaps the infrastructure associated with transportation and other aspects of the dairying industry. So whilst I am not expressing opposition to the need for economies, I feel we should bear in mind that some of the consequences of these economies must be duly taken into account.

A little further the Minister referred to the drafting of the legislation and he said—

> Subsequent to the drafting of the legislation following the approval of State Cabinet in 1971 the detailed legislation has been discussed with representatives of the dairy and whole milk section executives and the Bill before the Council has the strong support of these combined executives.

I concur completely with that statement. The Minister continued—

> The legislation when being drafted was also fully discussed with representatives of butter and cheese manufacturers, milk treatment plant operators, the Chamber of Manufactures and the Amalgamated Milk Vendors Union of Employers.

I believe there is significance in words, and so one needs to check matters such as this. I again repeat that I agree there was full discussion with the producing side of the industry, and I am grateful for that. In relation to the other points, I would like to refer to a question I asked on the 24th October, 1972, when the Bill had already been drafted and presented to the Parliament. I said—

> (1) On how many occasions, and on what dates, did the Government, that is, the Minister for Agriculture and/or the Department of Agriculture, have discussions concerning proposed legislation for a single dairy industry authority with—
>
> (a) producers' representatives;
>
> (b) manufacturing, processing and treatment interests;
>
> (c) milk vendors;
>
> (d) commercial interests other than (a), (b), (c)?
>
> (2) What form did these discussions take?

I will not elaborate on the discussion with the producers, because I am aware of the time of this discussion and the extent of it. I was concerned about consultations with other sections of the industry—the manufacturing and treatment sections. Apparently discussions took place on three occasions, and the dates I was given were the 14th July, 1972, the 19th June, 1972, and the 15th June, 1972.

I was aware of the opinion that was being voiced at the time that insufficient consultation had been held, so I checked personally with one of the manufacturing

interests regarding the extent of the discussions and the form they took. The letter I received in reply from a prominent executive of one of the major manufacturing and treatment plants in Western Australia was as follows—

With regard to Section B—

That is referring to the question which I have just mentioned. To continue—

—I would like to make the following comments:—

14/3/72 This was the day on which Mr. Fitzpatrick—

He is the Director of Agriculture. To continue—

—addressed the Dairy Managers Factory Conference in Bunbury. It was not a Meeting with the Butter and Cheese Manufacturers or the Milk Treatment Plants Association.

9/6/72 This was a Meeting between Butter and Cheese and Treatment Plants Members, a precis was read and a draft of the Bill was tabled at the Department of Agriculture by Mr. Morris. We were not allowed to take any of the material from the Meeting Room.

15/6/72 This was the Meeting in the Waterloo Hall when at the request of the Farmers Union—

In fact I understand it was at the personal request of a person associated with the Farmers' Union. The quote continues—

—Mr. Fitzpatrick addressed a gathering of Farmers and others. Again the two Associations were not invited to attend.

The Hon. R. Thompson: What is the date of that letter?

The Hon. N. McNEILL: It is dated the 30th October, 1972; and it followed the questions I asked in the House on the 24th October.

The Hon. R. Thompson: You must appreciate that I had a new set of notes; and a lot of water has gone under the bridge since that time.

The Hon. N. McNEILL: I agree; that is why I made particular mention of the significance of the words that were used. I will repeat the words from the Minister's speech—

The legislation when being drafted was also fully discussed with representatives of . . .

I illustrated the fact that when I asked questions on the 24th October, 1972, the Bill had already been presented to the Parliament, and the discussions to which I was referred in answer to my questions in actual fact were not really what might be termed full discussions with the manufacturing, treatment, and processing sections of the industry. I repeat that this is a matter of great regret. It gives further reason for me to say that if the Minister and the Government are disappointed about the way the legislation has progressed, one of the reasons for that is the lack of consultation at that vital stage.

However, let me go on to say that subsequent to that, considerable rectification was made of that situation earlier this year. An attempt was made at least partially to put matters right by the creation of a working committee, which included a representative of the manufacturers. But the discussions to which I referred took place after the Bill had been presented to Parliament. This, of course, is a very different state of affairs. It gave rise and expression to some misgivings within the industry. I hasten to say that these misgivings were not in relation to the creation of a single industry authority. I have found very few people—in fact offhand I cannot recall one—in the industry who have said they are opposed to the single industry authority. I do not think people are opposed to it.

However, there certainly were and still are numbers of people who have misgivings about some of the provisions contained in the Bill, and those misgivings are justified by the fact that it was necessary to set up a working committee to review the Bill after it had been presented to the Legislative Assembly. So I think due recognition should be given to the steps that were taken to try to make the measure more acceptable to more people. I say again that the industry is a very important one to Western Australia.

I recall—and you will too, Sir—that recently my friend the Chief Secretary and I had a little exchange in the House and he said that when any action is proposed by the Government it is normal for it to be well researched, particularly in relation to the financial aspect. I think the Chief Secretary will recall that exchange. Of course, I concur that it is necessary and vital, particularly with an industry of this nature, that the whole background be thoroughly canvassed and surveyed to ensure that the interests involved have a full understanding of what is proposed. I just do not believe that the Government—and it is the responsibility of the Government to do so—did take due note of the scope, nature, and variability of the dairy industry.

The Hon. R. Thompson: Would you agree that any mistakes which have been made have been rectified?

The Hon. N. McNEILL: No; I do not know that anyone could say that for this reason: The Bill is not yet in operation, nor is the authority; we have had no opportunity to see any of the provisions of the Bill in operation. Therefore it is a hypothetical situation.

The Hon. R. Thompson: I am going on what you were saying about actions of the Minister and the department in not advising people.

The Hon. N. McNEILL: I acknowledged that considerable rectification has been made by the establishment of the working committee. I said unfortunately this did not really take place until after the Bill was an established fact and was before the Parliament.

The Hon. R. Thompson: You are expressing some doubts about the operation of the Bill, but the Farmers' Union, according to a letter I have received, is 100 per cent. in support of it.

The Hon. N. McNEILL: That is right; I will come to that. However, I still express the point of view that there are misgivings and apprehensions in certain quarters about the way this Bill will operate and the effect of certain of its provisions.

The Hon. R. Thompson: I think it is fair to say that about any legislation.

The Hon. N. McNEILL: True enough. That is why I say that before legislation is introduced, particularly in respect of a total industry, those who are interested must be thoroughly aware of just what they are dealing with.

The Hon. R. Thompson: But you should not jump at shadows, either.

The Hon. N. McNEILL: In view of that interjection I will refer to something else. Prior to the election of the present Federal Government the people might well have been accused of jumping at shadows; but as far as the rural industries are concerned, those aspects we talked about in relation to a Labor Administration have now gained very solid substance. I am glad the Minister does not deny that.

The Hon. R. Thompson: We are not discussing hypothetical questions; we are talking about the Bill.

The Hon. N. McNEILL: It is not hypothetical at all. What I am saying is that if the Government were thoroughly and practically aware of the significance of the industry for which it is endeavouring to legislate, it would not have made the mistakes it has. I instance the actions of the Federal Government and, more particularly, those of Senator Wriedt during his very recent visit to Western Australia when he was called upon by the Farmers' Union and others to explain the attitude of the Federal Government. It was publicly expressed that much of this concern arises from the fact that the Government has no practical appreciation of the nature of the actions it is taking.

However, I will not be sidetracked; I want to get back to the dairy industry. I think the members of this House should be aware of the nature of the industry, because we must remember this Bill is total in its effect on every aspect of the dairy industry, from the producing side right through to the ultimate consumer, including—and I recall certain words in the Bill to which I have some objection in relation to the fixing of rates—"any other service of whatever kind." Those words have been used in addition to all the other matters which have been specified. I thought at least the Government should be aware of just what it is legislating for, so when I asked questions on the 24th October, 1972, I endeavoured first of all to establish the value of the investment in the dairy industry on the producing side.

The answer I received from the Minister was, "No exact information is available to me on the total value of assets associated with production in the dairy industry." However, the Minister went on to refer to a Bureau of Agricultural Economics survey which indicated an investment in the production side of the industry of approximately $190,000,000. In relation to the manufacture, processing, and treatment sections of the industry no information was available regarding the value of assets. With regard to the value of land, buildings, and plant and machinery associated with the production of butter, cheese, and condensed and processed milk, the value in Western Australia in 1967-68—five years ago—was $2,261,000. I was advised by the Minister that the Bureau of Census and Statistics had not collected information in that regard since 1967-68.

I also asked what was the total value of assets under the heading of transport—and I stress again that the rationalisation of transport as a matter of economy is very important in this Bill, and it will come totally under the control of the authority. The answer to that question was—

> This information is not available to me.

I also asked the value of assets in relation to activities providing services to the industry; namely, machinery manufacture, irrigation, equipment, hygiene, and fertiliser manufacture. Again the Minister replied—

> Full information is not available to me.

But then he went on to say—

> The value of land, building, plant and machinery involved in the manufacture of chemical fertilisers in Western Australia in 1967-68 was $25,556,000. More recent information is not available as figures for this item are no longer collected.
>
> I have no information for any other service industries associated with the dairy industry.

I just think the Government has been rather remiss, in view of the nature of the legislation, in not ascertaining that information. Remember that this Bill provides for total control, including the vesting of milk and dairy produce as well as

an obligation to fix the rates for all sorts of services and products. Some apprehensions have been expressed and will continue to be expresed in relation to the vesting provisions. If the ownership of the product passes from the producer to an authority—and this may not necessarily be a bad thing—should not one recognise that ownership of a product also carries with it certain security? Based on that security there is provision for certain facilities of a financial nature. A good deal of lending, borrowing, and individual accommodation are provided because of the ownership, and the security which that ownership confers.

I thought it would be of interest to find out what the dairy farm indebtedness was. A whole list of figures was supplied to me in answer to a question which I asked on the 24th October, 1972. As at the 30th June, 1970, in relation to the Western Australian dairy farm indebtedness certain figures contained in the Bureau of Agricultural Economics report were included in the answer. The total indebtedness as at that date was $16,517, that being the average indebtedness of the dairy farmer. Of that sum $62 represented indebtedness to livestock auctioneers; $585 under hire-purchase agreements; and approximately $580 to pastoral finance companies, packing houses, and growers' co-operatives. Indebtedness to the banks and major lending institutions amounted to $6,274 to the Commonwealth Development Authority, $3,543 to major trading banks, $286 to the State trading banks, and $135 to the savings banks.

I would like the Minister to elaborate on what will be the effect, if any, upon the mortgage value as a result of the change in ownership of the products, as provided for in the Bill. I should also indicate, from the information that has been supplied to me, the estimated total dairy farm indebtedness as at the 30th June, 1970; the figure stood at $21,591,000. This is a considerable sum of money; but it represents more than money. It represents the livelihood of the dairying industry, particularly on the producing side. I would like the Minister to supply me with information, in the event of the Bill becoming operative, in relation to the effect of vesting, as to where the finance houses and lending institutions stand, and also where the people who benefit from dairy farms stand.

I have indicated that I shall support the second reading of the Bill. I trust that I have outlined some of the background which has led up to the need for a change. I have also indicated there are some misgivings and apprehensions. Perhaps these can be satisfied by the Government, and by the Minister when he replies to the debate. I hope the Minister will be able to give more satisfactory answers in this House to the points I am raising, than the answers which were given in another place. I do not feel those answers were sufficient to restore the confidence of the industry in the operations of this authority. If the authority does not get under way in a good and favourable climate it is needless for me to say it will start off well behind scratch. If that comes to pass it would be most unfortunate. I believe it can be obviated, even though certain damage has been done as a result of the nature of the legislation prepared by the Government.

In respect of the misgivings which have been expressed by certain people, it has been publicly acknowledged and the Minister has also said from the correspondence he has received from the Farmers' Union and others that many people are in favour of the legislation. I accept this, and I have received the same sort of correspondence from the Farmers' Union and I know the thinking of that organisation. However, there is an obligation on me as a parliamentary representative of the total electorate to represent the views of the people. A member is invariably approached by people of all shades of political opinion seeking information. Members must lend a fair and ready ear, and must try to make an assessment of the matters that they raise.

There was a group—I do not know whether it is still in operation—which endeavoured to bring to the notice of the Minister and to the Government the need for changes to the Bill to make it acceptable. In the course of its campaign the group circularised the whole-milk farmers of the State and sent them a questionnaire asking them to indicate whether they preferred to maintain the *status quo* or to proceed with the change. This was not an official questionnaire, but it did give an indication of the views of the licensed producers.

Of the 600 or so circulars sent out to the licensed producers something like 260 replies were received; and 180 of the repiles indicated that the producers did not wish to have a change. In total the 180 producers represented less than 50 per cent. of the total number of licensed producers; and perhaps this is significant. The fact is there have been misgivings.

I have no way of knowing whether or not these people have indicated they did not wish a change to be made because they did not like the Bill *in toto*, and were opposed to it, or what is more likely were opposed to some of the provisions; or, even more so, that they did not fully understand the effect which some of the provisions might have upon them and their farming operations.

I received a letter, and I suppose other members have also received a similar letter, from a certain party. I shall not read it out in full, but it is from two big licensed producers. In this letter they drew

attention not to the need to oppose the Bill, but the need to oppose certain of its provisions. I shall indicate what those provisions are.

The letter is from Mr. Kentish and Mr. Hector. In it they say—

> We believe, with the advice of two prominent solicitors, that the Agriculture Department, will have the final control of the industry.

If that is a fact—and I am inclined to the view that it is—then clearly it would not be acceptable to a large part of the industry, because one of the major purposes on the producer side of the industry for the creation of a single authority is that through the authority there would be a means to enable the industry to be the master of its own destiny.

If the control by the Department of Agriculture is such that it virtually usurps the power of that authority, and deprives the industry of the opportunity to be the master of is own destiny, then I believe it is not in keeping with the wishes of a very large section of the industry.

The Hon. R. Thompson: I can answer that now. I agree with you.

The Hon. N. McNEILL: The second point mentioned in the letter is—

> There should not be total vesting as this does away with private enterprise and by this the industry would suffer.

The third point made in the letter is that the prices tribunal should be made up of the single dairy authority members who represent the industry as a whole. They would be in a position to seek advice from all factions of the industry.

The letter goes on to state—

> Negotiability should be defined and written into the Bill.
>
> The clause allowing a penalty of $200 for offences not clearly detailed in the Act should be deleted.
>
> The powers of the authority should be clearly defined, should the authority find that it is necessary to have powers which are not specifically detailed in the Act, it should be necessary for the authority to have Parliament pass alterations to the Act.

The next comment in the letter arises from the practical experience of these people over a long time. The comment in the letter is as follows—

> Experience has shown that practically all major difficulties with which the present Milk Board has found itself confronted, have arisen from this lack of specification in the Milk Act or from the use of blanket powers permitting the Board to make practically any decision it sees fit, under the clause permitting any regulations considered necessary for the control of the industry.

One must recognise that whatever regulations have been made by the Milk Board must be in conformity with the powers available to it under the Act. To continue with the comment in the letter—

> If the authority has good reasons to ask for alterations to the Act, it should have no difficulty persuading Parliament that the change is necessary.

The letter goes on to list other items, and item No. 7 is as follows—

> The industry should be shown the final Bill with all amendments to it before it is made law.

In fact, they have pointed out some of the provisions which are causing the greatest amount of concern. The Minister has said that he agrees with my comment in relation to the Department of Agriculture. For the record, and because I am of the view that the Department of Agriculture does have a degree of control which it should not have, I would point out that it is a tremendously important institution. It is a department of which I was an officer for some time. The department enjoys the greatest respect of the people.

The Hon. W. F. Willesee: Why did you not remain in it?

The Hon. N. McNEILL: There were more difficult and challenging things to do.

The Hon. A. F. Griffith: He has turned out to be an asset to this House.

The Hon. W. F. Willesee: Undoubtedly.

The Hon. N. McNEILL: Having expressed my respect for the Department of Agriculture I must state that I consider its role is one of rendering assistance to the industry by way of professional advice, extension services, and technology. However, its role is not one of involvement and participation in the management of the industry.

What would be the situation if the Department of Development and Decentralisation were actively involved and held a position on the boards of many of our industries in Western Australia? It would not be countenanced. Can anyone imagine the situation where a State Government department was actively participating in the organisation of an industry, or held a position on the board of directors? I am sure we cannot accede to that.

It is undesirable, firstly, from a departmental point of view because one of the greatest assets of the Department of Agriculture extension service is its acceptability by farmers. It will be useless if the inspectorial powers which are to be conveyed to the department are associated with the advice and extension service. The acceptability by the farmers will suffer. I am not making an original statement; this is something of which I am very much aware as a result of a well known report made

in the United Kingdom under the sponsorship of the United Kingdom Government as a result of the famous 1947 Agricultural Act. This very feature was highlighted in that report.

My first wish is that the department, as an institution and as an instrumentality, is not in any way disadvantaged. Secondly, the industry is perfectly capable of running its own affairs. That is where all the expertise is, and where all the knowledge, experience and administrative capacity is. I do not believe there is any place for the department in that sort of set-up.

Not everyone concurs in my belief that under the provisions of this Bill the Minister, through the department, can exercise that sort of control. As an exercise I have enumerated the clauses of the Bill which contain this particular form of control.

Clause 3 of the Bill sets out the arrangement of the Act, and part III refers to the control of quality and supervision of the supply, production, and distribution, etc., of milk and dairy produce. Part III covers clauses 87 to 106 of the Bill, and this part will be under the administration of the Department of Agriculture. Under the provisions of this part of the Bill the Minister may, by order published in the *Government Gazette*, provide that certain things shall not apply. I do not intend to read the whole of the clause. Needless to say the adviser to the Minister will be his chief officer, who is the Director of Agriculture.

Clause 9 of the Bill sets out that part III shall be administered by the department. The provisions of clause 27 set out that the Minister shall furnish the authority with direction, in writing, in relation to certain matters. Once again, it is the Minister.

Clause 28 sets out that the authority shall give effect to the directions of the Minister given under subsection (2) of section 27 of the Act. Clause 30 carries the side note "Transfer of quotas" and it sets out that the Minister shall furnish the authority with directions. Also, the Minister may prohibit the authority from granting applications. These are the words which are used. Clause 45 is particularly important, in this respect. The authority, in the exercise of its powers, is subject to control by the Minister. That is the operative part of the clause; subject to the control of the Minister.

That is quite different from the Minister being responsible to Parliament for the operations of the authority, which would be perfectly acceptable. The provisions of clause 58 deal with the issue of licenses, and state—

> The Authority shall not issue any licence under this Act unless it has received a written notification from the Department to the effect that the premises and facilities to which the licence will relate comply with such requirements . . .

That may be thought to be reasonably acceptable because the department is required to carry out certain provisions. It may be argued that because the department will be able to register premises, and approve of them in order that the authority can issue licenses, that the department will not control the issue of licenses. However, in practical fact it will control the issue of licenses because unless an applicant receives permission or approval by way of registration he cannot receive a license from the authority. So the authority is subject to the department.

Clauses 60, 62, 63, and 65 contain additional provisions in relation to cancellation of licenses whereby reference shall be made to the Department of Agriculture. Then, of course, we go from clause 87 to clause 106 which are totally under the control of the Department of Agriculture. Part III is headed—

> Control of quality and supervision of the supply, production and distribution, etc., of milk and dairy produce.
>
> Duties and Functions of the Department of Agriculture and Inspectors.

I thought it necessary to itemise those matters and once again I emphasise that I would like the Minister to provide explanations relating to the operation of those clauses. If the Minister is able to convince the House that, in fact, the control which I believe is in the Bill does not exist I will be duly grateful. However, by the same token I must indicate that in view of the research I have carried out, and in view of the beliefs I hold, if the explanations are not satisfactory I will certainly foreshadow some amendments to those particular provisions.

As I have referred to my misgivings, fears, doubts, and so on regarding certain parts of the Bill, in fairness I must say I have to concur with the views of the Minister in relation to the attitude of the Farmers' Union. I am in receipt of a letter which I think most members will have received. For that reason it is unnecessary for me to read the whole of the letter, but I will refer to certain portions of it.

I respect the viewpoint which is expressed in the letter but at the same time, as I have indicated, I am prepared to dispute whether the interpretation placed on certain clauses is, in fact, the correct one. The Farmers' Union refers to the main items as—

1. The role of the Department of Agriculture
2. Vesting
3. Prices Tribunal
4. Composition of the Authority
5. Representation of producers

I will not expand on the role of the Department of Agriculture, but the Farmers' Union has indicated as follows—

> The Bill represents a consolidation of a number of Acts relating to the dairy industry. The Department has been closely involved in the industry for over fifty years under the Dairy Industry Act 1922-1969. During this time it has been responsible for the inspection of premises and for the grading of dairy products, and has earned the confidence and respect of the industry.

That, I do not dispute. To continue—

> The role set out for the Department in the new Bill is, therefore, largely a continuation of the part it presently plays within the industry.

I do not think I need to enlarge on that. In relation to vesting, the Farmers' Union believes that all milk should be vested in the authority.

I digress to say the Minister stressed the importance of the vesting provisions. I have already referred to some of the possible implications of vesting but there is another implication on which I would like to comment. It is my belief—and perhaps it is because of the political philosophy I hold—that once the ownership of an article or a product is removed—and this applies more particularly to an article such as we are now dealing with—then a tremendous amount of incentive is removed from that particular industry. As I said earlier, the real need in this industry is for a good marketing strategy and proper promotion to really sell our product. At the same time, a good market would give stimulus to the industry.

I entertain the doubt that if the private ownership is removed then there could be some disadvantages.

The Hon. R. Thompson: I thought the authority is to comprise people who have a vested interest in the industry.

The Hon. N. McNEILL: That is right, and I am glad the Minister referred to it because my apprehensions would be considerably lessened if, in fact, the product was to be vested in the people in the industry. However, I have already itemised a large number of clauses under which the Department of Agriculture, and the Minister through the department, will exercise a dominating influence over the operations of the authority. It is not just a question of milk being vested in the authority; it is, in fact, really a question of the milk being vested in a Government instrumentality and subject to all the political vagaries which may be encountered.

This is basic to my objection. It is claimed that the need for vesting is based, very largely, on the question of the legality of raising production levies. That may not stand up to a challenge as a result of a High Court case on receipt duties. That may be so but it is not without significance, surely, that in all the years that the Milk Board has been operating, and during which various other agricultural instrumentalities, such as the Cattle Compensation Act, have been in operation—and bearing in mind that the Milk Act does provide for vesting in an emergency—those powers have never been invoked. So I think this point needs a little elaboration.

The argument has also been used that in order to deal satisfactorily with the product it must be vested. In view of the challenge to the constitutional legality of the receipts duty, one would presume that all the commodity boards in the Eastern States—which have much more experience of these matters than we have—would have been subject to challenge and rendered inoperative. I do not believe that is the case. Under the New South Wales legislation—which has been taken as the model for this legislation—not all milk is vested. In fact, I received information from one of my colleagues who recently visited New South Wales that the authority in that State said it would not touch vesting of milk for dairy produce although it agreed with vesting of milk for local consumption.

One further aspect must be taken into account; that is, the position in relation to dairy produce, if incentives are to be removed from the industry. If manufacturers, processors, and so on are to promote their industry and products and encourage the introduction of new products, I believe it is important that they be given some proprietory feeling towards the product they are producing. This is even more important as a result of the Commonwealth Government's decision to phase out the subsidy.

I do not know the answer to this problem. Once again, I hope in his reply the Minister will be able to give me some information on the matter. We understand negotiations and discussions are taking place at a Federal level to determine what will happen to the dairy industry when the subsidy ceases. As section 92 of the Constitution is still operative, what are the safeguards? Where is flexibility available for the Western Australian industry to protect itself from the inroads which may be made by a highly organised dairying State like Victoria?

In case it is thought I am doing the authority an injustice, I point out that I am merely examining the question. For the purpose of that exercise I want to refer to an article which recently appeared in the *Journal of the Australian Institute of Agricultural Science*. It was written by Dr. John Longworth, who is a Reader in Agricultural Economics at the University of Queensland and was formerly a senior lecturer in the Department of Agricultural

Economics at the University of Sydney. He has played an active role in the establishment of the Sheep Meat Marketing Board in New South Wales. He speaks about objective examination of the operation of commodity marketing boards, particularly in Queensland and New South Wales where they are most prevalent. He says—

A marketing Board—

Perhaps this authority can be regarded as a marketing board. His comments continue—

> —does not guarantee lower marketing costs and higher returns to producers. Many primary producers believe that a board can operate on smaller margins than the traditional marketing firms because they suppose that it can take advantage of economies of size in handling, storing and processing the commodity. Moreover, they expect the board to function as a non-profit organization.
>
> The two major points this argument overlooks are the management factor and the diseconomies which can occur with large-scale handling of farm produce, especially perishables.

A further point he makes is—

> Marketing boards do not guarantee more stable returns to producers. Although a board can stabilize domestic prices for the commodity it controls, it cannot determine the level of sales. A board does not operate in a vacuum. There will always be alternative commodities on which consumers can spend their dollars. Hence a rigid pricing policy may run counter to the long-term interests of the producers. With perishable and semi-perishable commodities such as meat, this is also likely to be true in the short-term.

One of the features of the Bill about which I am not entirely happy is that it may be proclaimed in sections. An authority will be set up but there is nothing written into the legislation in relation to some of these very important questions—and I suppose vesting is the most important of them. The Bill does not state whether the authority can exercise discretion to vest or divest. No opportunity for redress is given, other than that of a Government getting rid of the board. That is a fairly serious step for those who put their faith in statutory commodity boards. I have a great deal of faith in some of them. I have a great deal of faith in our present Milk Board. Dr. Longworth also says—

> Although New South Wales primary producers have voted State marketing boards into existence on 17 occasions they have also voted against the establishment or re-establishment of boards on 15 occasions.

I think this point should be borne in mind and that, if at some future time there is a necessity for rethinking, the law should make some provision for it.

I return to the letter from the Farmers' Union. I have quoted Dr. Longworth's comments in regard to rigid pricing policy. The letter from the Farmers' Union says—

> Experience in the past has shown that when the determination of price is left to the industry Authority, there is a danger of political interference in price reviews. It is considered that if an independent Tribunal is appointed to recommend prices to the Authority, that this would make future price reviews more acceptable politically and to consumers.

That is of some interest.

I would like to refer to what the Minister said on this subject in his speech. He referred to the political aspect and said—

> In the past, recommendations in relation to prices put forward by the Milk Board have on at least one occasion not been found acceptable to the Minister of the day apparently because of the failure to present convincing evidence.

So it is presumed that with the establishment of a prices tribunal and all the associated price-fixing powers in this Bill circumstances of that kind will be obviated and overcome. I am presuming—perhaps incorrectly—that the Minister was referring to the circumstance which arose during the term of the last Government when I understand the Milk Board made a recommendation for an increase of 2c and the Government of the day, unfortunately after some dallying, agreed to an increase of 1c and asked the board for additional evidence to justify a further increase of 1c. That occurred prior to the last State election, and I presume that is what the Minister is referring to. If that is so, let me quote from the *Farmers' Weekly* of the 9th March, 1972, which contained an article headed, "Long delay in milk price rise". It reads—

> The Farmers' Union wholemilk conference on Friday deplored the delay in the granting of a price rise for liquid milk.
>
> A motion carried by the conference referred to "the delay in the granting of a price rise, emphasising the fact that the costing for the rise is now up to 18 months old."
>
> The reference was to the submission for a price rise now before the Milk Board which was based on the situation existing 18 months ago.

I am amazed at the temerity of the Minister in making that statement in his second reading speech. I hope I am not doing him an injustice but I presume he is referring to

that particular circumstance which arose when the Brand Government was in power; yet in fact the Minister for Agriculture in his own Government delayed that further price rise for 18 months. It was reported on the 9th March, 1972. When did the present Government take office? When was the Minister for Agriculture sworn in? In my view, it is inappropriate for the Minister to make a comment of that kind.

I move on to the general matter of the prices tribunal. What I am about to say is really intended to be advice to the people in the industry, if my advice is worth anything. Their wish is to try to remove price fixing—particularly for producers—from the political arena. That is not a bad objective.

The present setup is that the Milk Board, using whatever means it wishes, prepares a case and recommends to the Minister and the Government certain price adjustments and margins. In other words, we have the situation where the Milk Board—a body consisting of a chairman, a producer representative, and a consumer representative—is in a position to determine its own recommendations in relation to price adjustments and margins and forward them direct to the Minister, who then seeks the approval of the Cabinet. So only two groups of people are involved. It is certainly subject to some politics, and I would not want it any other way. The Minister must be ultimately responsible to the Parliament and the people for the actions of a statutory authority.

In the Bill, we have, first of all, provision for the establishment of a prices tribunal comprising three people, not one of whom shall be a producer. At not more than three-yearly intervals the prices tribunal shall make a price determination and decide the rates to be recommended to the authority. In order to facilitate the tribunal's activities in this arena, the Bill provides that the Minister shall direct the rural economics section of the Department of Agriculture to conduct a total survey of the industry and explore all sorts of matters. Having made its survey, the rural economics section prepares a report and, in the words of the Bill, the tribunal shall have regard to that report; that is mandatory. However, the prices tribunal prepares its recommendation and forwards it to the authority. Once again according to the provisions of the Bill, the authority may approve or reject the recommendation.

If the authority approves the recommendation, it then does exactly what the Milk Board now does: it passes the recommendation on to the Minister, presumably for the Government's concurrence, and the prices and adjustments shall be gazetted accordingly. We now have five different groups which must observe certain mandatory statutory requirements in order to achieve price fixation.

What a cumbersome piece of organisation. I repeat—and I say this out of a sense of advice from my experience—that if the wish is to remove the question of price fixing from the political arena, a worse job could not have been done because obviously, and I am sure this will be apparent to all members, the matter will become of even greater political significance. Not only will it become a matter of greater political significance, but once again it will bring into the arena of political activities ministerial direction of the economics and management section of the Minister's department; and the Department of Agriculture once again has a statutory and positive role to play.

Accordingly I do not believe that the system as proposed in the Bill will work any better; indeed I think it will work far worse. So on this matter because I concur with the belief of probably everyone in the industry that if the authority is to be master of its own destiny, and be in a position to determine its own profitability and its own prices I feel the power to fix prices should be in the hands of the authority. That is my belief and it is the attitude I will adopt when the Bill gets to the Committee stage.

I have spent a great deal of time on this and I have done so because I feel it is absolutely essential as I have said to give some reasonable examination of the industry.

I would be remiss, however, if I did not make some further reference to the very economic nature of the industry; and in spite of the necessity for legislation, when I say this I refer to the state our industry is in at the present time. Members will recall the information I received from the Minister only a couple of weeks ago—on the 3rd October—when it was indicated to me that the total estimated value of such imports of butter, cheese, milk and other manufactured process milk in the last year, 1971-72, was $10,200,000.

Accordingly one can easily gain the impression that our dairy industry is in a dreadful state. Of course nothing is further from the truth. It is true that some sections, like the manufacturing section, are not fareing very well, and they will fare far worse as a result of the action of the Federal Goverment.

I must, however, make use of this occasion to refer to the survey which was referred to by the Minister for Agriculture at Manjimup. The reference made by the Minister was reported in the Press. From the Press report what the Minister said appeared to me not to convey the complete picture of the situation. I would like to

refer to extracts from the quarterly review of the Bureau of Agricultural Economics of October, 1972. I have extracted certain articles from the survey conducted by the bureau and I would like to refer to some of these matters with a view to relating the activities of the Western Australian dairy industry to those of other States.

I would now like to refer to a summary of Australian dairy industry changes as contained in the *Bureau of Agricultural Economics Quarterly Review, October, 1972*. I quote as follows—

> The largest farms in area were in W.A.—661 acres; the smallest were in Victoria—250 acres. Victoria has the greatest irrigation—46 acres per farm and Western Australia comes next with 26 acres per farm.
>
> Under the heading of herd size we find this is the greatest in Western Australia—it is 145 head—almost twice the average size of South Australia which is 75 head. So all States increased their herd size since the survey of 1960-61, with W.A. having the biggest increase of 63 per cent.
>
> In South Australia, Queensland, and Tasmania a large proportion of farms are in the small herd category. In New South Wales, Victoria, and W.A. the 100 to 149 head is most popular with W.A. having 21 per cent. over 200 head per herd.
>
> Western Australia shows the greatest specialisation in the production of milk for whole milk consumption. The average annual production of whole milk equivalent for Australia in the intersurvey period increased from 25,600 gallons to 39,000 gallons. The greatest increases were in Tasmania—23,000 to 41,000 gallons and in W.A.—22,000 to 37,600 gallons. The larger farms in terms of production tended to be in Victoria, Tasmania and W.A. but with large numbers in low production categories in Tasmania and W.A. also.
>
> Capital employed on dairy farms was greatest in W.A.—$145,000, and least in Queensland—$50,600. Forty per cent. of farms in W.A. were in the capital range of $120,000 and over. New South Wales for comparison had 28 per cent. in capital range of $70,000 or greater and only five per cent. over $120,000. Victoria had 13 per cent. over $120,000.
>
> Farm receipts. In the survey period the gross farms returns per dairy farm varied from the lowest of $9,600 in Queensland to the highest of $19,600 in W.A. Dairy returns varied from 52 per cent. of total in W.A. to 71 per cent. in Victoria.
>
> With the highest gross return surely this shows that W.A. is the best balanced with its diversified production on dairy farms. In addition, 34 per cent. of the survey farms in W.A. achieved gross farm returns in excess of $20,000. As a corollary to farm size capital and labour employed, W.A. had the highest total cash costs of $8,076 per farm.
>
> Farm income. Improvement in net farm income for all States—other than Queensland has been considerable, but with W.A. having an increase of $6,300 since the last survey to be the highest in Australia with $8,507 per farm.
>
> Farm Equity. Low equity values would indicate high indebtedness and costs which in order to be viable will need to have correspondingly high incomes—in the words of the survey. It is significant that in S.A., Queensland, and Tasmania, equity values of less than 50 per cent. were not uncommon. In W.A. only 2 per cent. had equity of less than 50 per cent., while over 86 per cent. of farms had an equity of between 70 per cent. and 100 per cent.

There are other figures of great importance. I had to state the figures I have already given, but once again in all fairness one must bear in mind that the survey included the whole-milk section of the industry which we accept as being more profitable than the manufacturing section, the figures for which are significantly lower. The figures I have given, as indicated, were figures arising out of a total survey of all farms involved.

My additional reason for making this reference was to illustrate the fact that the administration of the industry so far as the Milk Board is concerned is one of which we may be justly proud, because I believe it is the actions and policy of the Milk Board that have contributed largely to what I regard as a highly satisfactory position compared with other States. It is important that we have achieved that. That is the position that has been achieved by the much despised Western Australian dairy industry.

This position must be maintained; if it is not maintained it must be improved upon. I want to see that in the creation of a single authority with all the powers conferred upon that authority we will in fact improve upon that situation. I want to see, in fact, that the operations of the authority will set about reducing that import cost of $10,200,000 on dairy produce; I want to see in the operations of the authority a growing confidence in the industry; I want to see what people in the industry are going to gain from this authority. I indicate that some of the people in the industry are merely clutching at straws. Something has to be done in this direction, because the people concerned are desperate; they are pinning all their hopes on the operation of the authority and I want to see their position improved.

Once again I will want the Minister to indicate in what ways he really thinks the authority will achieve its objective. I am not saying that in a critical sense, nor am I saying that it cannot be done. The fact is that the Bill, and more particularly the second reading speech, contain mere words. So much of what is claimed for the Bill is based on opinions and beliefs.

I am not convinced at all that what is provided in the Bill in actual fact will result in the kind of improvements I have already mentioned. Many of the farmers are in rather a desperate way, pinning their faith on what it will mean to them in cents per pound of butterfat or of milk. They want to see a cash return, and that is important. They still want to be able to exercise their rights and ownership; they want to have the freedom that comes with that ownership still available to them.

In other words, in my view the farmers in particular want reassurances that in the operation of this authority these things can virtually be guaranteed. It will be too much to say that they can be guaranteed, so I will qualify it by saying that they hope these things can be guaranteed.

In closing let me say—and I repeat it because I think it needs repeating—that surely the ultimate objective of legislation of such an extreme nature involving large numbers of people and tremendous investment and finance, must be aimed at improving the dairy industry; it must be aimed at improving sales and stepping up the totality of the industry, and above all it must be aimed to provide a stimulus which in turn will engender confidence in the industry.

From the views expressed to me in the electorate I feel that people have got a bit tired of talking about the dairy Bill. They say that the need now is to get out and promote our product and get our industry organised; that it must not be hamstrung by arrangements that have been made on a centralised basis, federally, in conjunction with other States. I believe we have the opportunity in Western Australia to really do the right thing by the industry.

Apprehension has been expressed by the Minister that we may well face a situation where we will not be able to meet our needs for liquid milk and associated products about the 1980s. If anyone canvasses this story, here and now I want to reject it because it must be borne in mind that if the incentives are present, it represents nothing more than a challenge and all farming is a challenge which has been well and truly met by our farming community and more particularly by those engaged in the dairying industry. This is provided always that they are granted the facilities to meet that challenge.

That is what I wish to see preserved, so that when it is claimed that we may well be unable to meet our own milk needs—if that happens—it will be the result of one thing only; that is it will be the result of control, restrictions, and regulations, because that is the situation at present. It must be borne in mind that there is control and restriction over production. In the manufacturing concerns now control is exercised by virtue of forced regulations framed by the Australian Dairy Board on a Federal basis.

The Hon. A. F. Griffith: You can add to that the apparent lack of understanding by the Federal Government.

The Hon. N. McNEILL: There is control of production in the whole industry in Western Australia despite the figures I have read from the report. There is control of production, too, through the operation of quotas and by price through the production of "surplus milk". So we have control of production in the dairying industry in Western Australia.

I repeat that if we fail to reach the target of our domestic requirements for dairy products in the future, more particularly in relation to milk, it will simply be because there has been insufficient flexibility in exercising control over the operations of the industry. It is similar to saying that thousands of dairy farmers are producing to their maximum. But of course they are not producing to their maximum. Some are, because of the size of their farms and their capacity, but there are a great many dairy farmers who are not producing to the maximum, and the production of milk is no different from the production of wheat, barley, or other agricultural products. What we need is the right environment to produce; the right incentives which encourage farmers to produce to the maximum; and flexibility, which is so important to this industry—one of the greatest forms of private enterprise in this country.

I repeat that I hope the Bill, when the authority is in operation, will firstly encourage the Government to give serious consideration to the amendments which I have foreshadowed in relation to these important provisions in the measure and that it will be in a position to say it will grant the authority the greatest support, the greatest flexibility, and the greatest freedom to operate as a single industry authority so that it will be able to meet the challenges which are proclaimed in all directions and which lie ahead for those engaged in the industry.

THE HON. N. E. BAXTER (Central) [9.04 p.m.]: I can take my mind back to the time when I was a very young man and I was engaged in the dairying industry from 1931 onwards. Therefore I have particular interest in this type of legislation. Having read the Minister's speech

and studied the Bill, I am not happy about many points contained in the Minister's speech or in the Bill. With regard to the speech made by the Minister in introducing the measure, he commences by stating—

> The dairy industry in Western Australia is divided into a manufacturing section and a liquid milk section.

We all know that. He then went on to say—

> This division is most undesirable and has been perpetuated by the legislation which currently covers the industry.

I wonder what the Minister meant when he used the word "undesirable" because later in his speech he does not mention what the undesirable features are. He just went ahead to say—

> This division of the industry has created unreal distinctions between milk used for liquid consumption and milk of similar quality but used for manufacturing purposes.

Throughout the Minister's introductory speech I fail to find anything to justify the introduction of this legisation. I know the Bill has been the subject of a seminar and a great deal of inquiry by the representatives of the dairy section of the Farmers' Union and others and that they have come up with this legislation, between all of them, as being the solution to the dairy farmers' financial problem. But is it the solution? I go back a long way to 1931, to the years when we were paid the small sum of 8d. a lb. for butterfat. When the Dairy Products Marketing Regulation Act was introduced in 1934 we did not see that as a solution to our financial problems, either, but we did see it as a solution to allow us to remain on our properties during the following years and to receive some sort of return for a great deal of hard labour.

As I see it, this legislation proposes to set up a single authority to control production of whole milk and all other dairy products including butter, canned milk, dried milk, cheese, powdered milk, and other types of milk not only for human consumption but also for animal consumption, because that could be the situation under this measure.

Under the legislation the authority is to be given full power over all dairy products declared. However, on looking at the measure one is puzzled as to who is to make the declaration on what are dairy products for the purposes of this Act. It does not say that such a declaration will be prescribed by regulation. The measure merely provides that any substance declared to be a dairy product for the purposes of this Act shall come under the control of this authority. That is a strange sort of provision.

In studying the Bill, one wonders what was in the mind of those who drafted it and who made the original proposals that were responsible for its drafting. Apparently the dairy farmers were told that this Bill represented the fairy godmother that would solve all their probems because it would appear to me that this is what has been done. I cannot accept the proposition that a dairy farmer would accept the legislation unless he thought it represented some sort of fairy godmother that would solve all his problems by replacing the Dairy Products Marketing Board and the Milk Board that have operated successfully to the benefit of dairy farmers for many years.

The Bill proposes to appoint nine members to an authority, three members to form an appeals committee, and three members to constitute a prices tribunal. The authority can also set up, in addition to these committees, a promotions committee. Therefore if the Bill is agreed to we will have a host of committee members looking after the interests of the dairy farmers in this State and with an authority that will have the power to take over full control of milk products for all purposes and dictate to the farmers what price they will get for their products. It would also have power to dictate to the retailers what price they will charge for the product. All this is provided in the legislation before us and in my opinion it is one of the most socialistic Bills we have had introduced in this House for a long time.

I make that statement without any fear of contradiction despite the fact that the legislation has the support of the Farmers' Union and that the majority of the dairy farmers are purported to have given their support to it. I am surprised at the lack of information in this Bill. We have received a circular from the Farmers' Union dated the 2nd October, 1973, relating to the Dairy Industry Bill. Apparently the circular was sent to all members of the Legislative Council. All that is mentioned in this circular is the role that will be played by the Department of Agriculture. The circular does not state how the legislation will operate for the benefit of producers, particularly butterfat producers who will suffer as a result of the withdrawal of bounties by the present Commonwealth Government. This legislation does not tell us anything about that or how the Act will work.

I make these statements because on looking through the Bill I note that clause 23 refers to further powers of the authority. If members read that clause they will realise that it gives wide powers to the authority to do practically anything. Further on the Bill provides that the authority shall have power to provide

funds for the promotion of all classes of milk and dairy products. The clause goes on to state—

> . . . that the total amount to be provided annually for the promotion shall be such amount as is approved by the Minister in writing after consultation with representatives nominated by the Farmers' Union of Western Australia (Inc.) for the purpose.

What a strange provision that is! The clause provides that an amount of money for promotion can be provided by the authority which can be limited by the Minister in consultation with representatives of the Farmers' Union. Will this provision lead to a good promotion scheme, when there could be limitation placed on what those people have the power to do in promoting dairy products?

In a following clause power is granted to the authority to call for any books of account and other documents kept or prepared in connection with the business. I thought that the only organisation that has power to inspect the books of account of any business was the Taxation Department. Apparently there are creeping into our legislation provisions which will give various organisations power to call for books of account of a person engaged in certain businesses, whether that person be a producer, manufacturer, retailer, or a vendor of any type. Under the Bill the authority will have power to demand to inspect books of account of any business and hold them for a certain period, and it will also have power to take an extract from the books of account if it so desires.

Is this the sort of legislation we want? This authority will have power to pry into the financial affairs of any person. I do not like the sort of legislation which permits that sort of thing. We have other legislation before us at present which I cannot mention.

The Hon. I. G. Medcalf: You can so far as I am concerned.

The Hon. N. E. BAXTER: I am afraid the President, quite rightly, would not allow me to mention it.

The Hon. A. F. Griffith: He does not know whether he can or not until you refer to it.

The Hon. N. E. BAXTER: I will not pursue that subject because it does not concern this particular Bill. I will not speak for very long. One of the provisions refers to the delivery and acceptance of milk and reads as follows—

> (5) Where any milk is not accepted by the Authority, the person who, but for section 66, would have been the owner of the milk—
>
> (a) is entitled to dispose of that milk in any manner, and subject to any conditions, specified in an instrument, in writing, authorizing him to do so issued to him by the Authority; and

This is taking things a little too far. If a dairy farmer produces milk which is not acceptable, why should he have to get authorisation in writing before he can dispose of it to, for instance, a pig farmer? How stupid can we get? If it was not acceptable he would have no chance of selling it for human consumption.

I do not know how the Bill will work in regard to the standards of milk and whether three different bodies will have a say; that is, the authority, the Department of Agriculture, and the Health Department. In the past it has been the responsibility of the Health Department to control the standard of milk. It has checked the milk for its butterfat content, and solids-not-fat content; but under the Bill the authority will have this control. Whether the Department of Agriculture will also be empowered to have this control I do not know, but it is a distinct possibility.

As Mr. McNeill said, in the past it has been the duty of the Department of Agriculture to assist farmers with problems of production, and to check on the quality of the milk. I would not like the situation which has obtained in the past to be upset because I can recall what occurred in the early stage when the quality of the milk was substandard. Summonses were issued to the dairy farmers without their having any prior knowledge that their milk was substandard. We do not want such a situation to arise under this legislation.

The Hon. G. C. MacKinnon: The standards are governed in clause 106 of the Bill.

The Hon. N. E. BAXTER: Yes, under the regulation-making power.

I do not desire to speak at length, but as Mr. McNeill has said, this Bill is important to the State. In legislation of this nature we must be careful to ensure we do not do something we will regret in the future. If the Bill does not work, I do not think the position will be irretrievable because this legislation could be repealed and we could revert to the present Acts. I am certainly not confident that this Bill will work too well. I consider that, despite what has been said, the cost to the dairy farmer will rise and he will be paying far more than he pays today. If this is the case there will be some very sorry people in the State.

However, I hope and trust that it will work in the best interests of the dairy farmer and particularly the butterfat

producer who is the person who will suffer most if the legislation does not operate efficiently. With those remarks I support the Bill.

Debate adjourned, on motion by The Hon. G. C. MacKinnon.

TRADE DESCRIPTIONS AND FALSE ADVERTISEMENTS ACT AMENDMENT BILL

Assembly's Message

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

PAY-ROLL TAX ACT AMENDMENT BILL

Second Reading

Debate resumed from the 2nd October.

THE HON. I. G. MEDCALF (Metropolitan) [9.21 p.m.]: Pay-roll tax was introduced in this country in 1941 as a war-time measure. Apparently the war is still on because we still have pay-roll tax.

The Hon. L. A. Logan: There is one in the Middle East.

The Hon. I. G. MEDCALF: But we are not expected to pay for that I hope. Nevertheless, we still have pay-roll tax.

The Hon. A. F. Griffith: And how!

The Hon. I. G. MEDCALF: It is curious to note that taxes introduced as war-time measures never seem to get off the Statute book. I recall that death duty was introduced as a war-time measure. In 1914 the Commonwealth introduced estate duty as a war-time measure, and we still have it. We cannot persuade the Commonwealth to get out of the field of estate duty. It has got out of pay-roll tax, but what has occurred? The pay-roll tax was switched over to the States, and instead of our having a pay-roll tax which was 2½ per cent. when the Commonwealth levied it, we now pay the pay-roll tax levied at 4½ per cent.

The Hon. A. F. Griffith: That is nearly 100 per cent. increase in two years.

The Hon. I. G. MEDCALF: It is an 80 per cent. increase in two years.

The first increase was made in 1971 when the States took over pay-roll tax and it was increased from 2½ per cent. to 3½ per cent., an increase of 40 per cent. It has now been increased by another 1 per cent. making the total increase of 80 per cent. on the original Commonwealth tax levied.

That tax was introduced, not to pay for the war, but to pay for child endowment; and we know that now child endowment is being paid for from other sources, which has been the case for many years.

However, in 1971 in desperation as a result of the predicament in which they found themselves because they were starved for revenue to perform their tasks under the Constitutions, the States asked the Commonwealth Government to let them have access to a growth tax and they submitted a plea at the Premiers' Conference in February, 1971, at which this State was represented. The plea was that the States should have access to a growth tax, which is a tax which grows as the economy of the country grows and which continues to expand as more money is available in the community and as there is a greater gross national product.

The Hon. A. F. Griffith: Without increasing the rate of tax.

The Hon. I. G. MEDCALF: Yes, and the tax grows without individuals feeling any greater impact. It grows in accordance with the growth of industry and development of the economy. That is what a growth tax was and what a growth tax still is.

However, the Federal Government would not agree to hand over to the States the growth tax which they sought, which was a share of the income tax. The Prime Minister at the time was Mr. McMahon and, on the advice of the Federal Treasurer, he dismissed that request almost out of hand. The States were not to have access to income tax revenue of the Commonwealth and the States got nowhere. However, he did say that the States could have the pay-roll tax if they wanted it. He said that at the conference in, I think, June, 1971. It was later in the year, anyway. He indicated that the Treasurer had gone into the matter and considered that the Commonwealth could give the States the pay-roll tax. It was suggested to the Premiers at that conference that not only should they take over pay-roll tax, but that they should increase it by 1 per cent. by joint action so that instead of the tax being 2½ per cent., it would be 3½ per cent.

Members have heard me talk before about the dire necessity for the States to have a growth tax and to have access to the one outstanding growth tax in this country, which is income tax. There is no moral or legal justifiable reason for the States not to have a share of the income tax. This would be a proper growth tax and would be giving back to the States only that to which they are already entitled and a tax which they have a constitutional right to levy themselves.

However, for practical reasons, and because of the arrangements made between the Commonwealth and the States under which the Commonwealth said to the States that if they did not levy income tax the Commonwealth would make grants under section 96 of the Constitution which grants would not be made if the States did levy income tax, the States have been debarred in practical terms from levying income tax themselves.

Members have heard me before on this subject and I will not weary them with any further argument. Suffice it to say that I

have long advocated that the only proper solution to the financial problems of the States is a share in the Commonwealth income tax revenue; and by that, I do not mean two separate returns. That is the only way to overcome the financial predicament of the States.

The Hon. W. F. Willesee: How would you allocate the percentage between the Commonwealth and the States?

The Hon. I. G. MEDCALF: That is a matter for arrangement and I admit it is fraught with great problems. The States would have to agree and then the Commonwealth would have to agree with the States.

The Hon. L. A. Logan: It can be done.

The Hon. W. F. Willesee: Because of area alone our State would have to receive great consideration.

The Hon. I. G. MEDCALF: Indeed it would, but other considerations would be involved such as population and need and in fact it would still be necessary for the Commonwealth to make grants to supplement the money available to individual States.

However, I believe it could be done and it must be done. I have already said that Mr. McMahon refused to agree. Mr. Whitlam has refused. At the Constitutional Convention he made it perfectly clear that income tax sharing by the States with the Commonwealth was not a negotiable item and he was not prepared to discuss it.

The Hon. W. F. Willesee: And several Prime Ministers before Mr. McMahon refused, too.

The Hon. I. G. MEDCALF: That is true; but the case was never put so solidly as it was in 1971 at those two Premiers' Conferences when it became an issue. It has now become an issue that is practically acceptable and can be arranged. It takes a long time before people can really work out a proper case on a subject like this and I believe the States have worked it out, but the submission was rejected by Mr. McMahon and by Mr. Whitlam.

The Hon. L. A. Logan: I think Mr. McMahon was weakening.

The Hon. I. G. MEDCALF: He went so far as to say that he would institute a research into the problem by the Australian National University and he did, in fact, do that. I do not know how the research progressed and whether it is still proceeding; but at least he did initiate research into the subject.

Mr. Whitlam, however, has refused to consider this as a possibility, but I am happy to say that I heard Mr. Snedden say that he would in fact embark on a study of this nature and that he believed it was a solution.

I would like to quote the comments which Mr. Snedden made at the Australian Constitutional Convention. These are reported in the *Hansard* of the Constitutional Convention for the 5th September, 1973, at page 124, as follows—

> I would not in any way support a proposition that separate income tax be imposed by the Commonwealth and by the States. However, I do make the point that there is a real need to find a solution to the problem. I believe there would be great value in the appointment of a working party to examine a proposal that a predetermined share of the revenue collected by the Commonwealth should go to the States. I would welcome such a proposal. I heard Mr. Thompson, a delegate from Victoria, suggest that a predetermined figure of 40 per cent. or 50 per cent. of the revenue collected by the Commonwealth be returned to the States. I do not respond to the specific percentage, but I would welcome an examination of the principle.

The Hon. W. F. Willesee: That was a previous Treasurer of a Government which had been in office for 23 years.

The Hon. I. G. MEDCALF: That point was made by Mr. Evans who interjected and made a comment to the same effect at the Constitutional Convention. I now quote from page 126 where Mr. Snedden commented on this matter and on grants under section 96. Mr. Evans interjected and said—

> Mr. Evans (Western Australia): Will the Leader of the Opposition admit that in the past the Commonwealth has been guilty of misuse of section 96 of the Constitution?
>
> Mr. SNEDDEN: I am asked by way of interjection whether or not in the past the Commonwealth, by which presumably the interjection is referring to me, has been guilty of misuse of section 96. I do not think so. I have always seen section 96 as one for setting the national purpose. If there were misuses during the period the Liberal-Country party coalition was in government I gladly accept blame for it. But if I am asked to participate in a convention such as this and state my views and then be told to be silent because in the past I or my colleagues in government have done something which can now be identified to be at fault, we might just as well not have a convention.
>
> Mr. Evans: I do not suggest that at all. In fact I welcome the Leader of the Opposition's candour in discussing section 96.

> Mr. SNEDDEN: I am sorry but I thought Mr. Evans was intimating that what I am saying was not to be taken notice of because in the past there were faults. Perhaps I might be forgiven for interpreting the interjection in that way. However, I welcome the intervention, whatever its purpose may have been.

I think that answers the comment made by Mr. Willesee.

The Hon. W. F. Willesee: Not one bit. The situation is perfectly clear as far as I am concerned. The issue which you raise now had existed for 23 years but the previous Federal Government did nothing about it.

The Hon. I. G. MEDCALF: Mr. Willesee is simply repeating the argument put forward by way of interjection by Mr. Evans. I think this has been quite effectively answered but as it does not satisfy Mr. Willesee I commend him to a study of it. After spending some time studying it, Mr. Willesee may come to the conclusion that it has been effectively answered.

The Hon. W. F. Willesee: I listened to it and to the reply.

The Hon. I. G. MEDCALF: I do not propose to be deterred by interjections any further but I intend to proceed to discuss pay-roll tax which is the subject of the measure before the Chamber.

The Hon. W. F. Willesee: Fair enough! Carry on.

Ths Hon. I. G. MEDCALF: Thank you.

The Hon. W. F. Willesee: You have not convinced me, though.

The Hon. I. G. MEDCALF: As I have said, when the Commonwealth handled this odious tax—pay-roll tax—the rate was 2½ per cent. That rate became 3½ per cent. in 1971 when the States took it over. The rate will become 4½ per cent. in 1973. It has already been agreed upon between the Premiers that the rate will be 4½ per cent. It was publicly announced at the Premiers' Conference in June that the rate would be 4½ per cent. and that it would operate from the 1st September, 1973.

In a full year, as the Minister indicated, Western Australia will reap over $12,000,000 from pay-roll tax. However, $2,000,000 of this will come from Government sources. In other words, various Government departments will be paying pay-roll tax. After allowing for the $2,000,000 which will come from Government sources—and which will merely be offset—the Government of Western Australia will net $10,000,000 out of pay-roll tax. I emphasise the clause "the Government will net $10,000,000" because only that amount which is received from non-Government sources represents an increase in the Government's revenue.

I believe that pay-roll tax is an odious, iniquitous, and diabolical tax. Even Mr. Tonkin dislikes pay-roll tax and has said so in unmistakeable terms. In fact, he made the statement in a debate in another place. However, I will not pursue that further because I may be out of order.

Pay-roll tax is a discriminatory tax in that it discriminates against certain people in the community. Pay-roll tax is taken from the pay rolls which employers pay to their employees. According to the size of the pay roll so pay-roll tax at 4½ per cent. is levied on that pay roll. Below the limit of $20,800 no pay-roll tax is applicable. However, not many employers have a pay roll of less than $20,800 per year. When that figure was first introduced in 1957 in fact it represented a substantial sum. A pay roll of $20,800 meant that a person was the employer of perhaps 15 employees. Now a pay roll of $20,800 represents, on average, approximately four employees on a pay roll. Hence there is a big difference. Pay-roll tax is now affecting much smaller businesses than it affected when the legislation was introduced in 1957.

Pay-roll tax is a tax on the employer and is not taken out of the pay rolls of employees—I am pleased to say. However, it is a tax on the employer and hence it is a discriminatory tax in that it is applied to one section of the community only.

The Hon. L. A. Logan: The consumer pays for the extra cost.

The Hon. I. G. MEDCALF: Thank you, Mr. Logan. That brings me to my next point. Whenever the employer can, he adds that tax onto his product because he must. This has an inflationary effect because it increases the price of the article. I believe we must observe that pay-roll tax is added on before any profit is made. It is added onto the cost of the article because a part of the cost of the product is the wages paid to produce it. No-one would dispute that wages are an element in the cost. Therefore, before any profit is made, the employer tacks on another cost—pay-roll tax which will be 4½ per cent. of the wages he pays—and on top of that comes the profit. Consequently it must be an inflationary tax.

The Hon. W. F. Willesee: It is not as simple as that.

The Hon. I. G. MEDCALF: I said that pay-roll tax must be an inflationary tax. Does Mr. Willesee dispute that?

The Hon. W. F. Willesee: I do not like the word "inflationary".

The Hon. I. G. MEDCALF: No-one likes it; I am merely quoting Mr. Tonkin's comment in saying this. I did not want Mr. Willesee to disagree with his leader. Pay-roll tax is necessarily an inflationary tax. There is no other way of looking at it if it is added onto the cost before the product is in the hands of the

consumer. Consequently it is an increase at the source of the cost of the article; it is not a tax on profits but on expenditure.

Pay-roll tax has another important and distressing by-product in that it stifles employment. Anyone who has tried to obtain a job for himself, herself, or for any other person and has found problems in obtaining that job knows what a distressing situation it is. It is desirable for employment to be created; there should be as much employment as is possible and as many employment opportunities as are possible. There is nothing more soul destroying than to look for a job whether for oneself or for anybody else and not to be able to find it. If there is anything we, as members of this Parliament, do to reduce employment I believe we should do it with the greatest hesitation. If employers' costs are increased through the imposition of extra pay-roll tax I believe this must have the effect of making an employer look at his pay roll, at the number of his employees, and at redundancies. This is not a good thing because we must encourage as many opportunities as we can. I am sure every member of this Parliament would agree with that statement.

The Hon. D. K. Dans: I do not think it would make him look at redundancies.

The Hon. I. G. MEDCALF: I am sure every member of Parliament would want to stimulate employment. The increase in pay-roll tax will have the effect, amongst other things, of discouraging an employer from increasing the size of his pay roll and the number of his employees. I do not believe an employer should be encouraged to stifle the size of his pay roll or the number of his employees.

Let us look at the effect of increased pay-roll tax on the cost of articles such as, for example, beer, petrol, and cigarettes. In fact, let us single out petrol. Recently we have have seen the price of petrol increase because of the heavy excise duty imposed in the last Federal Budget. We know that had an immediate effect in increasing the cost of living. The price of a gallon of petrol was increased and this affected everyone who drives a motor vehicle. If the pay-roll tax of oil companies, service stations and others who employ people in this industry is increased, clearly an additional cost factor will affect the price of petrol. This is only one illustration and, of course, the price of beer, cigarettes, groceries, and other commodities will be increased. One could go on *ad infinitum*. It is not necessary for me to illustrate that any further because I am sure all members understand the position well.

It is hypocritical for a Government to complain about prices when it increases sales tax on petrol and cigarettes or when it increases pay-roll tax. It is an increase in prices because the imposition of another 1 per cent. in pay-roll tax necessarily means that prices must go up.

The Hon. T. O. Perry: There is no prices justification in that.

The Hon. W. F. Willesee: The Federal Government will ultimately benefit.

The Hon. I. G. MEDCALF: Of course, the Federal Government will ultimately get everything. It all goes back.

The Hon. D. K. Dans: It does not.

The Hon. I. G. MEDCALF: Let us not wax philosphical. I will try to stick to pay-roll tax.

The Hon. W. F. Willesee: Thank you. I like the expression "wax philosophical".

The Hon. I. G. MEDCALF: The States are permitted to adopt rates exemptions and assessing provisions as they desire. It has been agreed between the Premiers that pay-roll tax will be uniform in its rise throughout the country. In other words, all States will put on this extra 1 per cent., by arrangement, and it is to be retrospective to the 1st September.

I comment that it is now getting on into October and we are about to pass legislation which will operate as from the 1st September. There may be some practical difficulties about this but I must mention the old axiom which we always follow in this House; we do not like passing retrospective legislation. Consequently, in addition to its other faults, the legislation is to be retrospective. I am not suggesting we should attempt to amend that because I am keenly aware of the fact that our Premier, Mr. Tonkin, is a party to the arrangement which has been made with the other State Premiers. It is desirable for this to be uniform and the Premier has, in fact, already budgeted on this. Therefore, we must adopt a responsible attitude whatever views we may hold in connection with retrospectivity and some of the other undesirable aspects of the tax.

The figure of $20,800, as I mentioned, was set in 1957. If we were to take the value of $1 in 1957—or 10s. as it then was—and compare it with the value of $1 today, we would find a great difference. We could buy a lot more with 10s. in 1957 than we could now. We know of the tremendous loss in value of money during that period. This is a truism which does not need any elaboration by me. Let us say that 10s. in 1957 was worth three times what $1 is worth today—I believe that would be about right. Then, if we wanted an approximate valuation today of $20,800 in 1957, we would multiply it by three; that is, $62,400. Therefore, if we wish to be consistent, we should lift the limit for exemption in respect of pay-roll tax to $62,400. I am delighted that Mr. Willesee agrees with me—it is music to my ears.

The Hon. W. F. Willesee: You are forecasting me a bit.

The Hon. I. G. MEDCALF: I do not think so, because I am using an argument which the honourable member has used on a previous occasion in relation to income tax. How frequently I have heard Mr. Willesee speak about the loss in value of money. He has said that the Commonwealth income tax remains the same irrespective of the fact that money has lost much of its purchasing power. I am using his argument, and I know he will agree with me when I say the exemption should apply up to an annual pay-roll of $62,400.

The Hon. W. F. Willesee: Touché!

The Hon. I. G. MEDCALF: I believe one important principle should not be overlooked when speaking to this measure—and here I am including the Pay-roll Tax Assessment Act Amendment Bill—that we should do all we can to encourage decentralisation. The evils of centralism are well known, and among the great evils of the growth of cities are the spread of pollution and the growth of crime. The mere congregation of a great number of people, motorcars, and traffic, creates problems of its own. In addition to that, we want to see that the country is populated and that it develops and is not neglected. All the important industries should not go to the city; that is, to the metropolitan area.

When we compare the growth of the metropolitan area of Perth—and it is gradually swallowing up the countryside—with the growth of the other big cities in Australia, we can see a parallel, and particularly with Melbourne and Sydney. These capital cities are much bigger than Perth, but we are following their pattern. The Perth metropolitan area is gradually expanding and eating into the countryside. It is attracting the new industries which come to the State. Most of these industries want to establish in the city because the population is here, the chief port is here, and other allied industries are nearby to assist in their development. The facilities, the housing, and the transport, are all available. Therefore, the metropolitan area is clearly the first choice of any company wishing to establish itself in Western Australia.

We should do whatever we can to decentralise industry. This is important, not only to the whole State but also to the metropolitan area. It is important that the metropolitan area does not grow so big that it develops all the attendant problems of a big metropolis. Of course, by world standards we are not yet a big metropolis, but we are much bigger than we were, and we have the potential to develop into a big metropolis on the west coast of Australia. Therefore, we should think for a moment about what we should do to encourage decentralisation.

The Hon. W. F. Willesee: That is a very hard thing to do.

The Hon. I. G. MEDCALF: Indeed, I am the first to admit it is a problem because of the difficulties involved in establishing industries in the country. It is very hard to encourage companies to move away from the metropolitan area when we have all the ready-made facilities here—the people, the transport, the houses, and many other things. Therefore, positive measures have to be taken, and these measures are often not easy to take. To encourage the tendency to decentralisation and to give companies some actual encouragement to move to the country, we must take some positive measures. Therefore, we should take the opportunity afforded to us to encourage decentralisation with this legislation by giving the Treasurer the authority to allow industries in the country to pay a lesser rate of pay-roll tax. I do not mean that this should be a compulsory matter, but the discretion should be vested in the Treasurer in an appropriate case.

I am not referring to the big existing industries in rural areas, but I feel we should take action in the case of new industries which can be persuaded to move into the rural areas.

The Hon. A. F. Griffith: If you do anything like that you will be helping the Labor Party to put into effect the policy speech made by the Premier in 1971.

The Hon. I. G. MEDCALF: Indeed.

The Hon. W. F. Willesee: I think he is eligible for a form four already.

The Hon. A. F. Griffith: I do not know what a form four is.

The Hon. R. Thompson: Neither do I.

The Hon. A. F. Griffith: Is it something to do with the Labor Party?

The Hon. D. K. Dans: Something the East Fremantle Football Club has.

The PRESIDENT: Order!

The Hon. W. F. Willesee: If you want a form four, I will accept your verbal application.

The Hon. I. G. MEDCALF: I am well aware of the fact that Mr. Tonkin mentioned decentralisation in his policy speech.

The Hon. W. F. Willesee: You must have read the policy speech carefully.

The Hon. I. G. MEDCALF: The Premier is in favour of decentralisation. I have studied the policy speech very carefully.

The Hon. A. F. Griffith: I have it here now.

The Hon. I. G. MEDCALF: One of the points made by the Premier was that we should encourage decentralisation. I feel we now have an opportunity to do this. It may be that as Treasurer, Mr. Tonkin now feels he should not go along with the idea. It is very difficult for a person to

wear two hats. As Premier Mr. Tonkin may be in favour of decentralisation, and as Treasurer he may not be. It is a case of sometimes the right hand and the left hand are in conflict and one does not know what the other doeth. I believe we should help Mr. Tonkin's right hand in regard to decentralisation, and at an appropriate stage I will move an amendment for that purpose.

As legislators we are in a dilemma—we must vote for the increased tax because we cannot deprive the State of the money. It has no other way to raise the money and we must be realistic about it. We must vote for the measure, loathsome though it be.

The Hon. A. F. Griffith: We have been hooked by the Commonwealth Government into accepting the responsibility for it.

The Hon. I. G. MEDCALF: There is no other way out of it, unless the Commonwealth Government will co-operate—and so far it has not done this. We have to vote for this measure, although it is a loathsome, iniquitous, diabolical tax.

The Hon. W. F. Willesee: It sounds like the road maintenance tax.

The Hon. I. G. MEDCALF: Indeed, we should adopt the better solution—

The Hon. W. F. Willesee: It has been a bad tax for many years.

The Hon. I. G. MEDCALF: —that there should be a proper and adequate sharing of the Commonwealth income tax. However, we cannot do this on our own; we must adopt that as an article of faith and as the policy of the State of Western Australia.

With those comments I support the Bill.

Debate adjourned, on motion by The Hon. D. K. Dans.

PAY-ROLL TAX ASSESSMENT ACT AMENDMENT BILL

Second Reading

Debate resumed from the 2nd October.

THE HON. I. G. MEDCALF (Metropolitan) [9.55 p.m.]: I do not propose to speak at any length on this measure. It is purely a complementary Bill to the Pay-roll Tax Amendment Bill. It simply provides the assessment machinery for the previous Bill.

The comments I made in regard to the Pay-roll Tax Amendment Bill apply with equal force to the Bill now before us. I have on the notice paper an amendment I propose to move, and we will come to this in due course.

I referred to decentralisation in speaking to the first Bill, but we must amend the Bill now before us to achieve the result I desire. The proposed amendment is to put into effect my suggestions in relation to decentralisation, and we will deal with this in due course. There is nothing further to add at this stage. With these comments, I support the Bill.

THE HON. D. J. WORDSWORTH (South) [9.57 p.m.]: I will keep my remarks short, but as a representative of the rural sector, I feel I should add my protests in respect to these two Bills to those of my colleagues.

The Hon. I. G. Medcalf has covered the ground extensively, and most members have had the opportunity to express their views. It seems only a very short time ago that we had a measure before the House to increase pay-roll tax from 2½ per cent. to 3½ per cent. and we now have this measure to increase it from 3½ per cent. to 4½ per cent. These rises have occurred in a very short period.

I wish to make two points. Firstly, I feel this tax is highly inflationary; and secondly, it works very much against decentralisation. In regard to the inflationary factor, I feel it adds unnecessary costs to production, and it hits particularly at those manufacturers endeavouring to keep costs down. At this particular time we have the Federal Government and the State Government, indeed, everyone, beseeching manufacturers not to increase costs. And yet those people and companies who are endeavouring to keep costs down in a genuine manner are being hit hard by taxes of this type. No-one likes paying income tax, but let us face it, when we pay income tax, at least we have made a profit. However, pay-roll tax does not relate to a profitability factor at all.

On this point I would like to give an example of what is happening in regard to inflation and the effects of this tax, and I will quote from the bi-monthly report of the Australian Wool Corporation, dated the 5th October, 1973, which states—

> Shearing Costs: The recent shearing rate increase implemented on September 3, combined with the Autumn increase in March, the National Wage increase in May, the 1% pay roll tax and the increase in wages for wool classers to have been implemented on September 17, means that the total shearing cost of 49c per sheep in 1972 has now increased to approx. 69c per sheep.

The Hon. A. F. Griffith: There is just one thing wrong with that—it was not a 1 per cent. increase. It was an increase from 3½ per cent. to 4½ per cent., which is, in fact, about a 28 per cent. increase.

The Hon. D. J. WORDSWORTH: That is a very good correction, and I thank the Leader of the Opposition. However, I

would like to point out that these increased costs will mean about $3,000,000 to the wool industry and that is only the difference between 49c and 69c per sheep shearing costs. It is very fortunate indeed that we have good wool prices today; the industry has the ability to pay. However, I believe it would still have had to pay the increased pay-roll tax had wool remained at 30c per pound.

On the question of decentralisation we all know that to retain employees in the country—whether they be on farms, in establishments in country towns, or on projects in the north—they have to be paid a bonus to meet the increase in the cost of living, the cost of food, the freight charges, and housing rentals. Consequently we have to pay considerably higher wages than are paid in the city. We see this tax as being aimed at the people whom we are endeavouring to retain in the country areas. For this reason it is a most iniquitous tax.

Originally the tax was aimed at the employer who employed a large number of people. There was a theory that it would hit big companies like B.H.P. and General Motors; but as was pointed out by Mr. Medcalf, the taxable amount based on $20,800 and above when the tax was first imposed now only meets the wages of four or five employees. Four employees employed on a sheep property would be paid that amount in wages in a year, but this would not be a very big property. If one were to include the wages that are paid to the shearers, then this amount would probably only cover the wages of two employees on a farm. It is high time that the base of $20,800 was changed.

Debate has centered on what the amount should be, and I think the figure of $60,000 is more equitable. It is up to the State Government to review its decentralisation policy. Other States have taken steps in this direction, and I refer to Victoria and New South Wales which have granted rebates to industries to become established in country areas.

The introduction of this Bill, and the way in which it is being forced on the people of Western Australia by the Federal Government, indicate how insincere the Federal Government and the State Government are. Undoubtedly it is a very inflationary measure, and it is against the policy of decentralisation. If the State and the Commonwealth are genuine in their efforts then legislation like this should not be introduced.

Debate adjourned, on motion by The Hon. D. K. Dans.

House adjourned at 10.03 p.m.

Legislative Assembly

Wednesday, the 10th October, 1973

The SPEAKER (Mr. Norton) took the Chair at 2.15 p.m., and read prayers.

PENSIONERS

Deferment of Local Government Rates: Grievance

MR. R. L. YOUNG (Wembley) [2.17 p.m.]: I imagine that my very short speech in relation to this grievance should be addressed to the Minister assisting the Treasurer. By the time I have finished speaking, the Minister will be aware of the reason for my hesitation on this point.

For some time I have been perturbed about the fact that some pensioners who qualify to have their rates deferred into their estates under both the Local Government Act and the Pensioners (Rates Exemption) Act are in a quandary when the titles to their properties are held in a certain manner. The Minister will be aware that for some years prior to the introduction of the Strata Titles Act, people owning duplexes, units, and similar properties, held their titles on what was known as a purple title basis; that is, they were co-owners of the land as tenants in common. They owned a particular proportion, as an undivided share, in that land.

A problem exists in regard to the Local Government Act provisions which allow a pensioner to have his rates deferred into his estate. If a pensioner happens to hold his property on a purple title basis as distinct from a strata basis, the local authorities under the Local Government Act are powerless to defer the rates. The wording of the Pensioners (Rates Exemption) Act has allowed the Metropolitan Water Board to make the decision that the State will take a chance in regard to pensioners' rates when the title is not held outright or on a strata title basis. Therefore, a person holding what is known as a purple title to property such as a duplex, is in the position that his water rates may be deferred into his estate because of this provision. However, for certain reasons this action cannot be taken in regard to rates levied under the Local Government Act. Because I have only a very short time at my disposal, I do not intend to go into the complexity of these provisions. I believe the Minister will do that more adequately himself.

Mr. T. D. Evans: I think if you give me a guideline I will be able to follow it.

Mr. R. L. YOUNG: Good. I will attempt to do that, Mr. Speaker, I ask you to put yourself in the position of a pensioner