New clause put and passed.

Title put and passed.

Report

Bill reported, with amendments, and the report adopted.

INDUSTRIAL ARBITRATION ACT AMENDMENT BILL (No. 2)

Second Reading

Debate resumed from the 9th November.

MR. HAWKE (Northam—Leader of the Opposition) [11.53 p.m.]: The propositions in this Bill are related almost entirely to the Public Service Arbitration Bill. Therefore, they are made necessary because of the approval given to the other Bill by the House and, subsequently, by the Committee of the House. I support the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Mr. O'Neil (Minister for Labour), and transmitted to the Council.

ADJOURNMENT OF THE HOUSE: SPECIAL

MR. BRAND (Greenough—Premier) [11.54 p.m.]: I move—

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

Question put and passed.

House adjourned at 11.55 p.m.

Legislative Council

Wednesday, the 23rd November, 1966

CONTENTS

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 11 a.m., and read prayers.

ADJOURNMENT OF THE HOUSE: SPECIAL

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [11.8 a.m.]: I move—

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

Question put and passed.

QUESTIONS (6): ON NOTICE

MIDLAND JUNCTION ABATTOIR

Losses on Operations

1. The Hon. N. McNEILL asked the Minister for Mines:

As the annual report of the Midland Junction Abbattoir Board for 1965 disclosed a loss of £58,000 compared with a loss of £8,700 in 1964, attributed to a reduced throughput at the Midland Junction Abattoir, will the Minister advise—

(1) What is the operational loss, if any, at Midland Junction Abattoir to the 30th June, 1966?

(2) If a loss was incurred—

(a) to what is the loss attributed; and

(b) what steps are being taken, or have been taken, to offset this loss?

(3) Is it considered that the throughput at—

(a) country abattoir; and

(b) metropolitan abattoir

contributed to any such loss?

(4) If so, is any thought being given to placing any form of restriction on the throughput of—
(a) country; and
(b) metropolitan abattoir?

The Hon. A. F. GRIFFITH replied:

(1) A loss of $139,965 was incurred.

(2) (a) A reduction in the number of cattle slaughtered, substantial increases in wage margins and increased labour requirements to meet the Department of Primary Industries standards.
(b) These matters are under consideration.

(3) (a) and (b) The numbers of sheep and lambs offered for slaughter over the last few years have shown an increase, but this increase has not matched the reduced throughput of cattle generally at all metropolitan and country abattoirs sufficient to offset the loss..

(4) (a) No.
(b) No.

BEEF

Cattle Numbers, and Production

2. The Hon. N. McNEILL asked the Minister for Local Government:

(1) What is the total beef cattle population over one year old in the South-West Land Division in the year ended the 30th June, 1966?

(2) Is it correct that this population represents nearly 300 per cent. increase in the last 10 years?

(3) What was the total production of beef, including veal, in the year 1965-66, for—
(a) local consumption; and
(b) export?

(4) What is considered to be the percentage wastage in the beef producing herds of the South-West Land Division due to either one or all of the following—
(a) low reproductive rate;
(b) inadequate management; or
(c) insufficient breeding stock of adequate quality?

(5) What is the estimated total cost of such wastage to the beef industry of Western Australia?

The Hon. L. A. LOGAN replied:

(1) and (2) The total beef cattle population over one year in the South-West Land Division at the 31st March, 1966, was 299,555. This is about 2½ times the March, 1956, number of 121,312.

(3) The production of beef in the whole of Western Australia for the year ended the 30th June, 1966 was—
(a) 30,260 tons for export.
(b) 17,829 tons for local consumption.

(4) Reproduction rates of beef herds are not recorded in the official statistics.

It is estimated that, excluding the Kimberleys, the reproduction rate for the State is about 70 per cent. The 30 per cent. includes cows which fail to calve and calves which die.

No estimates of the total losses due to management, or shortage of breeding stock, have been made. It is known that improved management would result in big increases in production. The availability of better breeding stock and more intense culling could also increase production. It is considered that the shortage of stock is a passing phase associated with the increase of the industry.

(5) Estimates have not been made as the assumptions necessary determine the final answer.

ELECTORAL ROLLS

Revision Jointly with Commonwealth

3. The Hon. J. DOLAN asked the Minister for Justice:

Will the Government consider following the example of Tasmania (1908), South Australia (1920), Victoria (1924), and New South Wales (1927), for the preparation, alteration and revision of the electoral rolls jointly by the Commonwealth and the State, in order that they could be used for State elections as well as for Commonwealth elections?

The Hon. A. F. GRIFFITH replied:

I am not going to ask that this question be postponed, but the answer is being typed at the moment. It will be along the lines that this has already been considered in the past and it is accepted that the maintenance of the present system is preferable. However, I am prepared to have a further look into the matter.

4. *This question was postponed.*

TRAFFIC OFFENCES

Cautions and Prosecutions

5. The Hon. C. E. GRIFFITHS asked the Minister for Justice:

Further to my question on the 8th November, 1966, in regard to briefs issued by members of the

traffic patrol for various traffic offences—

(1) As there appears to be a big discrepancy between briefs issued and the number of court actions taken, is this due to the balance of offenders being cautioned?

(2) Are these cautions issued by the traffic patrolman at the time of issuing the brief?

(3) Are any of the cautions issued by the patrolman at some time other than the time of issuing the brief?

(4) Are any of the cautions issued by any person other than the patrolman responsible for issuing the original brief?

(5) If the answer to (4) is "Yes," what criteria is used by that person who would not have witnessed the offence, for determining that a caution be issued in lieu of court action?

(6) As the figures given by the Minister in regard to speeding in particular, show a substantial increase of offences each month, does the Minister regard that cautions are having the desired effect?

The Hon. A. F. GRIFFITH replied:

(1) The difference between the number of briefs submitted and the number of court actions taken would be due to cautions issued and directions to attend traffic educational lectures.

(2) No.

(3) No.

(4) Yes, by senior officers of the Police Traffic Branch.

(5) The officer would have regard to the type of offence, the circumstances under which it was committed and the explanation of the person concerned, all of which would be reported in the brief.

(6) Cautions and attendances at educational lectures do have the desired effect on the persons concerned.

FLUORIDATION OF WATER SUPPLIES

Paper by Dr. Roy Duckworth

6. The Hon. J. DOLAN asked the Minister for Health:

Does he regard the paper in the *British Medical Journal* for the 30th July, 1966, by Dr. Roy Duckworth, on the "Fluoridation of Water", as an authoritative and reliable source of information on this subject?

The Hon. G. C. MacKINNON relied: Yes.

ADMINISTRATION ACT AMENDMENT BILL

Report

Report of Committee adopted.

Third Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [11.12 a.m.]: I move—

That the Bill be now read a third time.

I would like to endeavour to give the House information on two points raised in the debate last night. The first matter deals with the question raised by Mr. Wise in relation to the fact that he could not find in the Grants Commission report reference to the maladjustment of $470,000 in respect of death duty.

The Treasury has informed me that the Grants Commission does not give lists of adjustments in the report itself, but it works out the adjustments whether adverse or favourable, and advises the Treasury of what they are. In this case the adjustment of probate for 1964-65 showed an adverse adjustment of $350,000 compared with a favourable adjustment for 1963-64 of $120,000. The deterioration for 1964-65 was therefore $470,000.

Members will appreciate these adjustments are not made until two years have gone by. We are behind to that extent. I think Mr. Wise quoted paragraph 230 of the report, which reads as follows:—

> This year, the Commission has, in the case of probate duty, also made an estimate of revenue not collected in Western Australia owing to differences in the statutory provisions in that State compared with the standard States which tend to reduce the severity of the duty imposed as calculated from the rates (see paragraphs 145-146).

In conjunction with this, and the advice the Treasury gets in the manner I have explained, that is the explanation for the figure of $470,000.

The next matter is in connection with clauses 9 and 10 and the point at which the Bill will have effect in relation to gifts that were made. To the best of my ability I will endeavour to explain this. It is factual to say that in relation to any person who dies after the 1st January, 1967, gifts made by that deceased person for the previous three years will be taxable, but the period shortens as time goes by. If the person dies on the 364th day of next year, then the period will be two years instead of three. The alternative to such a proposal is, of course, to wait three years before the whole thing becomes effective.

We could not wait for the period of three years before it became effective, because we would be all over the place. The only alternative is to make this duty effective at the date mentioned—January

next year—and, according to the date of death, gifts made in respect of the previous three years will be dutiable.

The Hon. H. K. Watson: That will become standard after the 1st January.

The Hon. A. F. GRIFFITH: It all depends upon the date of death. The position changes, because at the present time under Western Australian law, any gift that is made where death occurs after a period of 12 months, the gift is not dutiable at all. So the situation changes.

THE HON. F. J. S. WISE (North) [11.17 a.m.]: In connection with the first point discussed by the Minister, it appears that the summary given by the Grants Commission, on page 116 of the 1966 report in connection with the relative severity of State non-taxation, does not explain away at all how a favourable adjustment of $526,000 was arrived at. Had I not raised the question, it would not have been disclosed that the Treasury apparently gets a notice from the Grants Commission of the cutting-up of the adjusted figures which enables the Grants Commission to make a favourable or an unfavourable adjustment.

If that is the situation, there must also be a note in connection with another Bill because we have had more than one taxation Bill introduced about which reference has been made in the Minister's notes to a penalty imposed because of certain circumstances. These penalties are not to be found separate and distinct, yet the ultimate result is a favourable adjustment. So I will raise another matter later in the day which does not appear in the Grants Commission report.

I have grave doubt as to the validity of claiming that pressure is on in regard to unfavourable adjustments when the dutiable favourable adjustment far exceeds the amounts by which the State Government claims it is prejudiced. This does not add up. I am prepared to accept that the Treasury has had the information from the Grants Commission regarding the $470,000 in connection with probate.

The Minister states that the Treasury has had information but I will be raising another point which has been mentioned in both Houses and which I think has not been followed up.

The second point relates to clauses 9 and 10, and I am wondering what the effect will be in the future regarding the 18-months' provision with respect to the waiving of a tax, or the inclusion of a tax, provided death does not take place within a certain period, and provided certain sums are not given more frequently than each 18 months. I am wondering if there is any conflict in that point.

The Hon. A. F. Griffith: Is the 18-months' period applying under Commonwealth law?

The Hon. F. J. S. WISE: I think it also applies under the State law.

The Hon. A. F. Griffith: I understood that the provision under the State law was that there would be no duty with respect to gifts made after 12-months' period.

The Hon. F. J. S. WISE: Perhaps I am wrong, in thinking of the 18-months' provision as being concerned with the Commonwealth law.

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [11.21 a.m.]: I regret that we are at the third reading stage of the Bill because it might appear that the answers to queries are incomplete. I talked to the Under-Treasurer this morning and he assures me that the practice of the Grants Commission advising the State has taken place for a considerable period of time. He said that the Grants Commission does not itemise the favourable and unfavourable adjustments in its report, but it advises the Minister.

The Hon. F. J. S. Wise: Of course, the Minister is now concluding the debate.

The Hon. A. F. GRIFFITH: I said that I regret this is the case because I would not like to be the cause of insufficient opportunity being given to discuss this matter. However, the practice I have mentioned has been operating for some considerable time.

Regarding the point raised by Mr. Wise respecting other taxation Bills, they are all part and parcel of the adjustment according to the advice given to the Treasury by the Grants Commission.

The Hon. F. J. S. Wise: If I might raise a question by interjection, I think it would be desirable to obtain the figures for lotteries expenditure which were referred to in the Minister's speech. It seems strange that the penalties all add up to a favourable adjustment.

The Hon. A. F. GRIFFITH: When we come to the Bill dealing with the Lotteries (Control) Act I will give to the House all the information which I possibly can. It is not a question of trying to hide anything in this measure, and I think Mr. Wise will concede that State financial arrangements are sometimes difficult to understand.

The Hon. F. J. S. Wise: Difficult to get, too.

The Hon. A. F. GRIFFITH: It is the money which is difficult to get. I would like to say, in passing, that we have an Under-Treasurer who is very conscious of the needs of the State and he does all he possibly can to make sure that the balance is as favourable as it possibly can be in the interests of Western Australia.

Question put and passed.

Bill read a third time and returned to the Assembly with an amendment.

INDUSTRIAL ARBITRATION ACT AMENDMENT BILL (No 2)

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. A. F. Griffith (Minister for Mines), read a first time.

LAND TAX ACT AMENDMENT BILL

Second Reading

Debate resumed from the 17th November.

THE HON. H. C. STRICKLAND (North) [11.26 a.m.]: In speaking to this Bill, which is an amendment to the Land Tax Act designed to impose further taxes on land-owners in a comparatively new field of taxation, as it applies today, I feel I should refer to the comments which the Minister for Mines, who is in charge of this measure, and represents the Government in this House, made when he was Leader of the Opposition in this Chamber in 1957.

The then Hawke Government had a Bill before the House with a similar intention of amending the land tax laws. The Minister's opening address in regard to that particular taxation measure in 1957 can be found on page 3277 of vol. 3 of *Hansard* for that year, part of which is as follows:—

> I think it can be said that a small Bill, comprising not many words, has sometimes a greater sting in its tail than a larger measure containing much verbiage. The Bill before us is another of the Government's taxing measures and I am sure that members of this House sometimes stop to reflect and ask themselves just what will be the ultimate situation in this State in regard to taxation and expenditure. I do not think we are the only people in Western Australia who ask themselves that question and it occurs to me that the present process is like a dog chasing its tail.
>
> As each year passes and the financial situation of the State becomes less secure, the element of taxation on the shoulders of the people is obviously made greater, in order to try to meet the demands of the Government; and I wonder where the process will end.

The Hon. A. F. Griffith: It was a very good speech.

The Hon. H. C. STRICKLAND: The Minister continued—

> I was absent from the State when the amending legislation went through this House last year.

In 1956, the Minister went overseas and that was the year, of course, when the State land tax was again brought into operation. It had been suspended under Commonwealth law, but the Commonwealth relinquished the land tax and the State took it over again.

The Minister, or Mr. Griffith as he then was, was quite upset to know that the legislation was introduced when he was out of the State, and it was passed with a majority of one. That meant, of course, that had he been here the legislation would not have been passed. That was the inference.

In his speech, Mr. Griffith named the members in the House who opposed the legislation; and he named some members who have passed on and some who are still here. On page 3278 of *Hansard*, it will be found that the present Minister stated as follows:—

> However, that motion was defeated by 16 votes to 8, the only members who desired to see the taxing Act remaining on the Statute book for only one year being Hon. N. E. Baxter, Hon. J. G. Hislop, Hon. G. C. MacKinnon, Hon. R. C. Mattiske, Hon. C. H. Simpson, Hon. H. K. Watson, Hon. F. D. Willmott, and Hon. J. Murray.

There Mr. Griffith was referring to an amendment to limit the tax to one year. That amendment was defeated and, of course, the honourable member was a little cross about it. He goes on a little further to say that he had two suggestions to make, even though he did not know what the outcome of the taxation would be. The honourable member said, in regard to those two suggestions—

> The first is that every taxpayer, farmer, businessman, the man residing in the suburbs, and the country dweller, should all have restored to them the right to a rebate of land tax of at least one-quarter of their tax if their land is improved by a sum equal to the value of the unimproved land.

The honourable member's second suggestion was as follows:—

> The second suggestion is that any amount spent on painting and repairs to property should be considered to be a deduction from the payment of land tax by a rebate of one-quarter or 25 per cent.

So Mr. Griffith was very much opposed to the land tax, or any form of land tax, and he was sympathetic to extending exemptions, if the tax had to be applied, to almost every class of person who owned land.

The Hon. F. J. S. Wise: I imagine the Minister would be happy if we were like Tasmania and had no *Hansard*.

The Hon. A. F. Griffith: And the cap would fit in a lot of other cases in this House, too.

The Hon. H. C. STRICKLAND: Now Mr. Griffith has changed places in this Chamber; he represents the Government in this House, and in his speech in intro-

ducing the measure last week he had this to say—

> Consequently, the passing of this measure will produce benefits twofold: Firstly, by increasing revenue through bringing in an additional $120,000 to the Treasury in this financial year: and, secondly, it may be expected that the increased taxation on unimproved land will, to some extent, act as a deterrent to owners from holding land in an unimproved state for indefinite periods.

In his reference to this financial year the Minister means in the next six months. He then went on further and became elated at the prospect of imposing another tax upon the people. He said—

> It could eventuate, of course, that the new rate of tax may not be high enough to achieve this latter objective to any marked degree but it appeals, nevertheless, to the Government as a move in the right direction towards discouraging the holding of unimproved land in its virgin state . . . .

Then the Minister went on to say—

> I suggest it may be desirable at some future time to consider the levying of a higher rate of tax on unimproved land than is now proposed, or a further rise in tax on land in respect of which the owner has failed to carry out improvements over a period of greater duration than, say, five years; the possibilities in this direction are being kept in mind.

Towards the end of that sentence the Minister became sympathetic again. But what a change! How things change! I know the Minister, himself, in his personal outlook, has not changed to such a degree but the circumstances of being in opposition and being in government are extremely different, to say the least. There are two different questions involved. I could, of course, have simply stood up and reiterated what the Minister had to say when he spoke as Leader of the Opposition nine years ago, and then sat down; because when I was a member of the Government I supported the move to introduce this taxation. But circumstances alter cases.

However, to get down to the effects of this legislation, I believe one could find many arguments to put forward as reasons why the Bill should not be before us. I believe that this legislation should not have been brought before Parliament at this particular time for the reason that it will have the effect of imposing taxation on people who, in all reasonable circumstances, should not be called upon to pay it. Take the people in the metropolitan area, for instance, who come within the scope of the metropolitan region town planning scheme. The planning authority has placed a blanket on great areas of land; it has appreciated the value of land in certain districts by reason of its decisions, and it has depreciated the value of land in other districts because of other decisions.

As the Minister for Town Planning has told us on more than one occasion, planning is a constant and continuing process; it is work that must go on all the time. One never knows whether one owns a property today or whether the Government or somebody else will own it tomorrow. Because of these factors I feel that taxation of this nature is not warranted at this particular time.

Large numbers of property owners have land which is more or less frozen—this is land in areas which have been set aside for green-belts, road widening, and so on. The people who own this land are not permitted to spend any money on improving their properties. Yet, under this Bill, they will be asked to pay heavy taxation for not improving their properties because it will be unimproved land. Then, if at the end of two years, they still have not done anything about improving it they will have to pay a double rate of tax. That is what the Bill provides for and it is not fair or reasonable. I would say it is burglary; it is taking money under false pretences. It will mean taxing a person because he has not improved his land when the reason why he has not done so is because the Government will not allow him to improve it. Yet at the end of two years the Government will make such a landowner pay double the rate of tax, notwithstanding the fact that the Government will not allow him to improve his property!

Surely the Government has not considered all the anomalies that will arise when this tax becomes law! It is absolutely unreasonable so far as the people to whom I have referred are concerned. In his speech when introducing the Bill the Minister said the Government hoped this legislation would be a deterrent to holding land out of production. I think the only farming land to which land tax applies is unimproved farming land. In a general sense farmers pay no land tax.

If land tax applies only to unimproved land then my experience indicates that in some areas of which I have had experience this legislation will have no effect at all, and it will not cause farmers to improve their properties. Taxes are a deduction against income tax, and to double the taxation on unimproved farming lands in some areas will not bring about the development of those areas.

I say this because of something which happened to me some years ago when I was at a well-attended meeting of farmers at Beacon, on the Bonnie Rock line. I was Minister for Railways at the time and I was asked to attend the meeting to explain the Government's attitude regarding the suspension of railway services on that particular line. I enjoyed my day there. Before I went there I thought I might be hanged, but instead of that the people were very reasonable.

The Hon. F. J. S. Wise: Is that the place where they made a tape recording of your speech?

The Hon. H. C. STRICKLAND: No; the people there did not tape record my speech. The one to which the honourable member is referring was not played back in my hearing, but I would like to hear it. At the meeting at Beacon one of the arguments put forward was that the suspension of services would hold up development of country through which the line passed. I said that I did not know why it would do that because all land in that area had been taken up; there was no Crown land left which would be available for selection. It had been taken up for many years and very few properties in that district had changed hands; in other words, the people were not prepared to sell out.

Later somebody volunteered the suggestion that he did not think the line would have much effect upon the development of the country because many farmers in the district were holding land, and buying land to provide for their children and their children's children in the years to come. So the thoughts of some people run absolutely counter to the thoughts of the Government today in respect of this tax having an effect on the development of rural lands.

As regards urban land—land in the metropolitan area and in some country towns—the tax could not have the effect which the Government envisages because in some towns that I know of, particularly in the north-west, the owners of certain blocks of land cannot be found. These blocks have been held for many years and it is difficult to get a transfer in respect of them or to do anything to get that land put to some useful purpose, such as for the erection of residences. There are blocks of land at Denham, Derby, and Carnarvon, the owners of which are not known. There are many instances where the original owners cannot be found; they have not been heard of for years and nobody knows where they have gone since the original titles were issued. Yet these blocks have changed hands, some of them on two or three occasions, just on a receipt for money and the possession of the property concerned.

But let anyone go to the Lands Department or the Titles Office and try to get that block of land transferred to somebody so that he can build a house on it. If one does that one will find one will run up against all the obstacles that have ever been created because the law must be complied with in regard to the very important transaction of a transfer of title.

I attended, as a matter of curiosity, the original sale of land in the Safety Bay area known as Blue Waters Estate, in the vicinity of the Waikiki Hotel. This land was not sold by public auction but by private treaty. The land agents opened their office on the Sunday morning, and if they had had sufficient staff they could have sold all the blocks, but their staff could not cope with all the sales.

One buyer was a building construction firm which bought several of the blocks. It bought the blocks and built one or two houses, and then put the rest of the sites up for sale. The Government is hoping by increasing the tax on unimproved land that building companies, such as this one, will be forced to sell the blocks they hold; but the measure will not have that effect, because these companies will merely add the increased tax onto the price of the land, but ultimately the home seeker will have to pay an increased price for his block. So this measure will not be of much assistance to the seekers of building blocks.

Referring to the making of more land available to home seekers, on Tuesday last I asked a question in relation to the amount of land held by the State Housing Commission. My question was—

> How many unimproved residential lots does the commission now hold within the area of the scheme?

The answer given by the Minister was—

> The commission's holdings within the scheme area, are—

Classification	Acres	Residential Sites
Urban ...	1,704	5,964*
Urban Deferred	3,264	11,424*
Rural ...	1,865	Not estimated

The commission could not estimate the number of residental blocks in the rural land it holds, but the acreage is slightly above that of the urban land it holds; so it will mean at least another 5,000 building sites.

I can therefore say that the commission holds about 22,000 residential sites in and around Perth, and it pays no land tax or metropolitan region improvement tax. The holding by the commission of such a vast number of building blocks must have the effect of pushing up the price of the adjacent land. The commission contributes nothing towards improving and enhancing the value of its land, yet it is the greatest State trading concern. It has the widest ramifications; it runs flats, houses, and all sorts of things. One can rest assured that when houses are erected on the sites it holds the price to a potential purchaser will be based on the current value of the land.

The Hon. A. F. Griffith: What are the "all sorts of things" which the commission runs?

The Hon. H. C. STRICKLAND: It is the greatest landlord in the State.

The Hon. A. F. Griffith: You said it runs all sorts of things.

The Hon. H. C. STRICKLAND: Such as semi-detached houses, and some of

them can be classified as things. Some of them are like fowl houses, and they were built by Mr. Wild when he was Minister for Housing in this Government. He built houses such as those in Alice Street, Doubleview. Surely the Minister must remember the sirex wasps which came into this State with those houses.

The Hon. A. F. Griffith: At the time I was a member of the Legislative Assembly, and I remember the wasps down there!

The Hon. H. C. STRICKLAND: The Minister need not say anything about that, because he was in another place.

The Hon. A. F. Griffith: I spent a good deal of time, as Minister for Housing, in pulling down many of the houses which were built by the previous Government.

The Hon. H. C. STRICKLAND: I notice this Government put up the rentals by 50 per cent. recently. I do not know whether this is regarded by the Minister as pulling the houses down. This Government does not consider that those houses have depreciated in value, and what cost £1,200 or £1,500 to build in those days is sold by this Government for £3,000 to £4,000, at the present time.

The Government shuts its eyes to the 22,000 building blocks it holds in and around Perth, but it imposes a tax on a young person who is paying off a block on time payment, and who hopes that if he lives long enough, and is lucky enough to find a wife he will be able to build a house on it eventually.

What does the Government propose to do in the case of a person such as that? It raises the tax on unimproved land and says to him, "If you do not build a house on the block within the next two years we will double the tax." The Minister said that the proposed tax might not be high enough, and that the Government might have to raise it. The Minister said it might be desirable at some future time to consider the levying of a higher rate on unimproved land.

That is what has happened to residential sites. We know that the Government is not naive, and is not without experience. It is very experienced, and it comprises some very smart businessmen with good brains. Its idea is to force unimproved land into production, and to force people to build homes on the residential sites they hold. The Government has its sights fixed on more revenue, so it taxes every person it can possibly tax.

The Government contributes nothing in respect of the people who live in Wandana flats, which is a business concern. These flats were not built to relieve the plight of poor people, but to overcome the housing shortage quickly. Those flats were condemned by the Minister when he was in Opposition. In fact, this Government, when in Opposition, went to Canberra to try to stop funds from being made available to build those flats, and this is a positive fact. I will say that inside or outside the House.

The Hon. A. F. Griffith: You will say anything.

The Hon. H. C. STRICKLAND: I speak the truth, although I might add a little to it now and again. Having dealt with the pros and cons of this legislation I now turn to the positive result as estimated by the Government. The Government estimates that $120,000 or £60,000 will be collected from this tax during this year. I was wrong when I said previously it would collect that amount in six months, because this tax will be imposed in the current financial year and will apply from the 1st July last.

If an amount of only £60,000 is involved, that will not solve any of the difficulties of the Government, although it might curtail the overseas trips of one or two Ministers and their retinue.

The Hon. A. F. Griffith: You are spoiling a good speech.

The Hon. H. C. STRICKLAND: I think it cost £60,000 or more to send the Ministers and some of their retinue on visits overseas. I do not say the Ministers should not go, but I do object to sending some of their retinue along with them. As only £60,000 is involved, the Premier has found himself in a position where he might not really have understood what this tax would mean. He understands what it will raise in revenue, but he does not realise its impact or the hardship it will inflict on one section of the community; while it will have absolutely no effect on the wealthy farmer who holds a great deal of land, because the tax he will pay will be deducted from his income.

The Hon. C. E. Griffiths: He has to pay the vermin tax.

The Hon. H. C. STRICKLAND: We all have to pay the vermin tax, and snails are even to be declared as vermin. This tax will not affect the land development companies or the building firms, and it will not make them build houses any quicker on the sites they hold. They will continue to build in accordance with their programme. In these times the private building of homes is practically controlled by large companies, and this tax will not affect them, because they will merely pass the tax on to the purchasers of the homes. Ultimately the Government will hit those who can least afford to pay—the people who have not sufficient money to buy the blocks and to build houses on them, and who have to resort to time payment.

After listening to some of the debates in another place, the Premier has realised this and has promised—according to the Press—to appoint a committee to examine all the pros and cons, and then to see what can be done about this Bill. But the Premier has not withdrawn the Bill

and has not agreed to set it aside until the next session when the report of the proposed committee will be available, or until we understand the implications of the measure more fully. That is not the position, and the Government proposes to go ahead with the measure. The Treasurer has his eyes fixed on the £60,000, and on nothing else.

I am very firmly of the opinion that after this Bill has been examined by the members of all parties, including those in another place, they will see the need to set it aside until the proposed committee has made a thorough investigation into the matter. It might turn out that everything I have said is wrong, but I do not think so. After that has been done the Bill, in its proper form, could be introduced again in this Chamber. In those circumstances I oppose the measure.

THE HON. C. E. GRIFFITHS (South-East Metropolitan) [12.1 p.m.]: I support the Bill. I am just trying to make up my mind exactly what is its intention.

The Hon. R. F. Hutchison: Why are you supporting it then?

The Hon. C. E. GRIFFITHS: I do not know whether the intention is to raise money or, as the Minister said, to endeavour to prevent people holding on to undeveloped land for years in order to obtain a bigger price for it.

I am not sure the Bill goes far enough to ensure that the latter objective is achieved. The $120,000-odd which the Minister says the Bill will bring in this financial year, is not a tremendous amount of money and I do not think that it is of much consequence as far as the Treasury is concerned. I also do not think that the increase of 1/12c in the dollar in the surcharge on land tax is going to be a tremendous detriment to speculators who still hold and will continue to purchase huge tracts of residential land. The fact that after two years the surcharge will be doubled to 1c in the dollar will not deter these people. It will probably increase the value of the land anyway by that amount.

The point I am perturbed about is that the genuine young home builder will be penalised, and I think that some investigation should certainly be made in an endeavour to find a way to overcome this penalty being placed on the young people who own only one block of land. As speakers in this House and in another place have said it is the desire of these young people to purchase the land and subsequently to build a home on it. They are not buying the land with the idea of becoming huge land tycoons who will make a profit at some later date.

The Hon. R. F. Hutchison: They are always the people this Government hits.

The Hon. C. E. GRIFFITHS: I do not know about that. I cannot agree with that. The Bill is well founded indeed inasmuch as it is making a start to get at those people who are holding large tracts of land, but I am not sure that it will achieve this. As Mr. Strickland said, the Premier in another place has stated that he intends to establish a committee to investigate some of these points.

We must bear in mind that these double penalties will not come into operation for another two years and therefore plenty of time will be available in which to rectify any anomalies which exist. Mr. Strickland also mentioned those people who hold land which they cannot develop. By virtue of other legislation they are precluded from developing it, and yet they will be faced with this additional penalty after two years. I believe the Premier's undertaking to establish a committee to study these particular aspects will bring forth a solution to them. I have tried to think of a way to distinguish between the genuine land owner who has no other purpose than to subsequently build his own home, and the person who is holding the land for no other purpose than to sell it at some huge profit at a later date. I do not know how this committee will be able to find a solution. I have been thinking about it and I cannot find one, but I am hoping that someone a lot smarter than I am will be able to do so.

The land tax paid on a block of land is considerable and I believe that young people who are buying a block on a five or six-year term—and this is the general rule today—must find the tax on unimproved land very high. We must remember that in addition to the 5/12c in the dollar surcharge, there is the 5/8c in the dollar which has to be paid first. I have worked out that the total tax to be paid on an unimproved block of land worth $2,000 is $20.83 per annum. If a house is built on the block, the land tax drops to $11.25. This is a pretty large sum of money for a young couple to pay every year whilst at the same time they are making the monthly payments for the block.

My mathematics may be wrong again, but I worked out that the 1/12c extra in the dollar will increase the land tax on that unimproved block to $22.49 per annum. I have not yet worked out how much the tax will be when it is doubled in two years' time, but it will certainly be a considerable amount.

I do not think the Government's real intention is to penalise these people. I do not know whether the Minister's' suggestion of extending the period to five years would be the answer. I think the only way to get at the real problem of the huge land investor is to make the tax very high indeed; but, at the same time, I would oppose the application of that surcharge to young people who are purchasing their one and only block of land for the future.

I do support the Bill because I believe it is a genuine attempt by the Government to, firstly, increase its revenue. However, I believe its prime purpose is to endeavour to get more land on the market for young people to buy. As I have previously said, the Premier has given an undertaking that a committee will investigate the position. We must bear in mind that the double penalty will not come into operation for two years and this will allow ample time to implement the provisions of the Bill as it is, and also to carry out an investigation in order to overcome the anomalies in relation to land that cannot be developed because of planning schemes, green belts, and so on; and also in relation to young people.

The Hon. H. K. Watson: The tax will come into operation forthwith.

The Hon. C. E. GRIFFITHS: The increase of 1/12c in the dollar will, but I understand the two-year penalty will start two years from when this Bill is proclaimed.

The Hon. H. K. Watson: I read it otherwise.

The Hon. C. E. GRIFFITHS: I hope I am right and the honourable member is wrong. Perhaps the Minister will put me right on this; but I certainly hope I am right because I will be aghast if the two-year penalty will apply immediately to people who have unimproved land which they might have held for four or five years.

The Hon. R. Thompson: It will apply.

The Hon. C. E. GRIFFITHS: I hope the Minister is able to tell me I am right. As I previously said, I am supporting the Bill, but I will wait with interest to hear the Minister's remarks in relation to the point just raised.

Debate adjourned until a later stage of the sitting, on motion by The Hon. A. F. Griffith (Minister for Mines).

PENSIONERS (RATES EXEMPTION) BILL

Second Reading

Debate resumed from the 17th November.

THE HON. R. H. C. STUBBS (South-East [12.11 p.m.]: Having obtained the adjournment of this debate, I was prompted to do some research regarding the original legislation. I found that when the Bill was introduced in another place in 1922 by Captain Carter, he said—

> It is simply a compassionate measure which, in the light of cases which have come before me, should long ago have found a place on the Statute book.

The Bill before us now will rectify quite a number of anomalies which exist today. The first schedule contains the Acts which will be repealed. They are the original Act of 1922 and the amendment Acts of 1936, 1938, and 1943. Under this Bill pensioners will be exempt from rates applying under the Acts contained in the second schedule.

I consider that this Bill is a compassionate measure and deserves full support. Land values are soaring all the time and naturally rates are increasing. Pensioners must be experiencing a very trying time paying these rates. Some pensioners are exempt at the moment, but others are not owing to certain anomalies which exist, and the purpose of this Bill, as I have said, is to rectify the position.

It is interesting to note that the original legislation of 1922 was opposed by those in many quarters. The Mitchell Government was in power then and some members supporting the Government opposed the measure as did also some members of the Opposition. I was amazed to read that some Kalgoorlie members did not support it. The contention was that road boards and municipalities at the time would go broke because their funds would be greatly depleted. It was stated that there would be pockets of pensioners in certain areas who would be enjoying the facilities provided while at the same time they did not, during their lifetime, pay anything towards the cost of such facilities.

The Perth City Council also compiled and distributed a circular stating the case against the Bill, but in spite of all that it was passed and became law. It was certainly a God-send to those for whom it was introduced.

During the course of his speech, Captain Carter said—

> . . . there are old age pensioners who, by reason of their thrift, energy and industry in younger days are in the happy possession of a home of their own, some sort of a home, but still a home which means very much to them in their old age.

I think the same situation exists today. A pensioner's home is everything to him or, if there are two, it is everything to them. It is their castle; it is sometimes a place of which they have very happy memories of rearing their families and, because of this, it is a place where they spent the happiest days of their lives. These thoughts and memories are very near and dear to them.

Even in 1966, many pensioners are in financial difficulties, because of paying high rates, because of the cost of living, and all of that type of thing, on a very meagre pension. They must find it terrifically hard to make ends meet.

When dealing with pensioners, we are, of course, dealing with many categories of pensioners. There are the age pensioner, the invalid pensioner, the war pensioner of all types, the dependants of war pensioners, and widow pensioners. The latter category includes deserted wives and

divorcees and also the wife whose husband is in a mental hospital. Under the old Act, some of these pensioners did not get any assistance in the deferment of rates and I notice this will not happen again when this amending legislation is passed.

I would like to revert, once again, to the second reading speech made by Mr. Simons in 1922 when he said—

> I support the Bill. Respect for old age and consideration for those who have fought the battle of life and pioneered this country and have now reached the sere and yellow leaf should prompt us to be generous.

We could also add in 1966 that pensioners who have served a country in war and peace, and their dependants, deserve every consideration. The less fortunate ones, of course, are those people who are afflicted with disabilities, such as the invalid pensioners and that type of person. Those people are still very important persons in our community and they have a place in our community; they deserve every consideration, too.

As I said before, in addition to the widow in the pure concept of the word, there are various types of women who are termed as widows under the Act. It is interesting to note that Mr. Simons said—

> It is our function as a State Parliament without being maudlin or mushy to try to do something to make a little happier those whose footsteps are turning to that borne whence no traveller returns.

I think this measure will achieve something which is very necessary and worth while today, and something which will make all types of pensioners much happier.

I mentioned earlier that in 1922 various members of the Opposition and Government opposed this measure and made some very caustic remarks to Captain Carter who, when he replied to the debate, said—

> Some of the commendations levelled at me have been in very questionable shape. I have been commended for bringing in the Bill until I have blushed with all the coyness of youth for such a time that I could blush no more.

The object of this measure is to correct that situation. The law of the land deals with the deferment of rates and this is where the anomaly apparently crept in with regard to the call on rates on occupants of State Housing Commission and war service homes. I understand that is the position and this measure seeks to rectify it; is that right?

The Hon. W. F. Willesee: Yes.

The Hon. R. H. C. STUBBS: My research tells me that section 561 of the Local Government Act allows for the deferment of rates and deals with all types of pensioners; namely, the invalid pensioner; the age pensioner and the widow pensioner under the Social Services Act; and also deserted wives or the wife of a person who is in prison; and the various people who come under the category of "widow" to whom I referred earlier. In the case of a divorcee or a deserted wife, all she has to do is to take steps to try to obtain reasonable maintenance and, if she cannot, then she is granted this pension. Also, section 561 applies to repatriation pensioners.

Incidentally, the second schedule deals with the Acts which will be affected and these are—

Metropolitan Water Supply, Sewerage, and Drainage Act, 1909.
Country Areas Water Supply Act, 1947.
Country Towns Sewerage Act, 1948.
Water Boards Act, 1904.
Land Drainage Act, 1925.
Rights in Water and Irrigation Act, 1914.

I was concerned about the land tax exemption and, because of this, I rang the Commissioner of Taxation who told me that pensioners can get deferment from payment of land tax. All that is necessary is for them to make the application. Therefore, it looks to me as though all types of pensioners are catered for and will enjoy the deferment of rates. As I said before, most, if not all, of these pensioners must have a very hard time in making ends meet and for their sake the deferment of these rates will be a little help during their lifetime. Of course, the rates become a charge against the property at death, or at the sale of the property. This measure would do away with any worry they have and, if it takes any worry from their shoulders, it certainly deserves consideration. I support the measure.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by The Hon. L. A. Logan (Minister for Local Government), and passed.

BILLS (2): RECEIPT AND FIRST READING

1. Kewdale Lands Development Bill.

   Bill received from the Assembly; and, on motion by The Hon. L. A. Logan (Minister for Town Planning), read a first time.

2. Western Australian Marine Act Amendment Bill.

   Bill received from the Assembly; and, on motion by The Hon. G. C. MacKinnon (Minister for Health), read a first time.

TRAFFIC ACT AMENDMENT BILL

Second Reading

Debate resumed from the 17th November.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the Opposition) [12.28 p.m.]: This Bill is rather short. It proposes to amend the Traffic Act to enable moneys to be paid into the Consolidated Revenue Fund instead of into the present Central Road Trust Fund. The Bill, itself, merely arranges for the transfer of the moneys from one fund to the other.

Up until 1960 all moneys received by way of fees from motor drivers' licenses in connection with motor vehicles and the renewal of such licenses were paid into Consolidated Revenue, but since 1960 and up until now, such moneys have been paid into the Central Road Trust Fund. The receipts in the Central Road Trust Fund have been used as matching moneys to enable the State to match the special moneys made available by the Commonwealth Government in order that certain road work may be carried out. Suffice to say that we have heard sufficient on matching moneys for me to say that we have heard enough on this subject for the time being.

The proposal in this Bill is to take 50 per cent. of the moneys now in the Central Road Trust Fund and to put it into Consolidated Revenue. The total amount received last year in the Central Road Trust Fund was, in round figures, $500,000.

So the passing of this Bill would mean that an amount of approximately $300,000 would be paid into Consolidated Revenue next year from these receipts. It would seem the Government has considered that not all the money paid into the Central Road Trust Fund is now required as matching moneys for the Commonwealth special fund which has been established for road purposes. The heavy haulage road motor vehicle tax recently imposed is now providing most of the money required for these matching moneys, together with the amount still being retained from the fees collected for drivers' licenses. On present indications, the tax being received for heavy haulage road motor vehicles will more than meet the amount required for matching moneys, plus 50 per cent. of the amount remaining from the revenue acquired from drivers' license fees.

I hope in the next session of Parliament we can look forward to some reduction in the fee for drivers' licenses or in the tax imposed on heavy haulage road motor vehicles, because as the position now stands the rates now imposed on the operators of heavy haulage road motor vehicles calls upon the Government to adjust this rate in the near future.

There is no apparent reason why the transfer of departmental accounting should not apply. However, if this transfer did not take place it would show the true position of the Central Road Trust Fund because, in my opinion, the amounts collected are much more than are necessary for the purposes of the fund. With those remarks, I hope that, with the passing of this legislation, we will see an adjustment in regard to the collection of these fees in the future.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

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

KEWDALE LANDS DEVELOPMENT BILL

Second Reading

THE HON. L. A. LOGAN (Upper West—Minister for Town Planning) [12.36 p.m.]: I move—

> That the Bill be now read a second time.

This Bill is one to combine into one Act the statutory authority to resume land for railway purposes, and the powers under the Metropolitan Region Town Planning Scheme Act to acquire land to enable the orderly development of an important transport and industrial complex.

In so doing, it achieves two important objectives—

(1) Provision of land for a new marshalling yard.

(2) The orderly development of approximately 800 acres of industrial land serviced with roads, water, drainage, power and rail access at little cost to the State.

I will table a plan which sets out more clearly the areas covered by the legislation.

Each objective is of importance to the future development of the intrastate and interstate rail transport system and our industrial complex, but because the solution of the problem of providing a suitable marshalling yard and freight terminal for standard gauge operations opened the way for the other, I will deal with it first.

In 1957-58, prior to the advent of the standard gauge, an area of land was acquired at Kewdale on which to construct a 3 ft. 6 in. gauge marshalling yard and freight terminal. The authorising Act was the Midland Junction-Welshpool Railway Act, No. 62 of 1957.

When introducing the Bill, the then Minister foreshadowed the significance of this marshalling yard and freight terminal in the total transport system of this State. We have endeavoured to build on this original concept of the marshalling yard, which was transferred from the Bassendean area.

No-one concerned with the planning at that stage could have foreseen that within four years, we would have had the agreement of the Commonwealth Government, enabling the construction of the standard gauge railway from Kalgoorlie to Fremantle and Kwinana, and that this factor, together with the build-up of traffic, would make the area of land acquired inadequate.

As planning for the utilisation of the Kewdale land proceeded, it became apparent that the area would be too restrictive for two gauges to be accommodated. It must be remembered that the original project was based on the Midland-Kewdale-Welshpool narrow gauge line, but now we have to deal with two gauges and a line running on the southern side of the river from Midland, through Kewdale, Jandakot, Spearwood and on to North Fremantle, as well as to Kwinana.

The first designs, prepared in 1961, were based on forecasts of traffic thought likely to eventuate. The traffic density forecast for 1968 had been reached by 1963, and it is expected that earlier forecasts for the turn of the century will be passed in the 1980s. In addition to the increase in normal rail traffic, there is also the requirement of providing adequate space for containerisation.

Railways and other transport agencies in other parts of the world are moving into this method of handling goods safely, expeditiously, and cheaply; and our railway system has to be adapted to benefit from these handling methods. This method of handling freight permits great savings of manpower and time, but it requires much space. Powerful gantry cranes are essential for lifting containers from rail to road vehicles and from one gauge to the other. Adequate space is required to permit the movement of rail wagons and road vehicles to serve the facilities and a large area is also required for storing containers awaiting pick-up or railing. These and other factors necessitate expansion of the area acquired for the marshalling yard and freight terminal.

The reason for the delayed decision to change the location of the main marshalling yard lies in our efforts to avoid further resumptions, and a lot of time has been spent in studying alternative ways of developing the marshalling yard to see whether the introduction of a higher degree of mechanisation, and by using modern marshalling-yard techniques, the required area could be restricted. It proved impracticable, however, and it is now necessary to take urgent action to acquire an alternative site.

The Government would be failing in its duty had it not made this decision. It would be unfair to the future and unacceptable to Parliament had we improvised on the present location and then found that it only had a capacity to deal with traffic up to about 1975 or possibly 1980. Even if we could, by improvisation, handle the traffic up to 1975 or 1980, it would still only be on the basis of absolute mechanisation and automation, and this at a very high capital cost. If we are to spend this sort of money, it is much better to spend it on a site which can take care of the foreseeable traffic requirements of this State, so far as the Government railway system is concerned, until at least the end of the century.

The area to be resumed for the new marshalling yard site does not embrace much developed area and it is intended to resume and settle claims quickly and cause the minimum inconvenience to those concerned. It is important to distinguish between the freight terminal and the marshalling yard and this is clearly shown on the plan which I will table. In replanning the new marshalling yard and freight terminal, provision is made for the retention of the eastern part of the former area for the freight terminal. This is close to the previous freight area and will allow improved access by road for those using the installation and the area. The greater width available in the new freight area adequately provides for containerisation and outside delivery areas mentioned earlier.

The new location for a marshalling yard, as distinct from a freight terminal, follows a searching investigation by the Railways Department, in conjunction with the Town Planning Department, the Main Roads Department, the Department of Industrial Development, and the Metropolitan Water Supply, Sewerage and Drainage Board. It was decided that the only satisfactory solution was to relocate the railways marshalling yard on the land to the east of the railway already built between Midland and Kenwick.

The moneys already spent in the area by the Railways Department will not be lost. Two bridges carrying the 3 ft. 6 in. railway over the standard gauge will be incorporated into the new scheme. Clearing, levelling and drainage, carried out on land no longer required by the Railways Department will reduce the cost of implementing the industrial land aspect of the scheme and will be recouped in the redevelopment. The proposed relocation of the marshalling yard will not be detrimental to industry already established in the area. Firms requiring rail access will still be served by rail sidings on previously-planned alignments.

Through the development that is to take place, it will be possible to redevelop this area to provide not only good access roads, but proper arterial roads and other services as well. One aspect is the proximity of the existing marshalling yard location to the Perth Airport. The glide path becomes a more important factor with the present and future extension of the main Perth airstrip. The Department of Civil Aviation has not, however, asked for any change in the marshalling yard

location, provided the railways observe certain height limits with marshalling yard light standards. The height limitations in the new area pose no problems from a practical point of view for the marshalling yard.

The second objective of the Bill is the orderly development of approximately 800 acres of industrial land.

It is estimated that there will be over 200 acres of land surplus to railway purposes and this area will be combined with a triangular-shaped piece of land north of the old marshalling yard of 600 acres approximately, into an improvement plan under the Metropolitan Region Town Planning Scheme Act. The Town Planning Department will plan the redevelopment of the area, providing for an adequate road system and amenity and service areas, appropriate to an industrial area of this size.

Members with a knowledge of the Metropolitan Region Town Planning Scheme Act will recall that it contains a section having specific provisions for the redevelopment of an area such as this. This scheme will set a pattern for future redevelopments of this kind. This area could become an industrial estate that will serve as a model for those responsible for undertaking similar developments in the future. We cannot afford to allow the uncontrolled development that has taken place in some areas in the past, and, in this instance, near a key public utility such as a major marshalling yard and freight terminal.

The Bill itself is brief and uncomplicated. No new concept is introduced by it, but it is unusual in that it brings under one Act the authority to resume land for railway purposes and the power of the Metropolitan Region Planning Authority to acquire land for an improvement plan.

Clause 5 defines the power of the authority to be appointed. It will be a body corporate with authority for acquiring, holding and disposing of real and personal property. It will also be empowered, with the approval of the Minister, to borrow money. These funds will be used for developing services within the area pending sales.

Clause 6 defines the constitution of the authority. The Departments of Town Planning, Lands, and Industrial Development are represented.

Clause 8 defines the functions of the authority. The costs and expenses of administration of the Act are to be a charge on the proceeds of the sale of the land. Provided sales reach current expectations, as anticipated, all the land made available for industrial purposes could be sold within five years and the total outlay recouped. It is hoped to reduce this time if practicable and a target of three years has been set.

Clause 9 permits land required for the marshalling land to be resumed. The Government considers that, in view of the importance of the project, and in view of the fact that it was the subject of special consideration by Parliament in 1957 in its old form, it is desirable to bring the project to Parliament with a clear statement of what is intended in respect of both the Metropolitan Region Town Planning Scheme Act and the railway resumptions. Under the power given by Parliament for a railway to be constructed, there is a statutory provision in the Public Works Act for deviation of one mile on each side of the centre line. This can be extended by Parliament and has been on many occasions.

This is a case where the deviation provided in the Public Works Act would have been ample to cover the area where this marshalling yard is to be constructed, but it was considered desirable to submit the whole matter to Parliament so that the total concept of the redevelopment plan and also the new marshalling yard, could be seen in perspective.

Clause 10 provides for land surplus to railway requirements in the present Kewdale marshalling area to be incorporated in an improvement plan under the Metropolitan Region Town Planning Scheme Act. Another clause provides for inclusion of a triangular-shaped area of land immediately north of the present marshalling yard; and yet another provides for the Metropolitan Region Planning Authority to transfer the land to the development authority.

Clause 13 deals with finance. It authorises the Treasurer to make advances to the authority to enable resumptions to be settled pending redevelopment and sale. Land will have to be acquired and then the redevelopment will take place, followed by a resale. Some people, of course, who are the present owners, will finish up as the final owners, provided they are prepared to join in the redevelopment scheme; but this is all provided for in the existing legislation. Subclauses (2) and (3) of clause 13 authorise the Treasurer to guarantee any sum borrowed by the development authority.

I think it desirable that a plan be tabled for the information of members and I seek your concurrence in this, Mr. President. This plan shows, with proper legend, parts 1, 2 and 3, which are referred to in the Bill itself; part 1 being the new marshalling yard and coloured in yellow. I ask permission to table this plan as part of the statutory requirement.

I also seek approval to table, on a temporary basis while the Bill is before the House, a plan—which is PS724—showing the glide path into the Perth Airport Terminal and main airstrip. I point out that the measurements are shown in terms of r.l. and are not in actual feet;

but, for the information of members, the maximum height permitted by D.C.A., in respect of any railway structures on the northern side of the existing yard, is approximately 90 ft.

Perhaps it would be as well if I kept with me the other plan to which I referred so that members wishing to have a look at it may do so.

I commend the Bill to the House.

A plan was tabled.

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

WESTERN AUSTRALIAN MARINE ACT AMENDMENT BILL

Second Reading

THE HON. G. C. MacKINNON (Lower West—Minister for Health) [12.49 p.m.]: I move—

That the Bill be now read a second time.

The existing division dealing with wireless telegraphy in the Act has no provision enabling newer methods relating to radio telephony being implemented.

It is desired to make provision for radio telephony equipment to be installed on coast trade vessels, limited coast trade vessels, pearling, whaling and fishing vessels, and also harbour and river craft proceeding outside protected waters.

Such equipment to be installed on these vessels will be of a type and standard prescribed by regulation and for which a licence issued by the P.M.G. Department, wireless telegraphy branch, is in force. Only a person who has the prescribed qualifications for operating radio telephone installations, may, under the re-enacted division, operate these on vessels so fitted.

There is provision, however, for the manager to exempt ships from compliance with any of the provisions in the new division, or regulations made thereunder, on being satisfied that it would be unreasonable or impracticable to make them comply.

The measure authorises the Governor to make regulations dealing with the survey and inspection of radio telephone installations; maintenance and testing; the keeping of radio watches, silence periods, and radio log books; and also in respect of the carrying of spare parts and related equipment.

There is contained in this measure provision for a new class of vessel called a "limited coast trade vessel". This will apply to vessels up to 50 gross registered tons engaged in marine work outside port limits. There are qualifications to be prescribed for masters and engineers to man these limited coast trade vessels. Survey and equipment requirements are to be similar to those now prevailing for commercial fishing craft, and departmental surveyors are empowered to impose limits on the area where, or the hours during which, the vessels may be operated and the number of hands to be engaged for any vessel.

There is a provision containing a penalty not exceeding $200, or imprisonment for three months, for a breach of the Act or the regulations relating to the use, manning, or equipment of limited coast trade vessels.

All commercial craft operating from or between ports of the State are, under the parent Act, classified as coast trade vessels and must be surveyed as such. The hull and machinery are subject to survey, and extensive life-saving and safety equipment is necessary. These vessels are also required to be manned by a person possessing minimum certificate requirements as master, coast trade under 300 tons, and also by an engineer possessing a certificate as third class engineer. The vessels must, in addition, be manned by qualified A.B.'s and greasers.

It is appreciated that there are many marine ventures such as boat charters for the tourist trade to off-lying islands, fishing party charters operating outside port limits, and oil exploration and survey charters, which are at a serious disadvantage under the present legislation intended originally for the larger seagoing ships. Not all of these requirements are suited to 30 to 60 ft. launches engaged in such charter work and hence the decision to introduce a new class of vessel, as previously explained.

Regulations were made under the Western Australian Marine Act, following the recommendations of the Royal Commission into boat safety, to make it necessary for fishing boats to be manned by two men when on a voyage exceeding twelve hours. The Government, at the time, agreed that this condition should also apply to private craft. However, it has since been found that the Western Australian Marine Act in its present form did not give power to include private craft in the regulation.

It is therefore necessary if an appropriate regulation is to be promulgated, to amend the Act in a suitable manner. This amendment is contained in clause 14.

The three main points covered by the Bill, therefore, are firstly, to bring the Act up to date by making provision for the installation of radio telephones on commercial vessels; secondly, to recognise a new class of vessel called a "limited coast trade vessel"; and thirdly, to widen the provision relating to the manning of small ships on voyages exceeding 12 hours' duration.

Sitting suspended from 12.56 to 2.15 p.m.

THE HON. R. THOMPSON (South Metropolitan) [2.15 p.m.]: This is not a very large Bill, but it is important inasmuch as it will require certain classes of

vessels to install radio telephones. It also makes provision for inspections with reference to different classes of ships, and generally alters some of the things in the Act that need tidying up. In the main I have no objection to the Bill. However, I have one query which I would like straightened out by an answer from the Minister if he can give one. Otherwise, I will have to move an amendment in the Committee stage.

I am referring to section 69 of the principal Act which, by this Bill, is repealed and re-enacted. Section 69 of the principal Act states that the Minister may, on the recommendation in writing of a committee of advice, exempt certain classes of boats and people from doing certain things. However, if we look at clause 8 of the Bill we find that it reads, "The Manager of the Department may, by instrument under his hand, exempt any ship or class of ships." In the period of time at my disposal, I have not been able to find any reference to the word "manager" in the interpretation of the Act.

Unless I can obtain a satisfactory answer to this query, when we get to the Committee stage I will move to delete the word "manager" and substitute the word "Minister." I feel that the Western Australian Marine Act is possibly the only Act in Western Australia that gives the Minister the right to set aside any provision for a certain class of vessels or persons. I consider when an Act is proclaimed it should cover all persons.

Over the last couple of years there has been argument in respect of this provision in the Marine Act which allows the Minister to set aside any part of the Act he so desires to exempt certain people from doing certain things. This was dramatically brought to light in regard to some of the dredging work in the north, both last year and the previous year because it was possible, under the marine Act, to exempt certain vessels from complying with the regulations. That is a bad principle, but at least the Minister had the controlling say. Now we find it is the manager.

The Hon. L. A. Logan: Who is the manager?

The Hon. R. THOMPSON: Mr. Forsyth.

The Hon. L. A. Logan: Of the Harbour and Light Department?

The Hon. R. THOMPSON: Yes. He is the present person in charge, and administers this Act. I am not saying anything against him.

The Hon. L. A. Logan: I just want to keep up.

The Hon. R. THOMPSON: When we put something into an Act it is unfair to place the burden on the manager. Instead of criticising departments it is the Minister who should be attacked. Therefore we should stipulate in the Act that it is the Minister who is the responsible person.

Generally, the provisions contained in this Bill are sound. The Minister, in his second reading speech, said that there are many marine ventures such as boat charters for the tourist trade to off-lying islands, fishing party charters operating outside port limits, and oil exploration and survey charters, which are at a serious disadvantage under the present legislation. This was originally intended for the larger sea-going ships and the requirements of the Act are not for this type of boat.

I think we can all appreciate that is true. However, we do not want to find that these people can be exempted in the future. I am not saying they would all be exempted, but some could be exempted—and this could apply to some private craft. We find that only this year when an application was made to coincide with the blessing of the fishing fleet in Fremantle, it was refused.

That application came from experienced fishermen who owned large craft and who wanted to take a party to Garden Island for an annual picnic. However, the Harbour and Light Department would not exempt those craft until sufficient lifesaving equipment was carried on board the boats. We cannot argue with that provision, although those people would have been in protected waters. Although permission will be sought to exempt some boats which will not be operating in protected waters, those boats which would have been operating in protected waters were not allowed to go to Garden Island.

We can also congratulate the department on the good work it has done this year, particularly with regard to the stopping of small craft from proceeding to sea without the necessary lifesaving equipment. I give the department full marks for the manner in which it has carried out its duties.

The department, or the Minister—it might be fairer to blame the Minister—has carried out nowhere near the basic recommendations set down by the Royal Commissioner who inquired into boat safety in 1963. Only a few of his recommendations have been put into effect, and they have been the least costly ones to the department and, in the main, the most costly ones to the boat owners.

I feel the department and the Minister should have a good look at the problem and make provision for lifesaving equipment, lead lights, and lighthouses which are necessary along our coast. Several sets of lead lights have been installed, but many more safe anchorages are needed. On Wednesday, the 2nd November, I asked the following questions of the Minister:—

(1) Is the Minister aware of the valuable assistance that has been rendered by Mr. Robert Hugill in the sea rescue and saving of many lives along our coastline during recent years?

The answer to that question was, "Yes." The next question I asked was—

(2) Is an effective air-sea rescue organisation operative north of Fremantle?

The answer to that question was also, "Yes"; and the next question I asked was—

(3) Is it desirous of having at least one craft fitted with a sea-air-police radio link up?

The answer to that question was, "Yes," and the fourth question was—

(4) As Mr. Hugill is finishing a new all-weather craft, would the Government install, without cost to the owner, a radio, which would remain the property of the Government, capable of contacting police aeroplanes, and other rescue organisations, to co-ordinate such rescues?

The answer to that part of the question was as follows:—

This is not considered necessary, and in any case it is not desirable for the police radio frequency to be used by persons outside the Police Department.

The fact of the matter is that we have not got an efficient air-sea rescue team north of Fremantle; or south of Fremantle. Mr. Hugill—and I do not think he needs any mention in this House whatsoever—has for a number of years at great expense to himself, and with definite risk to his own life and craft, made rescues along our coastline.

Probably the most memorable rescue which was carried out was that of the crew of the *M.V. Tanais*. On the 13th September, last year, that boat struck a reef at Cape Leschenault, six miles from the Moore River. Members will recall that the crew were stranded for some days, although the *M.V. Adeline*, and the *B.P. Enterprise* were standing by. However, it was impossible to get the members of the crew off the boat. They remained on the *Tanais* for some days; some threatened to jump overboard and it was not a very happy situation.

Mr. Hugill, with the assistance of his son, eventually took the crew off the stranded boat. I would like members to note that the *Tanais* ran aground on the 13th September, 1965, but it was some days later before the crew was taken off with the aid of a long rope and at great risk to Mr. Hugill. The point I want to bring forward is that Mr. Hugill lodged a bill with the insurance company that was responsible for the payments to be made in connection with the grounding and rescue. The bill was for his time and effort.

He had to take action against the insurance company to recover a small amount of money which he considered was adequate to compensate himself. As far as he was concerned he did not want to make a profit out of what he had done, but he wanted some compensation for the time and expense incurred in this rescue work. Until he took action against the insurance company no effort was made to pay him for what he had done.

Yet I note that this year a *Daily News* reporter won the Walkley Award for the best reporting, or the best story as reported in the Press, for the year 1965. The journalist won the award for the way he portrayed the rescue of the crew members of the *Tanais*. For writing the article the reporter received $1,000 as a prize; yet we find that Mr. Hugill, the person who risked his life to carry out the rescue, had to take action against the insurance company to recover a much smaller sum of money than the $1,000 which was awarded to the journalist.

As regards air-sea rescue, and rescues for craft generally, by bringing in regulations such as we are doing by the introduction of this Bill we are only fiddling with the problem. So far we have only fiddled with the Royal Commissioner's report for two sessions of Parliament. I would think it was the Government's responsibility, after having appointed a Royal Commissioner, who did a sterling job and brought down practical recommendations, to implement those recommendations. Yet we find very few of them, or only those that will not cost very much to implement, have been put into operation.

I support the Bill because I think anything we can do to assist with rescue work and safe seamanship along our coast is worthy of support. But by the same token we have to keep on prodding to make sure something worth while is done. I hope the department will have a second look at Mr. Hugill's position, in view of the work he has done, and the work he can do in the way of rescues along our coastline.

This man has not asked for a wireless to be installed in his boat for his own use; he already has one for that purpose. A wireless along the lines I suggested in my question is necessary to obviate the confusion that now exists in certain instances. I can read out several pages of notes to show the confusion that has existed over the past two years when Mr. Hugill has been called out to effect a rescue. He has been called out from his home at Yanchep and it has been found later that the craft which was supposed to be in trouble, or missing, was hundreds of miles further up the coast. I think it is necessary to have a craft that can contact the police and aircraft so that it is there ready, willing and able, to assist with rescue work.

I would like the Minister to give me some answers in respect of the words "Manager of the Department" which are to be found in clause 8 which repeals and re-enacts section 69.

THE HON. G. C. MacKINNON (Lower West—Minister for Health) [2.35 p.m.]: As regards Mr. Hugill, I would suggest to Mr. Ron Thompson that he have a talk to the Minister for Police as this question is more properly his responsibility. The honourable member may be able to get greater satisfaction if he takes the opportunity to discuss the matter with the Minister for Police, if he has not already done so. As I am sure the honourable member knows, the Minister is a most approachable fellow and it might be worth while if he discusses the problem with him.

I thank Mr. Ron Thompson for his support of the Bill and would like to advise the House that during the Committee stage I propose to delete the words "Manager of the Department" and substitute the word "Minister."

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (The Hon. A. R. Jones) in the Chair; The Hon. G. C. MacKinnon (Minister for Health) in charge of the Bill.

Clauses 1 to 7 put and passed.

Clause 8: Section 69 repealed and re-enacted—

The Hon. G. C. MacKINNON: While Mr. Ron Thompson was speaking, and drew the question of the manager of the department to the attention of members, I made arrangements to discuss the matter with the Minister for Works who advised it would be better to substitute the word "Minister" for the words "Manager of the Department." I move an amendment—

> Page 5, line 3—Delete the words "Manager of the Department" and substitute the word "Minister."

Amendment put and passed.

The Hon. G. C. MacKINNON: I move an amendment—

> Page 5, line 12—Delete the words "Manager of the Department" and substitute the word "Minister."

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 9 to 14 put and passed.

Title put and passed.

Report

Bill reported, with amendments, and the report adopted.

Third Reading

THE HON. G. C. MacKINNON (Lower West—Minister for Health) [2.42 p.m.]: I move—

> That the Bill be now read a third time.

THE HON. R. THOMPSON (South Metropolitan) [2.43 p.m.]: I thank the Minister for his suggestion that I should see the Minister for Police in relation to Mr. Hugill's case, but I feel it is more of a Government responsibility to make available at all times an effective air-sea rescue service. This matter has been taken up with various departments by Mr. Hugill. We have reached the stage where the Government should look into this matter seriously, and it should not be necessary in the interests of safety for a member of Parliament to have to approach a Minister to persuade him to adopt the right course. The provision of a two-way radio is necessary. If it is not installed on Mr. Hugill's craft then it should be installed on a Government craft stationed midway along our coastline where most of the boats operate, and from where an effective search can be put into operation at a moment's notice.

THE HON. G. C. MacKINNON (Lower West—Minister for Health [2.44 p.m.]: I will bring to the notice of the Ministers concerned the views expressed by the honourable member. I suppose three Ministers are involved, but I thought there were one or two aspects in respect of which the honourable member could have obtained clarification by making a direct approach.

Question put and passed.

Bill read a third time, and returned to the Assembly with amendments.

PETROLEUM ACT AMENDMENT BILL

Report

Report of Committee adopted.

Third Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [2.48 p.m.]: I move—

> That the Bill be now read a third time.

For the benefit of the House I would explain that at this stage of the session we are waiting for the reprinted Bills to come from the Government Printer, as a result of amendments made to those Bills in the Committee stage. Intimation by the Clerks that they have arrived makes it opportune for us to deal with them quickly in the interests of transmitting them to the Assembly.

Question put and passed.

Bill read a third time and transmitted to the Assembly.

ORDERS OF THE DAY

Discharge from Notice Paper

The following Orders of the Day were discharged from the notice paper:—

1. Hotel Proprietors Bill.

> Order discharged, on motion by The Hon. A. F. Griffith (Minister for Justice).

2. Mining Act Amendment Bill.

Order discharged, on motion by The Hon. A. F. Griffith (Minister for Mines).

LOTTERIES (CONTROL) ACT AMENDMENT BILL

Second Reading

Debate resumed from the 17th November.

THE HON. F. J. S. WISE (North) [2.50 p.m.]: The Lotteries Act of Western Australia has distinct features in comparison with lotteries legislation in other States. The legislation was introduced in Western Australia in 1932 by Mr. John Scadden, for two or three reasons, not the least of which was the serious situation of lotteries and art unions at the time. If members are sufficiently interested in this Bill to look at its background they will find that in this Chamber in 1932 the legislation was referred to as the most controversial to ever come before Parliament.

That expressed the situation truly, and it was the feeling for many years, I know, because I had the responsibility, as Minister for Police, of introducing the Bill a few times. This was done under very great stress because of the objections of the public and Parliament. For several years Parliament gave only year-to-year approval of the legislation.

When it was first introduced it was designed to help charitable organisations as set down in section 4 of the Act. That section includes hosiptals. On the introduction of the lotteries legislation in Queensland, where it has obtained for many years, all the profits were associated with the construction of hospitals; and as the years have gone by many very good hospitals have been erected from lotteries surpluses and profits in Queensland. Other charitable undertakings have been included and now many social services are assisted from the profits of Queensland lotteries.

In the years prior to 1932 in this State, it was a very unhappy experience to find on almost every street corner people selling lottery tickets for very many interests, but not all of them charitable. A chaotic situation developed. A stop was put to them for six or seven months and a complete ban was imposed prior to the introduction of the legislation. The Government then was not in the position, it claimed, to help from revenue the charitable organisations seeking help from lotteries, and at no time prior to or upon the introduction of the Bill was there a suggestion that any part at all from the proceeds of the lotteries should be paid into Consolidated Revenue. Indeed, I think had such a thought been expressed at that time that even a small percentage should be placed into Consolidated Revenue, the legislation would not have been placed on the Statute book. If there had been any idea that some day such a move would be made, the law would not be in existence in its present form at least.

The Minister in charge of the Bill in 1932 who was, as I have mentioned, Mr. John Scadden and an ex-Premier of the State, lost his seat at the following election mainly because of lotteries, crossword puzzles, and the like. That is true. It is history. When introducing the first Bill, he said *inter alia*—

> I think we can conduct lotteries that will provide a fair deal for those who want a little gamble, and will bring to needy institutions a fair amount of money that can easily be obtained, from people who will not object to the money being used for such a purpose. Subscribers will know that only a certain percentage of the money they contribute will be returned in the form of prizes, and that the balance, after the expenses have been deducted, will go to charitable organisations . . . . It is useless to complain against the conduct of lotteries within our own borders and for the benefit of our own people, especially when it would be for the benefit of our sick and maimed, and of our orphans and widows, and yet permit this money to be sent out of the State to the advantage of similar people elsewhere. I have always understood that charity begins at home.

On that basis the Bill at the time was debated—very keenly debated in this House—and, indeed, petitions were lodged in both Houses against the introduction of such a measure. If members will look at the debates on the Bill in this Chamber, they will find them full of acrimony and dissatisfaction. The Bill only just passed, and year after year successive Governments had the same experience in endeavouring to have the legislation accepted. It was accepted on the basis that it was to help the needy and neither the public nor Parliament would at that time agree to any other purpose for the money. Section 4 of the Act includes hospitals, and for the benefit of members, I will read the section as follows:—

> 4. In this Act the following terms have the following meanings, unless inconsistent with the context—
>
> "charitable purpose" means any purpose which is designed to raise funds for all or any of the following—
>
> (a) any public hospital in the State as defined in section two of the Hospitals Act, 1927;
>
> (b) any free ward at any private hospital in the State;
>
> (c) the relief of former sailors, soldiers, airmen or nurses of Her Majesty's sea, land

or air forces resident in the State;

(d) any institution in the State for the instruction or care of the blind, deaf or dumb;

(e) any orphanage or foundling home in the State;

(f) any home or institution in the State maintained wholly or in part for the reception of dying or incurable persons in indigent circumstances;

(g) any body incorporated under the laws of the State which distributes relief to sick, to infirm, and to indigent persons;

(h) any body whose activities include dispensing voluntary aid or medical or nursing advice to expectant mothers, nursing mothers, and children under the age of sixteen years;

(i) any body incorporated under the laws of the State which provides relief or assistance to the dependants of deceased ex-servicemen;

(j) any object which in the opinion of the Minister may be fairly classed as charitable . . .

It is well known that even that charter, specified for the distribution of moneys by the Lotteries Commission, has spread far and wide to varied interests in charity, and the funds have been distributed I think fairly. Very many charitable organisations within the knowledge of members of this House have been helped substantially in many ways both with capital and in the provision of facilities and requirements generally.

This Bill provides for the financial resources of the Lotteries Commission to be paid into Consolidated Revenue progressively in an increasing volume over a term of years.

To give an example of this, the Bill proposes that in the year 1967, 10 per cent. of the income of the Lotteries Commission will be paid into the State Treasury; in 1968, 15 per cent.; and in 1969, 20 per cent. That is the percentages of the total income of the commission in each of these years which will be paid into an account at the Treasury. From the latest figures available, the total income for the year was $4,000. Therefore, on the basis of that figure, the Treasury will be taking $400,000 in 1967.

The Hon. J. G. Hislop: You mean the total income was $4,000,000, not $4,000?

The Hon. F. J. S. WISE: Did I say $4,000? Thank you, I meant $4,000,000—the error I made was very obvious. I am sure it will be contended that that vast sum of money will be substantially increased by increasing sales of lottery tickets.

If not by direct agreement then by the encouragement of those people who are engaged in charitable work, the Lotteries Commission is committed to sums of money. The commission is committed because these people expect to receive, year by year, annual grants from it. I know that circumstances obtain and, in particular, in the north-west in areas where, in extreme circumstances and difficulties, certain social and charitable organisations have a committed programme to which the Lotteries Commission subscribes quite regularly. Therefore, through just a few of the instances I have enumerated, the commission carries the responsibility of committed sums of money to such organisations.

In earlier years when the commission was getting on its feet, from memory members of the commission received £200 a year for their services. At that time, the chairman, who was employed part time, received £300 a year. From that time onwards, the commission has been anxious to help in every district when representations have been made to it—whether these representations be in connection with a request for an X-ray plant for a hospital, or a special shadowless lamp for the operating theatre. All of the requests which members of the various districts presented to the commission received a very favourable hearing. That was in the days when the State's capacity to help all sorts of charitable undertakings was very limited; it was in the days when loan borrowing would be about £1,500,000 as against £24,000,000 today; it was at a time, too, when the State had the responsibility of raising its own revenues from taxation—income taxation.

With that background, in my view, the Lotteries Commission has done a remarkable job in accumulating moneys, which moneys have made it possible for the Lotteries Commission to contribute at the request, if not in consultation with Ministers of State, to such wonderful institutions as the Mt. Henry Home which, in its initial stages, was built entirely from Lotteries Commission funds. By agreement with the Government, the Lotteries Commission made an arrangement for substantial, progressive, annual contributions to the building of the Royal Perth Hospital and committed itself year after year to the capital costs of that institution.

Thus, health facilities and charitable channels have been helped in a particular way by the Lotteries Commission in this State—which is vastly different from the destiny of the funds from lotteries in the other States, as I have indicated. In our State the work of the Lotteries Commission was built on a charter of assisting,

in a very broad sense, all sorts of charitable undertakings or anything associated with charities.

Even with the responsibility of the commission becoming greater and greater, and wider and wider, the Government's objective in this piece of legislation is to change the destiny of the money.

However, I would say that, again, the proposed direction is not one which has been advocated by the Grants Commission. It has nothing whatever to do with a suggestion from the Grants Commission. I would like to read a part of the Minister's speech relevant to that point. The Minister said—

> As a result of the practice being followed in this State, a relatively heavier burden is placed on Consolidated Revenue, in the meeting of the operational costs of hospitals than is being borne in New South Wales and Victoria, and this is a contributing factor to the adverse adjustment imposed on our State by the Grants Commission for excess expenditure in this sector of social services.

Again, I would ask the Minister to produce evidence in support of that statement. I say that such a suggestion is not contained in the text, or in the form, or in any reference whatsoever in the Grants Commission's report—nothing at all is said in the report with regard to what shall be done with lotteries funds.

On page 116 of the Grants Commission report for this year is the complete review of the non-income taxation. On page 128 of the report is an analysis of the adjustments made. I refer to paragraph 228 of this report which states the non-income taxation which is examined by the Grants Commission and I quote—

> The total and the *per capita* revenue raised by each State from motor tax, probate duties, stamp duties, land tax, racing tax, liquor tax, entertainments tax, lottery revenue, poker-machine license fees, and licenses.

Following a complete analysis of all of those non-income taxation avenues, the commission finally made a favourable adjustment to this State of $526,000.

Now, let us turn to page 128 where the Grants Commission defines the taxes it dealt with in reaching that decision. These are contained in paragraph 260 which reads, in part—

> The taxes included in the calculation of the adjustments are probate duties, stamp duties, land tax, liquor tax, racing tax, entertainments tax, poker machines licence fees, motor car third-party insurance surcharge and lottery revenue.

We have learned from the Minister today and yesterday some of the specific amounts dealt with by the Grants Commission when deciding whether we should be penalised for our deficiencies in imposing death duties. The Minister told us, I think, that the deficiency of £320,000, plus the previous year's loss or unfavourable balance, imposed a penalty upon us to the tune of $470,000. If that is so—and there is proof it is so, because the Lotteries Commission also shows us we are being penalised—we cannot add to its losses and come to a favourable adjustment of $540,000. That will not work. So there must be, somewhere in those specific taxes—and nowhere else—a considerable advance in the taxation in this State over the taxation in other States to give us a favourable adjustment of $540,000.

Where a penalty is imposed on a claimant State it is because it is behind in that taxation field by comparison with the standard States, and when a claimant State receives a favourable adjustment it is because it is somewhere near the mark or better than the taxation imposed by the standard States. Let us look at page 171 of the Grants Commission report and see exactly where we make these profits and losses. In Western Australia the motor vehicle tax *per capita* is $12.31. In New South Wales it is $14.51, and in Victoria, $12.64. We are below the average of the two standard States and therefore we would be penalised.

In regard to the imposition of probate and succession duties, in New South Wales the tax, *per capita* is $9.22, and in Victoria it is $9.98. In Western Australia it is $3.80 *per capita*, so we would be penalised. In regard to stamp duty, in Western Australia the tax *per capita* is $9.63, as I mentioned yesterday. In New South Wales it is $9.62 *per capita*, and in Victoria it is $10.85. In this field of taxation we are again a little below the standard States and we gain no profit there.

With land tax we are a long way below the rate charged by the standard States. In New South Wales it is $7.15 *per capita;* in Victoria it is $6.22, and in Western Australia it is $3.63. In betting taxes, the amount *per capita* in New South Wales is $1.75; in Victoria, $3.13, and in Western Australia it is $3.38, which gives us a slight advantage.

In Western Australia the rate of entertainments tax is approximately the mean of the tax levied in the two standard States. In regard to lotteries tax the figure for Western Australia is $1.37 *per capita;* in New South Wales it is $3.86, and in Victoria it is $2.08. With the imposition of tax from licenses and all other non-income tax avenues, the rate in Western Australia is $1.95 *per capita;* in New South Wales it is $0.11, and in Victoria it is $0.37.

The Hon. A. F. Griffith: What does "(b)" mean after the figure of $1.37 which relates to lotteries tax in Western Australia?

The Hon. F. J. S. WISE: That means part of the revenue is excluded from calculations for adjustments of State non-income taxation as the amounts excluded are used for special purposes.

The Hon. A. F. Griffith: I know that is the wording in the footnote on page 171 of the report I have, but I thought, in asking you what it meant, you would read it to the House.

The Hon. F. J. S. WISE: It is obvious that in other States income is derived from poker machines and from the Opera House lottery which is regarded as revenue excluded from calculations for adjustments of State non-income taxation, because the amounts excluded are used for special purposes. The same principle applies in this State to income derived from similar sources, and the Minister, if he examines the Grants Commission report closely, will find those notations right through the report.

In short, I suggest it is not right to say what the Minister said in his speech on this Bill; namely, that this is an adverse adjustment imposed on our State by the Grants Commission for excess expenditure in this section of social services. What he said cannot be found in the Grants Commission report, and it does not add up. The only avenue considered by the Grants Commission which will give us a favourable adjustment of $540,000, has been referred to by me several times, and that amount can only be attained by adding the favourable adjustments and deducting unfavourable adjustments, from the total of the favourable adjustments.

So it does not make sense to say we are being forced by the Grants Commission to do this sort of thing, because in this sector of social services we are not raising enough money when we get a particularly favourable grant, but we are doing our part. All the tables in the Grants Commission report relating to social services and non-income taxation prove that, and I would like the Minister, before the Bill passes through this House, to prove to us by a statement from the Treasurer, or something from the Grants Commission that what he has said is a fact, because neither mental nor any other sort of arithmetic can satisfy me or the House that it is so from a study of the figures in the report. It is no use saying that that has nothing to do with it. That is the basis of the legislation and the claim in the speeches that the Bill was necessary.

In this proposal the Government insists on taking a large percentage from the funds of the Lotteries Commission to meet the operational costs of hospitals. To me it is a very wrongful act to take any of those funds into revenue, and I cannot agree with the argument advanced in favour of this action. It is clear that the total of the moneys disbursed by the Lotteries Commission is regarded by the Grants Commission as revenue supplied for the buttressing of other social services charges. In this regard, compared with the total expenditure of the standard States, our total expenditure has given us an advantage. But, firstly, it makes no difference to the finances of the State whether the Lotteries Commission or the Government spends the money in that way, because it is still expenditure on social services.

What the Government proposes to do is not to spend the money obtained from the Lotteries Commission on capital expenditure, but to use such money to provide services and money for social services expenditure within the hospitals, and none of the money from the Lotteries Commission in the future will be used for capital works on any hospital, annexe, institution, or organisation. I suggest that much of the work which the Lotteries Commission has done in that regard will not in the future be done by the Government. Therefore as any additional funds for capital works in the future will have to be found from loan funds, the benefits obtained in this State from that money will not vary one iota.

I think it is simply a subtle strategy; a sort of panic legislation endeavouring to get money into revenue from somewhere, but certainly not at the request or the suggestion of the Grants Commission. It is an inevitable result that a number of charitable institutions which are now receiving moneys, and which have been encouraged to make certain developments, will receive less and less. It will not be the Lotteries Commission, so far as I am concerned, but the Government which will perpetrate this serious breach of faith.

In my view the Government is overworking the phrase that commitments and costs of increased services must be met by the people. This manoeuvring of funds which could, and should, be left alone is not to the credit of anyone; it is certainly not to the credit of the Government which will bring it about in this manner. Under this Bill the Lotteries Commission will be directed to do certain things when it is found it will have a large proportion of its income taken from it. Its field of humanitarian activities must of necessity be compressed and restricted.

The Hon. H. C. Strickland: Will they restrict the old age people?

The Hon. F. J. S. WISE: The Government is likely to do anything. It will not benefit us in any way in the overall picture for the State's finances to have no capital works conducted by the Lotteries Commission; nor will it benefit us for the cost of such works in the future to be taken, at the whim of the Government, from loan funds.

As far as I am concerned it is specious and unconvincing as an argument; and the reasons I have read out are the main

arguments in the speech. To me it is no argument at all. It could be taken as a first step towards ensuring that all moneys raised by the Lotteries Commission will go into Consolidated Revenue. That will be the ultimate, and, as far as the Government and its advisers are concerned, that is probably what they would like to happen to Lotteries Commission money.

It is idle to say that this happens in Russia, in Ireland, or anywhere else. That has nothing to do with it. Members know that in other countries sweeps of all kinds are conducted the profits from which go absolutely to hospital construction; but that is not the basis upon which our lottery and this commission originated, and on which it has worked so satisfactorily to the great advantage of the indigent and the aged; or, in the words of Mr. Scadden, to the advantage of the infirm and the poor.

I think this is a clumsy piece of legislation which has been evolved at a time when there is panic in the minds of the Government; when it desires to get as much of this type of legislation through this year so that the people will not be offended next year. The Government intends to scrape the bottom of the barrel this year so that it will not be so unpopular next year by having to introduce questionable legislation like this.

No matter how late the hour, when the Appropriation Bill is introduced I hope I am able to show the House—at least those members who are interested enough to listen—many avenues of extreme wastefulness on the part of the Government; many avenues in which its expenditure should be closely looked at because of extravagances that occur. However, that is for the near future.

This attitude of producing desperation Bills will avail the Government nothing, so far as I am concerned, whether it is in this session or whether it is in the next session. Whether I am here next session or not this Bill, and others like it which were introduced last week, will simply put more nails in the coffin of the Government.

THE HON. J. G. HISLOP (Metropolitan) [3.26 p.m.]: I am somewhat puzzled about this measure, and I would be much happier if I could obtain some details of a monetary character as to what is likely to occur if the Bill is passed. I have noticed that time after time large sums of money have been given by the Lotteries Commission to the hospitals. This money has been handled in a very generous manner. I think a very sound proportion has been accepted for distribution between hospitals and other charities.

I would like to know whether the hospitals are going to receive less as a result of the provisions of this measure. I would also like to know whether the charitable section will receive less at the expense of these grants. I know quite well that not always does the Lotteries Commission suddenly make up its mind that some hospital needs a block of increased dimensions; I feel certain if the Minister in charge has advised the Lotteries Commission of this fact that it has quite often responded; in fact it probably always responds to the Minister's call for money to be granted for increased hospital activities.

I am not so certain that we will receive from the Lotteries Commission the same assistance when this tax is imposed. For example, in 1953 the Coronation Gift Fund was formed and nobody had any idea as to the object of the fund. Some £53,000 was collected—the highest in Australia—and this was put away for some years until the trustees really felt they had a sum of money which could be used usefully.

As time went on we were tremendously fortunate to obtain the services of Dr. Hahnel who did some amazing work for the Coronation Gift Fund. It has been estimated that Dr. Hahnel is probably among only 10 other men in the world who are doing this type of work. We got into a certain amount of financial difficulty, because whilst our income did not rise, our costs rose menacingly, and eventually the salary of Dr. Hahnel amounted to more than our total income. So we had to do something, and eventually we realised we had to preserve the work Dr. Hahnel was doing, and the moment came when we learned that the King Edward Memorial Hospital for Women was desirous of building a research laboratory. They had gone to the Lotteries Commission but it did not have the money available as it had been spent in other directions. Mr. McDonald then made the suggestion —and a wise one—that if the Coronation Gift Fund would offer its £64,000 to the King Edward Memorial Hospital, the Lotteries Commission would find the extra £36,000 so that the laboratory could be built.

Had we gone along to the Government that was handling the hospital funds with this proposition, I doubt very much whether we would have been able to finance an institution which has now grown to be the envy of many hospitals throughout the world. That was the mental attitude of Mr. McDonald as regards charities money, which he was handling.

The taking away of 20 per cent., or one-fifth, of this money is not going to stop the activities of the commission, but it is going to lessen the value of the commission's generosity and foresight. Is this money eventually going to be handed into Consolidated Revenue, and from then on be unknown and lost to the Lotteries Commission? I have already given examples to the House as to how there is no real control over hospital expenditure as illustrated in this last year with large hospitals being

built on the basis that specialists will live in a country town. That money has been wasted already, and will be wasted still further if we do not stop this practice.

The Hon. F. J. S. Wise: Where did the money come from?

The Hon. J. G. HISLOP: From Consolidated Revenue. No doubt the money to be paid into Consolidated Revenue will fall into those same hands again; but I will keep asking about the situation until somebody takes action in the matter and sees that the public funds are handled in a proper manner.

I cannot say "No" to the purposes of this measure, but I can protest that it is not the way the Lotteries Commission should be handled. I am of the opinion that the commission has done an amazing amount of work. I can remember the time, as mentioned by Mr. Wise, when the life of the commission had to be extended year after year by this Parliament. That was the position when I came into the House in 1947 and it remained so for some years after. That was because there was so much feeling about the Lotteries Commission being something that we should not have established. This meant that the commission was unable to plan as an established institution.

I think the Lotteries Commission should be given a great deal more protection than it has been given; and I also think it might be wise to look at the wide range of activities which it is required to assist. I do not think the Lotteries Commission, in recent times, has provided money for playgrounds in certain areas for children.

The Hon. J. Dolan: It still makes grants for them.

The Hon. J. G. HISLOP: Not now, because the local authorities did not look after the playgrounds.

The Hon. F. R. H. Lavery: That is not right.

The Hon. H. R. Robinson: That was not the reason.

The Hon. J. G. HISLOP: That may not be the reason that was told to the honourable member, but it is factual. Members of the commission went around and saw that these areas had been allowed to fall into a state of decay. I am not telling an untruth. What I have said is perfectly true, and I think a full inquiry should be carried out in order to protect the generosity of the commission. It is hard for the commission to say "No" when somebody comes along and asks for assistance, but I think it would be of great advantage if the code of grants of the commission was looked at carefully in order to protect the commission's money.

I cannot see why the Lotteries Commission is being singled out and I think the Government should have a second look at this measure, because if the Government went to the Lotteries Commission this year and asked for $1,000,000 of the commission's money, it would be given that money. I know the lotteries people pretty well and I know the commission is virtually asked to pay out more than is possible.

This legislation to take away 5 per cent., 10 per cent., 15 per cent., or 20 per cent., should not be dealt with at the end of the session. The whole situation of the Lotteries Commission could do with a great deal of adjustment. We do not pay the members of the commission very handsomely, but they do a lot of work; and they probably spend a lot of their own money going around in their own motorcars. I do not know whether they are provided with petrol for this purpose. However, I am certain that an occupation which calls for the spending of $5,000,000 in a year demands that bigger salaries be paid.

The number of lotteries now being conducted necessitates greater service on the part of the members of the commission.

The Hon. A. F. Griffith: I do not think they spend $5,000,000 per year.

The Hon. J. G. HISLOP: According to the Bill they will in 1968.

The Hon. A. F. Griffith: You said they were spending $5,000,000 per year.

The Hon. J. G. HISLOP: They will be in 1968.

The Hon. A. F. Griffith: I doubted if you were correct.

The Hon. J. G. HISLOP: It was in respect of 1968. That is way the measure is before us. In any case, at the present moment they are spending quite a lot of money, and I suggest the Government should examine the position to see whether it can re-organise the Lotteries Commission so that it will be of much greater use to the community than will be the case if we pass this measure.

THE HON. N. E. BAXTER (Central) [3.40 p.m.]: I was always of the opinion that the Lotteries (Control) Act set up the Lotteries Commission for a specific purpose; namely, to counter the many illegal and legal lotteries which were being conducted. It was also to counter street collections which we had in the early days on each Friday—and which we appear to have every Friday still—and to raise money, more or less, by public subscription. The money was to be obtained from people who hoped to win a prize by investing in the Charities Commission, and who would, at the same time, assist the charities of this State.

Over the many years since the legislation was placed on the Statute book, the commission has done a marvellous job in administering the funds and allocating them to hospitals, charitable institutions, and other organisations which are in need.

Practically every Friday, as one walks through the city, somebody rattles a col-

lection box under one's nose. I do not think this obtains in any other city in Australia. I have seen a few of them but it did not appear to me that on every Friday somebody rattled a collection box under one's nose in Sydney or Melbourne or Brisbane or Adelaide. However, that occurs here which means that a lot of institutions in this State need money to carry on their work. Those institutions must require the money otherwise permission would not be given for the collections to be made.

From looking at the figures supplied by the Grants Commission referring to lotteries revenue, it appears there has been a huge increase in New South Wales for the years from 1960-61 to 1964-65. That was a period of four years, but the figures would not relate to identical sources of revenue because the report for 1963 sets out the lotteries revenue, as distinct from other revenue, as £4,535,000. The figure in the report of 1966, shows the lotteries revenue and stamp duties as $16,080,000. I would surmise that quite a large amount of that sum would be stamp duty.

However, the figure indicates that there has been a considerable increase in the amount of revenue received in New South Wales from lotteries. With respect to Victoria, the other standard State, the figure for 1960-61 for lotteries revenue was £3,257,000. The figure in the 1966 report is $6,571,000. Apparently some of the money collected, according to the calculations of the Grants Commission, is used for special purposes. So relating Victoria, as a standard State, to this State, the figure would not be quite so high.

The largest increase in lottery revenue seems to be in New South Wales because New South Wales, from a financial point of view, seems to adopt what one might class as bushranger tactics for the raising of revenue. Apparently that State is the leader in State non-income taxation. The source of the money is from poker machines, which makes it harder for claimant States such as Western Australia and Tasmania.

I have decided that the principle—or the basis—of the original conception of the establishment of the charities commission, was to assist hospitals and charitable organisations. Now, because the standard States of Australia have, over the years, undertaken lotteries and placed the profits from those lotteries into Consolidated Revenue we have to follow suit.

This is a matter which the Premiers from the claimant States in particular, should take up with the other Premiers and the Prime Minister when discussing State financial affairs. We should be under no disability because people give money voluntarily. It is not taxation and it cannot even be classed as non-income tax, because it is not a tax levied by the State. I think the matter could be taken up very strongly on this basis. Where the people are willing to contribute, with the chance of winning something, that money should not be classed as non-income tax by the Grants Commission.

The Hon. A. F. Griffith: You agree that the Lotteries Commission should make some contribution to hospitals?

The Hon. N. E. BAXTER: Yes; I think it should make some contribution to hospitals, and it does.

Sitting suspended from 3.46 to 4.4 p.m.

The Hon. N. E. BAXTER: If I remember rightly, before the afternoon tea suspension the question was posed to me whether I supported the idea of lotteries assisting hospitals and, as I said, right through the years the commission has, to my knowledge, given a great deal of financial support to hospitals.

The Hon. A. F. Griffith: Thank you. The reason I asked you that was because I was wondering whether you would give the same sort of support to the State getting credit from the Grants Commission for this type of investment.

The Hon. N. E. BAXTER: I do not quite get the Minister's question.

The Hon. F. R. H. Lavery: This Bill has nothing to do with that.

The Hon. A. F. Griffith: You really don't get the question?

The Hon. N. E. BAXTER: No; I must be a bit dense this afternoon. I do not quite get the Minister's question. It is a poser to me.

The Hon. A. F. Griffith: I will explain it to you later.

The Hon. N. E. BAXTER: Thank you. As I said earlier, the Lotteries Commission was originally established as a charities consultation, and the intention was, of course, to assist charities.

I have with me a Lotteries Commission ticket, and on this ticket, right across the centre, are not the words "Give it a Burl," as I have heard suggested, but "W.A. Charities Consultation." It is the intention in the future, as is proposed by this Bill, and if Parliament agrees to it, for the first year commencing on the 1st January, 1967, for the Government to take into Consolidated Revenue 10 per cent. of all moneys received by the commission; and in the year 1968, 15 per cent. of all moneys received by the commission; and then as from the 1st January, 1969, and thereafter, 25 per cent. of all moneys received by the commission. In view of that I suggest to the Government the commission be instructed, some time after the 1st January, 1967, to print on all tickets the words "Joint Charities and Government Revenue Consultation."

I think it would be fairer for the public to be told just where the revenue from lotteries tickets is going. The public

should be told that it is not all going to charities, as people believe, and as has been done in the past.

If we in the Parliament of Western Australia continue to support measures such as this, and blindly follow the taxes imposed by the standard States, and take money into revenue from sources such as lotteries, as has been done and is being done in the standard States; and no approaches are made, as I believe they should be made at Premiers' Conferences to try to have this bad situation changed; there will be little hope of any alleviation of the position in the future. Whether we be members on the Government side or members on the Opposition side, I think we all agree that so far as the financial arrangements between the Commonwealth and the States are concerned something needs to be done and done quickly. The standard States are continually receiving money from taxes, surcharges, lotteries, poker machines, and so on, and while we continue to follow that sort of thing blindly no move will be made at Premiers' Conferences to have the position altered. Nothing will be done to stop this sort of thing if our Parliament blindly follows the Government and agrees to measures such as this.

On this occasion I cannot support the measure because of the principle behind it. I know the Government needs money for hospitals, schools—

The Hon. A. F. Griffith: Did you know that the Government is getting money for hospitals from the same source?

The Hon. N. E. BAXTER: —and many other things, but I believe the principle contained in this measure is not the way to obtain the necessary finance. I think it would be fairer to the public to institute a hospital tax, such as we had years ago. The Government should be straightout and not adopt a subterfuge to get money in the way this Bill proposes through the Western Australian charities consultation. I leave the matter at that.

THE HON H. R. ROBINSON (North Metropolitan) [4.10 p.m.]: I do not agree with Dr. Hislop, nor do I agree with Mr. Baxter. Dr. Hislop's statement that the money allocated from the Lotteries Commission would simply get lost among ordinary revenue is a statement with which I cannot agree because the Minister, when introducing the Bill, had this to say—

> . . . this Bill provides for payment of a set percentage of moneys received by this commission, from conducting its lotteries, to an account known as the Hospitals Fund.

Then the Minister went on to state when the fund was first established. If the money from the Lotteries Commission is to go into a special fund which is to be used for hospital purposes, surely that is the purpose for which it will be used.

The Hon. A. F. Griffith: At the moment the Lotteries Commission is already subscribing more than we propose to take in the first year.

The Hon. H. R. ROBINSON: That is so. I have no fault to find with the conduct of the Lotteries Commission. I think it has done an excellent job for many years, but I do believe some of the statements made here today need to be corrected.

I have the list for 1965, and also for 1966, of the donations made by the Lotteries Commission. In 1965 the donations totalled $1,167,657.06, and in 1966 they were $1,335,902.61. There was in increase in 1966 as compared with 1965 of $168,245.55. That is considerable and, surely, with the increase in population there must be greater sales of lottery tickets. These sales must surely become greater year by year.

On looking through the lists, and the sums of money that have been allocated in the past, I can find no fault with the donations made or the causes for which the money has been allocated. However, we have to ask ourselves whether this money could be put to better use if it were used for hospitals. For instance, in 1965 a sum of $18,641.59 was allocated for infant health centres; $10,805.14 was allocated for kindergartens; and for playground equipment there was an allocation of $1,555.62. I understand that from last February the commission has cancelled donations for playground equipment which have been made to local authorities so that that item will not be applicable in the future.

As regards infant health centres and kindergartens the usual procedure has been to allocate £500 for each centre. Probably for the small local authorities that would be a very useful donation; but let us take the case of local authorities of the size of the City of Perth, which have large revenues. Despite that fact, these big local authorities still receive the £500 for kindergartens and, quite frankly, I think, they are in the position of being able to pay for these things themselves.

Some members have said that the Lotteries Commission allocates certain sums of money for charitable purposes only. On this list there is a donation made to the R.S.P.C.A.—an amount of $2,000 was paid out in 1965, and the same amount in 1966.

The Hon. F. R. H. Lavery: Don't you think that is a charitable organisation?

The Hon. H. R. ROBINSON: Would the honourable member say it was a charitable organisation?

The Hon. F. R. H. Lavery: I certainly would.

The Hon. H. R. ROBINSON: That would be the honourable member's opinion. I am not saying it is not, but I am quoting the fact that it is shown here as an allocation to that body.

The Hon. F. R. H. Lavery: You are suggesting it is not.

The Hon. H. R. ROBINSON: I am not criticising it; I am telling members what is in the report.

Here is another amount which refers to the Royal College of Physicians at a figure of $1,500. Is that a charity? I do not know.

The Hon. A. F. Griffith: That cannot possibly be a charity.

The Hon. H. R. ROBINSON: What surprises me is that in the allocation for hospitals—and there is a very considerable amount for hospitals, though I have not got the amount segregated—the Royal Perth Hospital was allocated $66,000 in 1965.

The Hon. F. R. H. Lavery: That is annually.

The Hon. H. R. ROBINSON: In 1966 it was allocated $64,434.74.

The Hon. G. C. MacKinnon: That is the standard contribution to amortise its debt. It will continue.

The Hon. H. R. ROBINSON: On the other hand larger amounts are allocated to other hospitals. For instance the Fremantle Hospital and the Day Hospital received $120,740 in 1965. In 1966 the allocation was $102,970. The Princess Margaret Hospital received $134,606 which is considerably more than the Royal Perth Hospital. This surprises me, because I should imagine the Royal Perth Hospital is the one to which the greatest allocation should be made.

In dealing with the country centres, we find at Wyndham an allocation of $64,476 was made; while at Narrogin the amount allocated was $60,209; and at Northam, $60,132. A considerable amount has been allocated to country hospitals and to other hospitals apart from the Royal Perth Hospital. As I pointed out previously, I am not finding fault with the allocations made by the commission, because I think it has done an excellent job. But with the increase in sales, and the increase in population in the next few years the amounts will be increased considerably, and the commission will easily be able to make this allocation to the special Hospitals Fund.

THE HON. F. R. H. LAVERY (South Metropolitan) [4.18 p.m.]: I did not intend to speak any more this session for certain reasons, but I feel I cannot let this Bill go through without passing some comment on its provisions. I really believe that this is a vote of no confidence in the Lotteries Commission. I know a sarcastic grin will appear from the other side of the Chamber, but that does not worry me at all. Of all the organisations in Western Australia that should be clear of Government control, apart from the control imposed for auditing purposes, I think the one that should be most free is the Lotteries Commission. We should only have control by the Auditor-General in this respect. What does Mr. Robinson suggest is wrong with the allocations made by the commission?

The Hon. R. H. Robinson: I did not say anything was wrong with them.

The Hon. F. R. H. LAVERY: The honourable member waved a great piece of paper, and after two interjections were made he sat down. The trouble is he cannot carry on with a case once he starts it.

The Hon. H. R. Robinson: I did not say anything was wrong.

The Hon. F. R. H. LAVERY: I suggest this is an attempt by the Government to tell the Lotteries Commission that it shall allocate a certain amount of money to a trust fund. As Mr. Robinson has said, this is what the Bill indicates. In my view this is unnecessary because of the very wonderful record the commission has had since its inception. It has had some marvellous men leading it, and there has been none more capable than Mr. Munro the present chairman. The previous chairman retired from the position and Mr. Munro was given this honoured post. It appears that the Government is not satisfied with the allocations being made by Mr. Munro to the hospitals. Heavens above! One cannot pick up a piece of paper dealing with the Lotteries Commission without finding enormous amounts of money that have been made available to the hospitals in Western Australia.

I think we all appreciated very much the speech made by Mr. Wise when he outlined the early history of the commission. I am sure that all of us realise that the commission has had foremost in its mind the need to allocate funds for hospitals and charitable organisations. To my mind, the hospitals have been its main concern. It is only in later years when there has been a greater income available for distribution—and this will be greater in the future, as Mr. Robinson said—that the commission has widened its scope.

Mr. Ross Hutchinson was the Minister controlling this department when I had occasion to make requests through him to the commission, and I must say how much I appreciated the very kind treatment meted out to me. I am sure the present Minister controlling the Lotteries Commission will know what the commission's programme is for at least five years ahead, particularly as it relates to commitments that are to be made for hospitals. I do not question the figures quoted in connection with the allocations to the Royal Perth Hospital, the Fremantle Hospital, and the Princess Margaret Hospital. An amount of $66,000 is the annual payment by the Lotteries Commission for the construction of the new Royal Perth Hospital building. That building is practically

completed. In moving to the Princess Margaret Hospital we find a great deal of work going on there; and it is not so long ago that a great deal of work was going on at the King Edward Memorial Hospital. I did attempt to get a report this afternoon which I believe is not available to this Chamber, though it was available in another place, of allocations made by the commission to hospitals over a period of years.

I repeat that the Bill before us is a stricture on the administration of the Lotteries Commission as such. Now we find that the Lotteries Commission is to be told by the Government what it is to do. I must say that in my experience no restrictive legislation that has been brought down has ever been repealed, with the possible exception of the legislation dealing with the entertainments tax which was repealed by the Commonwealth Government, and then introduced as a taxing measure by the Hawke Government.

The Hon. H. R. Robinson: They grabbed it straightaway.

The Hon. F. R. H. LAVERY: That is the only occasion I can remember of legislation having been repealed. Is the Government only going to take my money and money from other people who buy tickets? I do not smoke nor do I drink—and I do not think I am very lucky, though I have bought many tickets. I remember having a ticket with some people in sweep No. 10 when we won £10.

The Hon. F. J. S. Wise: When I look across here I think you are very lucky.

The Hon. F. R. H. LAVERY: We now find the Government restricting the activities of the Lotteries Commission, even though its administration and finances have not been criticised by the Auditor-General. We find a reference to the Royal Perth Hospital on page 53 of the Auditor-General's report. We find it is the intention of the Lotteries Commission to reimburse the State for capital on the new Royal Perth Hospital up to $3,000,000 adjusted to $2,749,566 as at the 30th June, 1947.

As at the 30th June, 1966, a total of $1,254,000 has been credited to loan repayments. Then again on page 78 we have the disbursements by the Lotteries Commission for hospital buildings and equipment trust account, and the Lotteries Commission makes available $349,977. So it goes on right through the Auditor-General's report. It continues to show the money made available to hospitals by the Lotteries Commission. We find that the total income from lotteries conducted for the year ended the 30th June, 1965, was $3,724,950 and for 1966 it was $4,024,988. So Dr. Hislop is probably right, because there could be $5,000,000 by 1968. It is interesting to note that the administrative costs of the commission have reached just over $500,000 for the first time.

The prize money paid out in 1966 was $2,878,924. We find that the balance as at the 1st July, 1965, was $910,866, and at the same period in 1966 it was $921,722. The disbursements of the commission go down through unclaimed prizes, donations, rates, and electricity, alterations to freehold properties, and sundries, and in 1965, these totalled $921,722, and in 1966, the amount was $821,277.

All this amounts to $777,830. The following are the headings under which donations were made:—Hospital and Medical and Health Services; $711,688 in 1965, and $651,916 in 1966; Homes, Orphanages, and Mission Centres, $272,288 in 1965, and $363,431 in 1966; Infant Health Centres, $18,642 in 1965, and $16,767 in 1966; and other Charitable Bodies $165,040 in 1965, and $303,789 in 1966.

I wanted to make those amounts known, because there is no source available other than the Auditor-General's report from which to obtain this information. I repeat that if this Bill is passed—and I do not see any reason that it will not be—then we will have opened up a new avenue of taxation for Consolidated Revenue.

The general public has subscribed handsomely over the years by way of purchasing lotteries tickets, and I am sure if they knew that one-fifth of the money in 1968 will be paid into Consolidated Revenue, ticket sales would fall. I am one who has spent a lot of money on lotteries tickets, even to the point of wastefulness, but I have done this because the Lotteries Commision does a great amount of good. I think the public should be told of the position in advertisements by the Lotteries Commission.

The Government may not be in a state of terror, but it has certainly reached the stage where it has lost control of the financial position of this State. As I said when another Bill was before the House three weeks ago, from the type of Bills before us it appears that Mr. Phillips of the Grants Commission has really frightened the Cabinet of Western Australia.

THE HON. R. THOMPSON (South Metropolitan) [4.33 p.m.]: I do not desire to record a silent vote on this measure. This afternoon we have heard some good speeches and mention has been made of the Grants Commission's reports and the effect the Grants Commission has had on the States. We have heard conflicting reports as to whether or not the Grants Commission takes into account payments by the Lotteries Commision. We have also had the case of the standard States as against the claimant States presented to us.

My view is that if this measure is passed money will be taken away from people who can ill-afford to lose it. As I understand the situation, the W.A. Lotteries Commission was set up for the purpose of pro-

viding some relief to those people who rely on charity. Over the years the Lotteries Commission had done a very worthy job and I have never seen anyone point a finger at the conduct of this organisation. Everything has been aboveboard and the activities of the commission have been carried out by responsible people.

I cannot accept this type of legislation, particularly as there have been so many other taxing measures that will hit the charitable organisations that should be benefiting from the Lotteries Commission. There is much public disquiet about this Bill. Unfortunately the bodies most concerned are unable to organise, as was the case with the archway. These people rely on charity for their existence and also, to some extent, on the Government in the way of grants.

Amendment to Motion

I do not wish to delay the House unnecessarily. Therefore, I move an amendment—

That the word "now" be deleted and the words "this day six months" be inserted after the word "time".

As to Adjournment

The Hon. A. F. GRIFFITH: I move—

That the debate be adjourned.

Point of Order

The Hon. H. C. STRICKLAND: I understand this motion cannot be adjourned.

President's Ruling

The PRESIDENT: I rule that this motion be determined forthwith.

Debate (On Amendment to Motion) Resumed

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

Ayes—9

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

Noes—16

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

Pairs

Ayes	Noes
Hon. J. J. Garrigan	Hon. C. R. Abbey
Hon. R. H. C. Stubbs	Hon. A. R. Jones

Amendment thus negatived.

Debate (on Motion) Resumed

THE HON. R. F. HUTCHISON (North-East Metropolitan) [4.41 p.m.]: I do not intend to quote any statistics in regard to this measure as there have been enough given in the late hours of Parliament. However, I wish to say that I think this is about the meanest measure that it has been my experience to witness in my parliamentary career.

I am a person, as you, Mr. President, would know, who more than any other member of the House, has occasion to approach the Lotteries Commission on behalf of various organisations to which I belong.

Today I asked some questions in Parliament concerning a new disability that is threatening the public; and research is likely to be curtailed because of a lack of funds. I do not know what the Government is coming to if it cannot do better than take into Consolidated Revenue money which should go to the charities of the State, for which many people work.

I think the Government is acting in a mean manner; and I am ashamed to have to get up and speak on a measure such as this. If the Government cannot govern the country without descending to this sort of method, then it is time it gave the game away. That is my opinion; and I would be ashamed to belong to a political party that did something of this kind, particularly in a State like Western Australia that is ever expanding. Speaking in a personal sense I must say that my feelings are hurt very much, as it is necessary for me to go to the Lotteries Commission to obtain help for a society which I founded.

The people concerned suffer so much, and they have no means of raising a lot of money. Up to date the Government has been very tolerant in connection with things for which I have asked; and it must see some merit in them, because political parties do not come in behind one unless that is so. I did not think I would live to see the day when a Government would come in and take money away from people who are so dependent.

We have plenty of people in this State who suffer and, as time goes on, there are more and more cases which require charitable help. The people of our community are becoming more educated community-wise and have more knowledge of the misery that exists in our community. We have the autistic children, the deaf, and the blind. Those people suffer because they represent a minority when one compares them with the community as a whole. There is no doubt that many people in our community suffer a great deal.

When I first came into this House I said that I could not build roads and bridges, but I would always give to my party my vote on matters pertaining to engineering, and so on, but on the humanity side I would know what I was doing.

I have spent many years helping in the community, and I feel ashamed this afternoon to think I have to get up here and censure a political party for bringing in a Bill such as this. This measure will interfere with a body which has done a major job for this State.

It has been said that this Bill is necessary to provide for hospitals. The Government should be able to maintain the principal hospitals of the State, and any Government which cannot do that should get out and make room for someone who can do the job. I am very incensed about this proposal.

As I said, I am ashamed. I am not going into the statistics which have been quoted by men who have studied this subject. I am speaking from the humane point of view and I say that this will impose hardship on minority groups. It will stop certain organisations receiving assistance, and I am absolutely opposed to it.

It is late in the session to bring a Bill such as this forward and I object to that because there is not much time for research. I am protesting from the woman's point of view, and on behalf of the people of this State who will suffer the disadvantages I have mentioned. I oppose the Bill.

Debate adjourned, on motion by The Hon. J. Heitman.

MAIN ROADS ACT AMENDMENT BILL (No. 2)

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. G. C. MacKinnon (Minister for Health), read a first time.

Second Reading

THE HON. G. C. MacKINNON (Lower West—Minister for Health) [4.48 p.m.]: I move—

That the Bill be now read a second time.

This Bill breaks new ground in respect of the type of title which the Commissioner of Main Roads will be enabled to procure over areas of land astride projected road alignments. This legislation has its counterpart in the United Kingdom. As an example, I instance its application in the construction of the Chiswick-Langley Special Road M4. During the course of construction of this project, a large bridge was flung over the Beecham Research Laboratories. This bridge was several hundred feet long and the owners of the land granted the Government an easement to construct the motorway over the laboratories. As a consequence, the only land which it was necessary for the authority to resume was the land on which the bridge supports rested.

To achieve a similar purpose here, new definitions are to be inserted into the Main Roads Act and others enlarged. For instance, the application of the definition of the term "interest" in relation to land, in association with other amendments proposed in the Bill, will enable the Commissioner of Main Roads to acquire an interest in the aerial rights of the air space above any land. The definition of "road" has been extended to include the definitions of viaducts, tunnels, culverts, etc. By these means, the amendments will under certain circumstances obviate the need to resume the whole of an area for a road. Only the land, for instance, on which the road supports will rest will need to be resumed and the air space above the land or ground space under the land acquired with a consequent substantial decrease in the amount of compensation payable.

This approach was, no doubt, unthought of when the 1930 Main Roads Act was being drafted, hence the necessity for amendment at this point of time.

The new provisions could have direct application in the construction of the extensive freeway system to the western fringes of the city proper, together with a ring road both north and south of the city as envisaged under the 1963 metropolitan region plan.

Extensive resumptions could be involved in these projects but as considerable lengths of the freeway will be elevated in order to achieve grade separation at intersections or for other reasons required by the designers, structures will be needed at many locations to carry the roadway and some will be high enough above the land to permit some industrial activity to continue beneath.

Members will no doubt appreciate the evident advantages which will ensue through permitting an industry to continue its operation underneath a bridge structure, so avoiding interruption of the industry concerned apart altogether from the substantial reduction in possible compensation claims.

The new definition in "interest" will in effect remove the disability, as affecting these particular projects, which resides in the necessity for all main roads and materials to vest in the Crown.

Section 29 is to be repealed and reenacted in order to give the Commissioner of Main Roads authority to grant a lease, license or any interest over any land that he may acquire. There is the further provision that the commissioner may grant an easement over certain land, such easement not being revokable unless compensation is paid and, as I earlier foreshadowed, another amendment will enable the Crown to obtain a title under the Transfer of Land Act of 1893 for the air space above the land.

As an illustration of this latter provision, I would explain that, in the event of the Commissioner of Main Roads desiring to construct a bridge over any property, the owner, on agreement with the commissioner, will be permitted to retain his land in fee simple, but a certain area of air space above it will be acquired and vested in the Crown. Air space is defined by survey which is related to the low water mark at Fremantle and the title of this air space would describe a certain area related to that survey point.

In commending this Bill to members, I would emphasise those advantages which will accrue to both parties; namely, a considerable saving in the amount of compensation payable by the department, together with a reduced element of disturbance to land owners.

The Hon. F. J. S. Wise: Are there any specific parts of the city or suburbs which are in mind with the introduction of this Bill?

The Hon. G. C. MacKINNON: The specific areas to which it will apply are certain aspects of the Mitchell Freeway. It is obvious that when we get a long type of bridge or grade separation, there could well be some specific instances.

The Hon. F. J. S. Wise: Won't that particular freeway be over land which is already acquired?

The Hon. G. C. MacKINNON: I think there are one or two places where the land is either acquired, or in the process of being acquired, where it would seem that certain activities which are already there could continue. The land could also be used for other purposes. Whilst I cannot specifically name an instance, I could imagine one or two from even my own knowledge of the freeway and the interchange. I am quite sure that other members can do likewise.

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

PUBLIC SERVICE ARBITRATION BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. A. F. Griffith (Minister for Mines), read a first time.

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [4.55 p.m.]: I move—

> That the Bill be now read a second time.

The purpose of this Bill, and several other complementary Bills being introduced with it, is to provide for a new system of salary fixation and appeals within the Public Service.

If I give a brief outline of the operations of the existing system, the clear need for the introduction of this legislation will be apparent.

At present the Public Service Commissioner is empowered to fix salaries of officers and classify positions subject to part X of the Industrial Arbitration Act and subject to the Public Service Appeal Board Act.

That part of the Industrial Arbitration Act gives the Industrial Commission power to define salary classes and grades of positions, the salaries appertaining to which do not exceed what is termed the "justiciable salary." The justiciable salary in the clerical division of the Public Service is at present $6,416.

Part X of the Act makes provision also for the Industrial Commission to register agreements made between the Public Service Commissioner and the Civil Service Association concerning salary classes and grades.

At present, the Public Service Commissioner determines all salaries in excess of the justiciable salary limit and is required, under the provisions of the Industrial Arbitration Act, to maintain "reasonable consistency" with salaries paid to officers within the jurisdiction of the Industrial Commission; that is, officers covered by part X.

The Public Service Commissioner is required under existing provisions of the Public Service Act, to make a general reclassification of the Public Service once in every five years at least.

Each officer in the service has the right of appeal to the Public Service Appeal Board against the commissioner's decision concerning the classification of the position he or she occupies.

The appeal board, as at present constituted, consists of a judge or magistrate as chairman—usually a magistrate—one Government member and one member elected by the Civil Service Association.

Applicants are quite often represented by an advocate or solicitor and proceedings follow formal court procedure. The board whose decision is final, has power to determine in which class the position held by the appellant shall be placed.

In its practical operation, the system is implemented by the Civil Service Association initially negotiating with the Public Service Commissioner—the recognised authority on Public Service salaries. In the event of negotiations not resulting in formal agreement, the Industrial Commission determines the classes and grades. The Public Service Commissioner, having classified positions in accordance with the determined salaries is then subject to appeal by each individual officer concerned to the Public Service Appeal Board. So it will be appreciated that, in the final analysis, the salary of even the most senior public servant may be determined by a board which does not necessarily have expert knowledge, training or continuity of experience or continuity of responsibility in salary fixation or indeed, of industrial matters.

I shall outline the principle defects of the existing system. Firstly, the Industrial Arbitration Act gives inadequate industrial coverage to persons employed under the Public Service Act. One of the limiting factors in this respect is that the Industrial Commission may define only a general salary framework of classes and grades.

Another is that a serious doubt exists regarding the extent to which the commission has power to hear and determine "work value" claims for specific occupational categories or groups of officers.

Another restriction is that the upper limit of the commission's jurisdiction remains at $6,416 per annum.

Owing to these limitations, the industrial arbitration legislation has been of only restricted value to the Public Service Commissioner in salary fixation matters. Its value to the commissioner is most inadequate when compared with the industrial legislation covering public servants in the Commonwealth, New South Wales, South Australia, Queensland, and Tasmania.

Occupational classifications are becoming more important owing to the emergence of work value cases throughout Australia in the past few years so there is need for a competent industrial authority to consider work value cases of various occupations.

The Civil Service Association claimed, during negotiations on a new salaries claim earlier this year, that salary scales agreed upon for clerical and administrative division positions should be accepted as a common structure and that professional and general division positions should be classified in accordance with that structure. An intimation was given by the association that it had obtained legal advice to the effect that the Public Service Commissioner was not empowered to fix differing classes and grades for the separate divisions of the Public Service.

It appeared likely then that the issue would have to be determined by recourse to legal processes. It eventuated, however, that the association accepted an offer by the commissioner of a separate structure. As a consequence, some important legal issues were left unresolved and these will create difficulties in the future unless the uncertainty is corrected by this legislation.

The second defect of the existing system is apparent in the matter of quinquennial reclassifications. The Public Service Commissioner is required, under section 15 of the Public Service Act, to reclassify all positions in the service simultaneously and once in every five years at least. Because of the increased numbers of employees in the Public Service, this task has become increasingly difficult to perform of recent years. It has occupied a great deal of the time of the commissioner and his staff; this, often to the detriment of other responsibilities of great importance.

As I have already indicated, a general reclassification has become an extremely arduous, complicated, and prolonged undertaking with the service numbering 6,000 positions and on the increase. Western Australia is the only State which requires its Public Service Commissioner to reclassify the service every five years at least.

The third defect apparent under the existing system has to do with appeal rights. As I mentioned previously, each officer has, following a general reclassification, the right of appeal to the Public Service Appeal Board. The most recent general reclassification which was operative from the 1st January, 1963, led to 1,900 appeals being lodged. As a consequence, the appeal board was required to sit almost continuously for over three years to hear these appeals and they are still not completed. The appeal board, which could be termed a "domestic" appeal board, has become, in recent times, more of an industrial tribunal hearing work value cases argued at considerable length.

The Public Service Appeal Board is not equipped for this role because, firstly there is no continuity of responsibility for appeal board decisions—the deputy chairman (a magistrate who acts as chairman for the majority of appeals) is appointed for one set of appeals only and the members change from case to case and from year to year.

Also, Public Service Appeal Board members have not been trained in industrial matters and they do not possess the experience and knowledge of Australia-wide developments in salary and wage fixation essential in the determination of work value cases. Indeed, former Public Service Commissioners have criticised trenchantly the existing appeal board system on many occasions. The system has several administrative disadvantages in addition to the defects already mentioned.

One of these administrative disadvantages is apparent in the loss to the State in time, money and in efficiency. These are caused by the presence of large numbers of public servants during the hearing of appeals and amongst them, many senior officers.

Another administrative disadvantage is the call upon the Public Service Commissioner to provide one of his staff as a board member, in addition to two or three advocates and further, the required research officers necessary to prepare and present the cases—and, as I mentioned, on the last occasion it will be four years since the reclassification before the cases are completed.

An additional administrative disadvantage arises through uncertainties as to classification and seniority over long periods. After the 1963 quinquennial reclassifications, many positions were filled and, in some cases, promotional appeals were determined during the intervening period. These were determined on a basis of seniority which was subsequently altered by reclassification appeal.

In view of the foregoing, I desire to outline the operation of the proposed new system covered by this group of Bills. It is proposed that, initially, all salary and allowances claims will be submitted to the Public Service Commissioner by the Civil Service Association. In the event of

agreement being reached, a formal agreement would be executed. In the event of no agreement, the commissioner would be empowered to follow one of two alternative courses—

(1) he would make his own determination; or

(2) refrain from taking further action.

It is proposed, however, that there would be a public service arbitrator who would have jurisdiction in the event of agreement not being reached to confer with both parties and, if considered necessary, to hear and determine claims from the association. In that event, the award of the arbitrator would be final and binding on all parties. As a consequence, the Industrial Court of Appeal, created under the Industrial Arbitration Act, would have power to hear appeals only on matters of law.

The Bill proposes to abolish the quinquennial general reclassification of the service. Salary claims would then be submitted covering occupational groups as and when the need for review became evident. As a consequence of an agreement with the commissioner, or an award of the arbitrator, the Public Service Commissioner would be required to allocate appropriate salaries to those officers covered by such agreement or award. It is proposed that an award made by the arbitrator would operate from the date of issue, regardless of the length of time it might take the Public Service Commissioner to allocate the prescribed salary.

The Bill requires that such awards and agreements would operate for three years. This, in effect, would provide there could be a review of occupational groups every three years instead of the existing overall quinquennial reclassification. So it will be appreciated that the Bill proposes that occupational groups would be determined by agreement between the commissioner and the association and where there is disagreement, the arbitrator would decide.

There is a right of appeal to the arbitrator against the commissioner's application of salaries following the issue of an agreement or award. The arbitrator would have the right to decide whether or not he would hear such appeals and if so, the manner in which they would be conducted. He would be enabled to confer with the parties and determine the appeal.

I should mention that the Public Service Appeal Board would still hear appeals relating to interpretation of the Public Service Act and the Forests Act, concerning conditions of service, salary appeals by special division officers, and disciplinary matters.

A judge would be chairman of the board in matters of interpretation and in matters affecting special division officers, but the arbitrator would be chairman of the board in all other matters.

As earlier mentioned, the Industrial Commission is restricted at present in its jurisdiction over salaries to the "Justiciable salary" limit. On the other hand, the proposed arbitrator would have jurisdiction over the salaries of almost all officers. The only officers to be outside his jurisdiction will be those in a new division, called the special division, being created under the Public Service Act Amendment Bill. The Governor, on the recommendation of the commissioner, will determine the officers to comprise this division and they will probably be limited to senior permanent heads and senior professional officers with the highest executive responsibilities. Their salaries will continue to be fixed by the Public Service Commissioner. There is to be no other change in the existing divisional structure.

One of the benefits of the new proposals accruing to public servants would come about by more adequate industrial coverage. There would be greater flexibility in salary fixation and review. This would be a continuing day to day procedure rather than the periodical task of major proportions already referred to which disrupts the normal work of the service. It is submitted that lengthy delays in finalising salary matters would be avoided and a final decision on salary matters would rest with a competent and appropriate industrial authority with a continuity of responsibility.

It is proposed the arbitrator be appointed for a term of seven years on a salary fixed by the Governor and under Public Service conditions. Should he be a public servant and not reappointed at the expiration of his term of office, he would retain the right to return to a position of no less status than that which he left on appointment as arbitrator.

The Bill gives the arbitrator jurisdiction over Government officers in other departments and instrumentalities currently covered by part X of the Industrial Arbitration Act, in addition to officers under the Public Service Act, and this jurisdiction extends beyond the justiciable salary limit.

One of the complementary measures, therefore, provides for the repeal of part X of the Industrial Arbitration Act and for subsequent necessary alterations to the legislative provisions governing the coverage of Government officers by the Civil Service Association.

The proposed new system has been developed as a consequence of prolonged and comprehensive study of the problem by the Public Service Commissioner and his staff. One officer was sent east for the purpose of examining in detail the systems operating in the Commonwealth service and in the other State services and to enable him to discuss the pros and cons with those Public Service authorities.

The Civil Service Association has been consulted and has been kept informed of

our proposals. The Premier, over twelve months ago, wrote to the association that a review was in progress and invited it to submit any amendments or proposals it considered desirable in order that the Government could be fully informed on all points of view before making a decision. Unfortunately, the association did not respond to this invitation, although it did submit a number of other matters not related to salary fixation and appeals.

Although the Public Service Commissioner presented a preliminary report at the end of the last year, he was not able to follow this up with firm recommendations until nine months later, because of complex problems and legal uncertainties arising from the salaries agreement negotiations. Some of these legal uncertainties are still unresolved.

Immediately the Commissioner was able to forward his report, the association was informed. That was on the 20th September and the legislation has been continuously under examination for the past two months. During that time, many conferences have taken place between the Public Service Commissioner and the Civil Service Association, and all the association's representations have received careful consideration by the Government.

Following the introduction of this Bill and the associated measures by the Premier, the Civil Service Association approached the Premier by deputation to ask for their withdrawal. The Premier said he would not agree to this request but would be willing to consider any amendments the association wished to submit. He suggested that such amendments should be discussed in the first place with the Public Service Commissioner.

I am pleased to say that, during a series of very satisfactory conferences, the Public Service Commissioner and the Civil Service Association reached agreement on most of the associations' requests.

Whilst the basic principles of the Bills were not changed, the Premier agreed to a considerable number of quite significant amendments in an effort to make the Bills more acceptable to the association. These amendments have been inserted in the Bills in another place. The association has now intimated that it is prepared to give the legislation—with the agreed amendments—a fair trial.

It must not be overlooked that when the right of individual appeal to the Public Service Appeal Board was granted in 1920, the service numbered less than 2,000 officers as against today's 6,000, and this is continually expanding.

Again it has taken three and a half years to dispose of appeals relating to the 1963 reclassification. During the course of these, a magistrate and a senior representative of the Public Service Commissioner, and also, a representative of the Civil Service Association, have sat on the board. Two advocates of the commissioner's staff, who have been supported by research officers, have been engaged almost exclusively on the preparation and presentation of cases. Senior officers of departments have spent hours, even days at a time, giving evidence and going through the processes of examination and cross-examination. In some instances, up to two whole days have been occupied in hearing an appeal of only one officer.

There were 650 appeals in the first year of the board's existence. There were 1,900 in 1963, and before all of these had been disposed of a further 1,035 appeals had been lodged by officers of the professional division, even though work had not at that point of time commenced on the following reclassification. These latter appeals still remain before the board. They have not been withdrawn, even though an agreement on professional salaries has been signed with the Civil Service Association. I emphasise there is nothing under the present system to stop each officer in the service lodging an individual appeal. In these circumstances and also in the light of past experience, I submit it would be impossible to dispose of these in the five-year period between reclassifications.

So it will be seen that the system devised in 1920 has become inadequate to meet the requirements of 1966, with no prospect of coping with the needs of the future. No individual officers in any of the other Australian Public Services, either Commonwealth or State, enjoy the right of individual appeal, though admittedly it does exist in a modified form in Tasmania —the numerically smallest of the States.

It might well have been expected then that the Government would take steps to remove individual appeal rights in Western Australia. However, this legislation does not propose such action. This group of Bills transfers individual appeal rights to a more competent authority and aims to streamline procedures with a view to avoiding the time-consuming and inefficient practices of the past.

To help in accomplishing this aim, the Government proposes bringing procedures into line with the Industrial Commission in that, except where points of law are concerned, legal representation before the arbitrator would be permitted only with his consent and with the consent of the parties concerned. The Public Service Commissioner does not intend to oppose legal representation, should this be desired in the hearing of major claims, but I suggest he is not likely to agree to legal representation in the hearing of individual appeals.

The arbitrator must be able to conduct these appeals without the need for protracted court procedures in the taking of evidence from an unrestricted number of witnesses. Unless this objective can be achieved, little would be gained towards

meeting the present entirely unsatisfactory position. There is nothing to prevent the appellants being represented by the trained industrial staff of the Civil Service Association, however.

I might mention that it has taken the Public Service Commissioner and the Civil Service Association nearly 10 months this year to reach finality in respect of a new claim for professional and general division salaries, and this is quite apart from any question of reclassification. Just how long it would have taken had negotiations broken down and action became necessary before the Industrial Commission, it would be impossible to predict. For instance, some very complex legal problems would have had to be resolved, possibly resulting in an appeal to the Industrial Court of Appeal, even before the claims could be considered on their merits. It is submitted that some of the present provisions of part X of the Industrial Arbitration Act are incapable of clear and definite interpretation. And, indeed, once the Industrial Commission had acted, its decision would only have applied to the justiciable salary. The Public Service Commissioner is required beyond that level to fix salaries, observing reasonable consistency. It is anybody's guess as to what constitutes reasonable consistency in the fixation of salaries, so any determination of the Public Service Commissioner could only be challenged in the Supreme Court. The action which should properly follow the hearing by the court of a challenge is also undefined.

I have said enough, I think, to indicate clearly that action to cope with this situation is necessary and urgent. The Government believes that this legislation would provide the machinery to enable claims by public servants in relation to salaries and allowances to be dealt with expeditiously and competently, and I commend the Bill to the House.

Debate adjourned, on motion by The Hon. J. Dolan.

PUBLIC SERVICE APPEAL BOARD ACT AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. A. F. Griffith (Minister for Mines), read a first time.

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [5.21 p.m.]: I move—

That the Bill be now read a second time.

The purpose of this Bill is to remove from the Public Service Appeal Board Act the general appeal provisions relating to Public Service salaries and allowances, and this is in accordance with the broad proposals for a new salary fixation and appeal system outlined to members when the Public Service Arbitration Bill was being explained. The appeal provisions will be transferred, in a modified form, to the Public Service arbitrator.

The Public Service Appeal Board will, as already explained, still determine appeals relating to salaries of special division officers, disciplinary action, and decisions of the Public Service Commissioner, or the Conservator of Forests on interpretation of the Public Service Act or the Forests Act concerning conditions of service; that is, other than salaries and allowances.

The Bill provides for a judge to be chairman of the Board to determine matters affecting special division officers and questions of interpretation with the Public Service arbitrator being chairman when other matters come before it.

There is provision for one Government member and one member elected by the Civil Service Association. Members of the board hold office under the existing Act for one year, though unable to resign should this become necessary. This Bill increases the term of members' appointments to three years and contains facilities for resignation procedures.

Other existing provisions of the Act concerning board sittings and procedure remain unchanged.

Debate adjourned, on motion by The Hon. J. Dolan.

PUBLIC SERVICE ACT AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. A. F. Griffith (Minister for Mines), read a first time.

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [5.24 p.m.]: I move—

That the Bill be now read a second time.

If effect is to be given to the proposed new system of salary fixation for the State Public Service, the Public Service Act must be amended. The provisions in this Bill, which relate to that subject, were explained when I introduced the Public Service Arbitration Bill.

Opportunity has been taken, however, to bring forward some other amendments to the Public Service Act. The first of these emanates from a desire to make provision in the Act for the appointment of two deputy commissioners to assist the Public Service Commissioner in carrying out his increasing functions and responsibilities. The Government does not support a proposal for the appointment of a Public Service Board, believing that the Public Service can more appropriately be administered by a single commissioner, if he is given the necessary assistance. I might mention it is intended to make only one

appointment as deputy commissioner at this point of time.

Most of the provisions in the Act relating to the appointment of the Public Service Commissioner date back to 1904. The Public Service Commissioner is appointed for a seven-year term, but there is no provision for a lesser term to enable him to retire at 65 years of age, should he desire to do so. An appropriate amendment in this Bill rectifies this omission by providing that, if the Commissioner be over 58 years of age, he may be reappointed for a period to bring him to his 65th birthday.

It is further provided that if he be not reappointed as Commissioner, he shall be entitled to return to a position of not lower status than the one he occupied prior to his appointment as commissioner and remain in such office until he reaches the age of 65 years.

The Act provides that the commissioner shall receive a salary to be determined by the Governor but not less than £2,150 from 1st January, 1954, with State basic wage variations.

Salary agreements now applying to the Public Service adopt the Federal basic wage and any reference to the State basic wage must be excluded. This Bill provides for the commissioner's salary to be determined by the Governor from time to time, but to be not less than the present figure of $12,000 per annum. A similar amendment will be required, incidentally, to the Audit Act in relation to the Auditor-General's salary.

The Act makes no mention of the leave to which the commissioner is entitled. It contains a somewhat confusing provision that the commissioner shall be deemed to have vacated his office—

> (c) If, except on leave granted by the Governor, he absents himself from duty for 14 consecutive days or for 28 days in any twelve months.

Whether the 14 days was related to the normal period of annual leave, which has now become three weeks, is not known, though the Commissioner cannot now take his annual leave without the Governor's approval—otherwise he vacates his office.

This Bill provides that the commissioner will be entitled to the same conditions of leave as public servants and that he shall have vacated his office should he absent himself for more than seven days in a year, other than the leave to which he is entitled, or any other period approved by the Governor.

The Act provides that the commissioner may be suspended from office by the Governor and shall not be restored to office unless each House of Parliament resolves that he shall be so restored.

This conflicts with the usual provision applying in other States. It conflicts with the conditions of appointment of the Auditor-General and with the Industrial Commissioner in this State, in that the suspended person shall be restored to office unless each House of Parliament passes a motion for his removal. The Bill provides for this procedure to be followed now in respect of the office of Public Service Commissioner.

The Act provides that the commissioner shall be deemed to have vacated his office should he engage in any paid employment outside the duties of his office. It is proposed to bring this into line with other Public Service positions by adding "without the approval of the Governor."

The remainder of the Bill does not deal with the Public Service Commissioner. Section 48 provides that where an officer occupies a Government residence, the Governor may deduct from his salary a rent not exceeding 10 per cent of his salary. In legislating for the Government Employees Housing Authority, the Government rejected the principle of relating rent to salary and adopted the principle of a fair rent in accordance with the standard of accommodation. However, the 10 per cent. limit still applies to some Government houses not taken over by the authority and this causes anomalous treatment. This Bill removes the 10 per cent. limit and provides in lieu for a deduction from salary of a fair rent in these cases.

It is provided in section 55 of the Act that approved leave without pay in excess of two weeks shall not, for any purpose, be regarded as service.

This provision has been operating against the interest of officers who may be given extended leave without pay under the Colombo Plan, say, or the United Nations Organisation or the International Labour Organisation, to assist an undeveloped country, and whose remuneration is met by the authority concerned. The Bill proposes to add to the existing clause the words—

> Unless the Governor, on the recommendation of the Commissioner, otherwise determines.

In the case of officers transferring to the Western Australian Public Service from the service of the Commonwealth or another State, provision is lacking for him to receive credit for his *pro rata* long service leave.

The States of Queensland and Western Australia are the only ones which do not provide this reciprocal recognition. As a consequence, this State is placed at a disadvantage in attracting officers whose services it may be desired to acquire. The Bill accordingly provides for the State to accept liability for *pro rata* long service leave in such circumstances and with necessary safeguards.

Debate adjourned, on motion by The Hon. J. Dolan.

RESERVES BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. L. A. Logan (Minister for Local Government), read a first time.

INDUSTRIAL ARBITRATION ACT AMENDMENT BILL (No. 2)

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [5.32 p.m.]: I move—

That the Bill be now read a second time.

Although message No. 84 from the Legislative Assembly came in between this Bill and the other three preceding it, I want, for the convenience of members, to keep them all together. This Bill contains amendments which are complementary within the group of Bills introduced as affecting the fixation of salaries and appeal rights in the State Public Service.

This Bill has, as its main purposes, the repeal of part X of the Act; the transfer of Government officers currently covered by part X to the jurisdiction of the Public Service arbitrator; the registration of the Civil Service Association as an industrial union under part II of the Act; the determination by the Industrial Commission in Court Session of applications made by the Civil Service Association—then to be a union—or by other unions as to who shall be deemed to be "Government officers" in addition to those already defined in the Act; and finally, the removal from the commission's jurisdiction of those persons declared from time to time by the commission in court session to be "Government officers".

The commission's jurisdiction in the matter of salaries, allowances, and conditions of employment of Government officers, who are members of the present Civil Service Association, are dealt with exclusively in part X of the Act. Therefore, in view of the proposal to transfer this jurisdiction under another Act to the public service arbitrator, it is necessary to repeal this part.

Accordingly, it is necessary to determine who are Government officers in order to define the jurisdiction of the arbitrator. Certain officers in Government instrumentalities are at present covered by unions other than the Civil Service Association, so it is essential to give the necessary power to a competent authority to determine any dispute that may arise as to who are Government officers for the purposes of the Public Service Arbitration Bill.

The Industrial Commission in Court Session would be the appropriate authority to determine this question as it involves union rights and provision has been made accordingly in this Bill.

However, provision has also been made to ensure that the Civil Service Association retains its existing coverage of Government officers as enjoyed under part X.

The Civil Service Association has requested that it be registered as an industrial union under part II of the Industrial Arbitration Act and the Government concurs with this. With the repeal of part X, the Civil Service Association would no longer have any rights under the Act, so the Bill makes provision for such registration and provides the necessary procedures for the review of its rules and the hearing of any objections by other unions which may be affected.

Discussions have taken place with the Civil Service Association regarding these provisions and the amendments form an essential part of the new system of salary fixation already outlined.

Debate adjourned, on motion by The Hon. J. Dolan.

House adjourned at 5.38 p.m.

Legislative Assembly

Wednesday, the 23rd November, 1966

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