

Legislative Council

Thursday, the 2nd November, 1978

The PRESIDENT (the Hon. Clive Griffiths) took the Chair at 2.30 p.m., and read prayers.

MEMBERS OF PARLIAMENT

Standard of Dress in Chamber: Statement by President

THE PRESIDENT (the Hon. Clive Griffiths): I wish to draw honourable members' attention to the fact that yesterday the Hon. Roy Cloughton, in defiance of the long-standing rules and conventions of this House, entered the Chamber without wearing a tie.

Whilst it is a fact that the honourable member left the Chamber immediately prayers were finished and did not return for the rest of the day's sitting, I want to advise him that his actions did not go unnoticed. I trust he will not repeat his rude behaviour.

The Hon. R. F. CLAUGHTON: Mr President, since you have made—

The PRESIDENT: Order!

The Hon. R. F. CLAUGHTON: Mr President, I ask leave—

The PRESIDENT: Order!

The Hon. R. F. CLAUGHTON: You have made a remark about me and I think I am entitled to give some reply.

The PRESIDENT: Order! If the honourable member wishes to say anything, an opportunity to apologise to the House will be afforded him. If it is not his intention to apologise, there is no provision for the honourable member to speak. Is it the member's wish to apologise?

The Hon. R. F. CLAUGHTON: Mr President, it is never my wish to—

The PRESIDENT: Order! Is it the honourable member's desire to apologise to the House, or is it not?

The Hon. R. F. CLAUGHTON: The President will have to let me reply in my own way.

The PRESIDENT: Order! Are there any petitions?

The Hon. R. F. CLAUGHTON: Mr President, I can only express my protest—

The PRESIDENT: Order!

The Hon. R. F. CLAUGHTON: —that you have made those remarks about me—

The PRESIDENT: Order!

The Hon. R. F. CLAUGHTON: —and are not allowing me to make any defence of my actions.

The PRESIDENT: Order! I ask the honourable member to resume his seat. Are there any petitions?

QUESTIONS

Questions were taken at this stage.

PENSIONERS (RATES REBATES AND DEFERMENTS) ACT AMENDMENT BILL

Second Reading

Debate resumed from the 31st October.

THE HON. GRACE VAUGHAN (South-East Metropolitan) [2.45 p.m.]: The Opposition supports this Bill and welcomes the provisions contained in it, with some reservations. It is very difficult to make head or tail of the parent Act, because we have two pieces of legislation to follow. One is the Pensioners (Rates Exemption) Act of 1966 which enacted the concept of allowing pensioners a rebate or deferment. The Acts Amendment (Pensioner Rates Rebates and Deferments) Act of 1977 altered this.

As the Minister said in his second reading speech, the definition of pensioner is to be altered to include more people than those defined under the National Health Act as eligible pensioners; that is, those people who hold a health benefit card. Persons to be included are widows of members of the forces, and the rather quaint group which the Minister mentioned of unmarried mothers of deceased unmarried members of the forces.

One could be forgiven for thinking there is some sort of legacy from one generation to the next of avoiding marriage, but it is only to cover the case of women who, not having partners, were looking upon their sons for some sort of support. If they do not hold a pensioner medical entitlement card, the Director for Community Welfare will be able to make a decision on whether or not they are entitled pensioners. This is a very good idea.

Another amendment which allows for some sort of discretion deals with occupation and ownership of land. This is given under section 4 of the parent Act to a pensioner who is eligible for a rebate because he is an entitled pensioner. This pensioner might have someone, who is not an entitled pensioner, coming to live with him. The pensioner would then be penalised in not being able to claim rebates or deferment of rates.

This has been changed by allowing for the Minister's discretion. I hope it means the Minister will use his discretion very widely. If we adopt

the concept of people in their old age being able to be preserved as it were within their own milieu—their own home, which they are used to and in which they are comfortable, surrounded by things that are familiar to them—we have to make all sorts of allowances.

The alternative is that these people would have to come under some sort of institutional care which, firstly, is very much more expensive for the State and the taxpayers and, secondly, is not conducive to the happiness of the people who are aged or handicapped. They are in a position where they cannot rely totally on their own resources, where they need help from outside, and where sometimes they need to have someone to live with them.

If in those circumstances they are immediately ineligible for a rebate or a deferment till they sell their house or die, this will be contrary to the trend in the social welfare field today. The idea is for people to be encouraged to stay in their own homes with outside help, because this is more conducive to better health and a longer life and, in addition, is a saving of the taxpayers' money.

Section 4 (3) is to be amended by inserting the following passage—

unless the circumstances of the occupation or the ownership of the land are such that the Minister is of the opinion that a pensioner should be so entitled. ; and

That provision depends entirely on the attitude of the Minister or the authorities concerned. It could mean a tremendous amount, or very little. If the Minister is miserly in the use of his discretion the situation will be no better than it is now, except in rare cases. However, if he intends to apply the provision in such a way that elderly people will be persuaded to stay in their own homes, a great deal will be achieved. Handicapped and elderly people, on the advice of their medical advisers and social workers, will be able to be released from the institutions to live in their own homes without fear that they will come to harm. If that is the concept which will be accepted by the Minister, he will be using his discretion a great deal and we hope this will be the case.

Another aspect is of concern to the Opposition. I refer to the situation which will arise when a pensioner who is eligible for a deferment of rates finds that for a period he is no longer able to occupy his home.

A pensioner may have been managing satisfactorily with some outside help or with someone living in and the Minister, at his discretion, may have granted a deferment of rates. Then, the

pensioner may find he has to enter hospital or an institution or live with a relative for a period, and he may have to rent his house temporarily to obtain a little more income. He intends to return to the home but, in the meantime, he wishes to let it. According to the letter of the law under the Bill, the pensioner will be required immediately to pay the deferred rates.

I believe that in these circumstances the Minister should be able to use his discretion and enable the pensioner to continue to defer payment of his rates. There could be a myriad circumstances under which a person is temporarily unable to occupy his own home. We all know the hazards involved these days in leaving a home unoccupied, even only temporarily. In the old days in Perth it was possible for a person even to go on holidays and leave his house unlocked. This is not possible these days for even a few moments, because there is always the fear of burglary.

This would be very worrying to a person who, as I have said, had been coping quite satisfactorily in his own home with outside help or with someone living in, and who then found he had to enter hospital. He would be worried that the weeds would become uncontrollable or that burglars would take over. A person who has to enter hospital should have all the peace of mind possible to enable a quick recovery so that he can return to his home and look after himself, and thus not be a burden on an institution and the taxpayers. More importantly, of course, he would be able to return to the full life he experienced before entering the hospital.

With those two reservations I make a plea to the Minister to realise the importance of self-help in this area and the avoidance of the escalation of costs for institutional care. This is extremely important particularly if a person is permanently incapacitated. It is all right for the Government to want to obtain payment of past deferred rates, but if a handicapped or elderly person has to pay the rates because he enters hospital for a period the disadvantages are obvious.

The long-term cost benefit analysis indicates that it is much better for people to look after themselves in their own homes with help from outside than for them to be placed in institutions, because then they become a drain on our taxes.

With those reservations, we support the Bill.

THE HON. R. F. CLAUGHTON (North Metropolitan) [2.58 p.m.]: Like my colleague, I support the legislation, but I want to raise a matter which I have had in mind for some time,

as has Miss Elliott. I am referring to people who have already paid their rates and then find subsequently they are unable to obtain a rebate even though they fulfil the eligibility requirements.

The matter was raised by Mr Davies in debate in another place, and the Premier indicated that it was possible for the MWB to grant the concession. We would like further assurances given in this Chamber to place the matter beyond further argument.

I have attempted to study the speeches made in another place, but unfortunately I was unable to locate passages which clarified the position. The copies of the speeches I received were not in sequence and so I cannot, to my satisfaction, quote any statements by the Premier which put the position beyond doubt. I want to be assured that if a pensioner has paid his rates to the MWB he can obtain the rebate or have the amount credited to his next year's account. In another place the Premier said—

When I raised this matter once before, I was assured by the Treasury that administratively there is no problem in dealing with it—if in fact people have paid their accounts, as many of them will have—because of the authority given in the Bill now before us, which we hope will become an Act.

That is in reference to the present legislation, but again I do not believe the statement is very clear. I do not know whether he is referring also to the people who were paying the account for the previous year.

The year to which we are referring is the year in which, if they made the claim before they paid their accounts, they would be entitled to the rebate. I would appreciate it if the Minister in charge of the Bill will clarify this issue for us.

In the remarks made in the other Chamber it could be assumed that the Premier believed that could be done. If there is some doubt in the legislation we would like the matter to be clarified.

This legislation covers the operations of the Country Water Supply Branch. We have been informed it has been allowing the rebate if the eligible pensioner had made the payment. It seems incongruous that there should be different interpretations of the same piece of legislation, as between two authorities.

Some cases have been brought to my notice, and the one now before me concerns a gentleman who made the payment and subsequently discovered he was entitled to the rebate. He applied to the board for the rebate, but was refused. Subsequently I checked this matter with the Water

Board, and was told that was what the law stated. On my reading of the Act that interpretation can be made, but I suggest quite a contrary interpretation can also be made. If necessary, we could deal with this aspect in the Committee stage.

Some matters in the Bill will create problems somewhat similar to those we have already experienced—difficulties of interpretation by the various authorities which administer the Act, and differences in application between local authorities in respect of the 25 per cent rate rebate.

I am aware that if there is a final appeal to the Minister, as is provided in the Bill, that is one way in which such problems may be overcome.

Dealing with the provisions in clause 3 of the Bill under which a pensioner has to obtain some decision from the Department for Community Welfare, what will those procedures be? What processes would an entitled pensioner have to undergo to obtain such notification? Just how will that provision be applied? If they are too difficult for pensioners to understand, then many of them will miss out on the benefit available to them, because of their confusion over the claiming procedures.

In the repeal and re-enactment of section 4 (4) of the Act we find the following provision in paragraph (c)—

the rates or charges were paid before the pensioner became an entitled pensioner.

The same words are used in the Act. It may well be that we need some proviso at that point to indicate that a person, who otherwise would have been entitled but had not made a claim for a rebate, would subsequently be able to obtain it on application.

Mrs Vaughan has covered the other matters I wish to speak on, and I shall defer any further comments until the Committee stage.

THE HON. G. C. MACKINNON (South-West—Leader of the House) [3.06 p.m.]: I thank members for their indication of support of this piece of legislation; and I thank Mr Claughton for his indication that he would prefer to discuss some matters in the Committee stage. At that stage I would be able to discuss them more easily.

Regarding the point raised by Mrs Vaughan, one could deal with the number of items to which the ameliorations in the Bill could be applied. I suppose there is a point at which any Government must decide that the benefits should cease to apply. If my memory serves me aright, I think the limit where they cease is \$50 000.

Regarding the letting of houses, I suppose the rents will take care of the rates; that is the normal procedure.

The Hon. Grace Vaughan: I am talking about the back rates.

The Hon. G. C. MacKINNON: That would be a matter for the discretion of the Minister. Perhaps we could deal with the particular clause at the Committee stage.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (the Hon. V. J. Ferry) in the Chair; the Hon. G. C. MacKinnon (Leader of the House) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Section 3 amended—

The Hon. LYLA ELLIOTT: I ask the Minister whether the interpretation of "owner" appearing in paragraph (a)—"and includes a person entitled to possession of the land as a beneficiary or life tenant under a deceased estate"—would include a person for whom an estate is being held in trust.

Recently I wrote to the Minister concerning a case where two children were being cared for by the grandparent who was a pensioner. The water rate notice was sent to her, but she was not the owner of the property. She was only caring for the children, and the property was being held in trust for the children until they came of age. Would this interpretation embrace such a case?

The Hon. G. C. MacKINNON: Paragraph (a) refers to a person entitled to possession of the land as a beneficiary or life tenant under a deceased estate. So this lady is the trustee for the beneficiary, and I should say that the answer to the honourable member's question would be: "Yes".

The Hon. R. F. CLAUGHTON: When the Act was amended last, any reference to service pensioners in the principal Act was deleted. A number of my constituents have found themselves in difficulties; under the original Act they were entitled to deferment of their rates and charges, but on the deletion of the reference to service pension they lost those benefits, and neither were they entitled to the 25 per cent rebate on their local government rates.

The Hon. G. C. MacKinnon: Are you referring to a repatriation pensioner?

The Hon. R. F. CLAUGHTON: Subsection (1) of section 3 of the 1966 Act defines a pensioner as a person who receives a pension under the

Social Services Act or under the Repatriation Act of the Commonwealth. Pensioners who receive their pension under the Repatriation Act are normally referred to as service pensioners, and the deletion of the reference to service pensioners meant that those persons previously covered were no longer covered and could not obtain the deferment of their water supply and local government rates and charges.

In this Bill we are restoring some of those benefits, but the Leader of the House will note that the wording is somewhat different from that of the 1966 Act. This may well be because of changes that have taken place in the Commonwealth legislation since that time. I am not sure to what extent the provisions in the Bill before us will cover the people I am concerned about. Under paragraph (b) of the definition "pensioner" there is a reference to the assets and income that a pensioner receives.

The Hon. G. C. MacKinnon: Yes, that is a pensioner who holds a health benefit card and whose assets and income are such as referred to in paragraph (a).

The Hon. R. F. CLAUGHTON: I believe that a service pensioner receives more than does a pensioner as defined under the National Health Act, and people receiving a service pension would be excluded from the benefits conferred by the Bill. There seems to be little point in writing these provisions into the Bill if we do not cover the people we are intending to cover.

I was approached by a lady who is the surviving spouse of an ex-serviceman. She now lives alone in the family house and she has to pay full water rates and charges and full local government rates. She receives a service pension, but as well as the rates she must cope with the maintenance and the running of the property, and that is a considerable burden. Can the Leader of the House tell me whether people in a similar position will be covered?

The Hon. G. C. MacKINNON: I would like the honourable member to clarify something for me. As he is well aware, there are a number of different pensions. Basically we are talking about pensions paid to a breadwinner over the age of 65 years and his wife over the age of 60 years. Unless the legislation has been changed radically, and I have not kept up with these changes, a pension is payable at the age of 60 years to an eligible ex-serviceman; that is, one who served outside this country, a member of the RSL. However, the amount of the pension is exactly the same. One or two of the conditions applying to the pension are different, but the amount is the same.

The Hon. R. F. CLAUGHTON: The same amount as the pension provided through the Commonwealth Department of Social Security?

The Hon. G. C. MacKINNON: In the case of a repatriation pension, a person could be quite well off and receive a pension of this type. Indeed, I happen to know at least one member of this Chamber who is in receipt of such a pension, and we could not expect a person in that position to be covered by this legislation.

The Hon. R. F. CLAUGHTON: I think the Leader of the House has answered my question. It is some months since I was approached by this woman, and I have difficulty in remembering whether she is in receipt of a repatriation pension or a service pension.

The Hon. G. C. MacKinnon: There is no difference.

The Hon. R. F. CLAUGHTON: However, the pension is her sole income.

The Hon. G. C. MacKinnon: She could get it five years earlier, that is all.

The Hon. R. F. CLAUGHTON: Could the Leader of the House indicate the procedures that a pensioner will have to follow to make an application for the benefit?

The Hon. G. C. MacKinnon: I can give you an example of a war widow's pension.

The Hon. R. F. CLAUGHTON: These are the people I am concerned about—the people whose sole income is their pension.

The Hon. G. C. MacKINNON: The administrative details have not been finalised, but it is envisaged that the Department for Community Welfare will issue eligible war widow pensioners with some type of card for presentation to the rating authority after those pensioners have been means tested for income. It would seem desirable to issue the same card to totally and permanently incapacitated war pensioners on production of suitable evidence of their status. In this way, evidence of eligible pensioners would be simplified as there would be only two cards establishing eligibility; namely the pensioner benefit card presently used, and the new card to be issued by the Department for Community Welfare.

The Hon. R. F. CLAUGHTON: These people, in fact, will have to make two applications. They will, first of all, have to make an application to the Department for Community Welfare providing information of their income and assets. They will then have to make application to the various authorities for deferments.

The Hon. G. C. MacKinnon: That is right.

The Hon. R. F. CLAUGHTON: I think I understand that clearly.

I can see that procedure becoming complicated. I have previously suggested that since people have to make a statement to the Taxation Department, it may be possible to have the eligibility decided by that department rather than the Department for Community Welfare. If a pensioner stated his income and assets to the Taxation Department, it would be possible—

The Hon. R. Thompson interjected.

The Hon. R. F. CLAUGHTON: It is not making the information available. All that is required is some sort of form from the Taxation Department which indicates that the income of the pensioner is below a certain limit. That is all we are interested in.

The Hon. G. C. MacKINNON: Mr Claughton is right. It becomes more complicated as one moves away from the field of the basic pensioner who has a medical benefit card. Now we are trying to widen the interpretation of "pensioner" to allow for the inclusion in the scheme of such people as war widows, widowed mothers, unmarried mothers, and unmarried mothers of deceased unmarried servicemen. They are really making a career of that, as Mrs Vaughan mentioned.

These people will be subjected to income testing. The procedure will be more complex. There will be TPI pensioners, blind soldiers, and certain tuberculosis sufferers. These people will be free of income testing.

No doubt, it could be said that there are some TPI pensioners and blind soldiers who are entitled to the benefit and who are, in fact, quite wealthy. That is conceivable. Nevertheless, the benefit has been extended to those people, for valid reasons.

There will be a requirement for pensioners to have evidence of their status in a form approved by the Minister. This provision is designed to simplify checking. That will provide scope for devising the most suitable administrative arrangements. Although the procedure will be complex, pensioners will have to make one visit only to obtain a card.

The question has been looked at. It was decided that this procedure would be the simplest, rather than having to deal with the income tax people.

I wish to assure members that the authorities would be only too anxious to save pensioners from encountering problems. They will have to make one visit to obtain the necessary card, and that will be all.

Clause put and passed.

Clause 4: Section 4 amended—

The Hon. Lyla ELLIOTT: I am not opposing this, but I would like to raise with the Leader of the House one aspect which concerns me.

This clause provides that pensioners may claim entitlement in relation to one property only. On the face of it, that provision is reasonable; but I would ask the Government to consider the position of a pensioner who has invested his money in a modest little shack somewhere on which he has to pay rates and taxes. It would not be an income-earning property.

My remarks are related to a holiday property which would not earn income. It would be a second home for a pensioner and his wife to use on weekends to do some fishing, or to have a holiday occasionally. I suggest that this type of property could be included in the concessions being made available.

I am not suggesting that any action be taken at the moment. The matter should be considered when the Act is next amended.

The Hon. G. C. MacKINNON: The matter is brought to the attention of the appropriate authority automatically.

There was a matter touched upon by the Hon. Grace Vaughan which would bear closer examination. Perforce, I have been somewhat out of touch with the situation in regard to pensioners for a number of years since I relinquished the portfolio of Minister for Health, but I do not think the statistics would have changed. It has been found that 80 per cent of pensioners manage their affairs well. They do not create problems for departments or for anyone else. They are able to cope with their domiciliary position. They are able to cope with their rates and taxes, their pension affairs, and the money they save. The other percentage of the pensioner group are in difficulties. We tend to think that it is 100 per cent of pensioners who are in difficulties. However, I think the Hon. Grace Vaughan would be able to supply figures because she has knowledge in this field.

The pensioners who cannot manage their own affairs need a great deal of care. This becomes tremendously costly. Whilst Governments think of these people and look after them as much as possible, it must also be borne in mind that young people who are raising families have to pay

taxes. The more assistance that is given to one group, the less assistance there is available to another, or the more has to be taken away from the other.

There is a group of people receiving pensions who manage very well indeed. I would suggest that no matter how modest a beach cottage is, any pensioner who can afford a beach cottage is managing well. He could still be in receipt of a pension and still have the cottage let out. He has only to let it for a few weeks, and it could recoup to him the amount he has to pay for the rates and taxes. If the pensioner cannot manage that, he should find someone who is prepared to care for the property for him. I believe it is appropriate for this provision to be included.

The Hon. R. F. CLAUGHTON: In relation to the question raised by the Minister following the remarks by Mrs Vaughan, I raise the difficulty encountered when a pensioner has a single, adult child who returns home at the wrong time of the year. In a case brought to my attention, the daughter had been in the Eastern States for two years, and she returned home for several months. The daughter's income was committed to her own affairs, as often happens with young adults. Parents are always indulgent in this type of case.

The benefit was not available to the mother, who was attempting to maintain herself and her home with the money she received from her pension. That is the sort of difficulty that arises and I hope in a case such as that ministerial discretion would overcome the problem.

The Hon. G. C. MacKINNON: In answer to the point raised by the honourable gentleman, I should like to repeat that at present the concessions cannot be granted if an owner-occupier is neither an eligible pensioner nor a dependant. Some cases have come to notice where the inflexibility of this places an unintended burden on pensioners. I gave an example of that and went on to say that in this instance there was an obvious need for some form of relief, but it could not be given. Other cases have been cited and as a result of this amendment the Minister will be able now to give relief.

The Hon. R. F. CLAUGHTON: I refer members to the wording of section 4(1) of the Act. We should turn then to proposed new section 4(4)(b) in the clause which deals with the situation where the rates and charges were paid before the pensioner became an entitled pensioner. The department is saying that if one has paid one's rates prior to being registered, one cannot claim the rebate. That is the way it is being interpreted.

It could be said also that if one is entitled under the provisions of the National Health Act and is in receipt of a pension, once proof of that is produced to the local authority or the department one is assessed as being entitled.

It seems to me once proof has been produced that a pensioner is entitled, he should be able to receive the rebate. However, as I read proposed new subsection (4)(b) it says that if the payment has been made a rebate will not be given. I believe the Premier has indicated in the other Chamber that the interpretation of the Water Board is incorrect and that these pensioners can, in fact, claim a rebate. If the Minister could give us that assurance we on this side of the Chamber would be satisfied.

The Hon. G. C. MacKINNON: I would be quite satisfied with the Premier's word. I cannot find it at the moment. However, let me assure the member that my interpretation and my instructions to the officers involved would be as follows: the pensioner is not, in respect of any land, entitled to a rebate of amounts payable for rates or charges if the rates or charges were levied in respect of the period which commenced prior to the 1st July, 1977, and the rates or charges were not paid before the pensioner became an entitled pensioner. That is quite reasonable, because he did not become an entitled pensioner until the Act was proclaimed.

The Hon. R. F. Claughton: That is one way of looking at it.

The Hon. G. C. MacKINNON: I am telling the honourable member the way I am looking at it, because he asked me. By a series of circumstances I happen to be the man responsible at this time. I would say this man became an entitled pensioner when the Act became law.

The Hon. R. F. Claughton: But it is retrospective to the 1st July, 1977.

The Hon. G. C. MacKINNON: He became entitled on the 1st July, 1977. The Act says nothing about the man not being entitled to the rebate if he forgot to claim it earlier or if the rates or charges were paid before the pensioner became an entitled pensioner.

In answer to the question raised by the honourable member, if the pensioner paid his rates on the 7th July, he was an entitled pensioner on the day he became a pensioner. He was advised he was a pensioner last year and he had enough money at that time to pay his rates. This year he thought, "I will pay them and get the 25 per cent rebate." He became entitled to be a pensioner, let us say on the 5th August, 1977. He went to the office and said, "I have just woken

up to the fact that I was entitled to a 25 per cent rebate. In July I paid my rates up till 1978, I was quite happy about that at the time, but I have found I can save myself \$22. Please can I get my money back?"

The Hon. R. F. Claughton: I accept that.

The Hon. G. C. MacKINNON: I would say he should receive a rebate, because he became an entitled pensioner on the day he became a pensioner. That is my interpretation and that is the way I will continue to interpret it. Is the honourable member happy about it?

The Hon. R. F. Claughton: Except for one point.

The Hon. LYLA ELLIOTT: I am not altogether happy about it.

The Hon. G. C. MacKINNON: I can reverse it if you do not like it.

The Hon. LYLA ELLIOTT: It sounds great, but it does not tie in with an answer given by the Leader of the House to a question asked on the 23rd August this year.

The Hon. G. C. MacKINNON: That may well be; I often change my mind. I do not think that is the prerogative of women solely.

The Hon. LYLA ELLIOTT: I am becoming very confused by the Minister's somersault on the matter.

The Hon. G. C. MacKINNON: Read out the question and answer.

The Hon. LYLA ELLIOTT: I should like to summarise what was said by the Leader of the House. In the case of an eligible pensioner, as defined in the National Health Act who is in possession of a health benefit card, there is no doubt. If this pensioner pays his or her rates, without going up to some window in the department and saying, "I want to be registered as an entitled pensioner" he or she could lose out on the rebate.

The week after this pensioner has paid his or her rates, the neighbour might tell the pensioner that he or she is entitled to a 25 per cent rebate. This pensioner could go to the Water Board and say, "I think I am entitled to a 25 per cent rebate. I have already paid my rates. Could I have a refund?" The officers who have been dealing with this matter have been telling such pensioners that it is too late to claim a refund.

The Hon. G. C. MacKINNON: Mr Claughton told us that.

The Hon. LYLA ELLIOTT: How is the situation being changed under the provisions of the Bill? Under the new legislation a pensioner is

not entitled to a rebate if the rates or charges were paid before this person became an entitled pensioner.

The definition of an entitled pensioner is one who has become registered, and not one who is entitled to a health benefit card. The 1977 amendment to the Act provides that an entitled pensioner is one who is entitled pursuant to sections 4 and 5 of the Act. Section 4 is the one which provides that an entitled pensioner is one who has registered.

That was the reason I asked a question of the Minister on the 23rd August, because I considered it was unfair that a person who through lack of information was being deprived of a 25 per cent rebate on his water rates. The first part of my question was—

Is it a fact that the Pensioners' Rates Rebates and Deferments Act, 1966-1977, is being interpreted by the Metropolitan Water Board in such a way as to deprive pensioners of the 25 per cent rebate on water rates if they pay their account before applying for the rebate?

The reply of the Minister was, "No".

The Hon. G. C. MacKinnon: That is fair enough.

The Hon. LYLA ELLIOTT: Then the Minister went on to indicate, "Yes, that was what they were doing." In his reply he said further—

All registered pensioners are sent special rate notices advising they may either defer rates altogether or pay their rates and receive a 25 per cent rebate. The notice also includes a form for declaration of entitlement under the current Pensioners' Rates Rebates and Deferments Act, 1966-1977.

In other words, although the Minister said "No" he was really saying "Yes, that is how the Act reads and that is how it is interpreted." That is a typical answer from the Minister.

The Hon. G. C. MacKinnon: The honourable member should not become nasty.

The Hon. LYLA ELLIOTT: The second part of my question was—

If so, will he—

- (a) give wide publicity to this in order to warn pensioners of the position; and
- (b) amend the Act to allow them to claim the rebate after payment of the account?

In reply to that part of my question the Minister said—

All registered pensioners are therefore quite clear on their position.

The Act does not provide for adjustments in cases where, after rates have been paid, the ratepayer subsequently becomes eligible for concession.

The Hon. H. W. Gayfer: All you require is an interpretation of the words "Yes" and "No".

The Hon. LYLA ELLIOTT: I find that many of the Minister's answers are like that. The wording of the provision in clause 4 (c) contains exactly the same wording as appears in the 1977 legislation which the Minister has interpreted—as indicated in the reply to my question—to mean that a pensioner is not entitled to the 25 per cent rebate, if he or she paid the rates before becoming registered as an entitled pensioner.

I think paragraph (c) of proposed new section 4 (4) in this clause should be deleted. It is most unfair that an elderly man or woman—who is not aware of his or her rights, who pays the bills as soon as they are received because he or she does not like to be in debt, and who has paid his or her water rates—should not be entitled to a refund of the 25 per cent rebate on the rates, when he or she becomes aware of the position afterwards. The pensioner has paid the rates, and cannot obtain a refund of the rebate.

I do not know whether the Minister understands the legislation. I suggest the Minister should consider the deletion of paragraph (c) of proposed new section 4 (4).

Sitting suspended from 3.46 to 4.03 p.m.

The Hon. G. C. MacKinnon: The question we are now discussing is different from the question raised by Mr Claughton. Miss Elliott has pointed out the past situation. I understand that in the past the interpretation was "rates paid before a person became an entitled pensioner". Entitlement was at the stage the pensioner registered with the Water Board. A pensioner is now defined as "a pensioner under the National Health Act of 1953 in the Parliament of the Commonwealth".

The Hon. Lyla Elliott: No, that is wrong.

The Hon. G. C. MacKinnon: That is what the Bill states, so I do not know how I can be wrong.

The Hon. LYLA ELLIOTT: The Minister apparently does not appreciate that there are two definitions of pensioners. One is "an entitled pensioner" and one is "a pensioner". The latter pensioner is defined as one who is eligible to become entitled, and that is the one who will be affected by this Bill. The other one, the entitled pensioner, will not be affected. That definition establishes how a person can go about claiming a rebate.

Section 4 of the principal Act deals with a pensioner becoming registered as an entitled pensioner. There is a difference between a "pensioner and an "entitled pensioner".

The Hon. G. C. MacKINNON: As the honourable member is aware, there are a number of pensioners who will receive the 25 per cent rebate. If a war widow, for example, pays her rates before she obtains an entitlement card, she will not be entitled to be eligible for a refund.

The Hon. Lyla Elliott: She would not have been prior to the passage of this legislation.

The Hon. G. C. MacKINNON: I have just checked on what I am saying. My answer to Mr Claughton's question is that from here on anyone who was entitled to a rebate and paid his rates before he found out he was entitled will get a refund of 25 per cent. I cannot be any plainer than that.

The Hon. Lyla Elliott: That is not what the Bill says.

The Hon. G. C. MacKINNON: The honourable member has said the provision is not in the Bill, and I am saying it is.

The Hon. Lyla Elliott: You are talking about a new category of pensioner, as set out in clause 3(b).

The Hon. G. C. MacKINNON: This is a most improper way to discuss the matter. I hope I have answered the question asked by Mr Claughton to his satisfaction.

The Hon. R. F. Claughton: You have.

The Hon. G. C. MacKINNON: With all due respect, I doubt the ability of anybody to explain the matter to the satisfaction of the Hon. Lyla Elliott. She is asking why I do not repeat what I said previously. The reason is simply that it had not been brought to my attention. For instance, the honourable member did not come to me, as the Minister, and tell me she had a problem with a pensioner.

The Hon. Lyla Elliott: Why do you think I asked the question?

The Hon. G. C. MacKINNON: It could have been quite a hypothetical matter. The honourable member did not say she had a pensioner in this situation. Had that particular question been brought to my attention, I would have interpreted it to mean that the person was entitled at the time, and was overlooked. I would have argued with Crown Law about that. I answered the question in the normal course of events, and checked to see that it fitted in in the normal way.

Certainly, if a person paid his rates before he became entitled—when he was 64 years of age—that would have been before he was eligible.

The Hon. LYLA ELLIOTT: The Minister does not understand. Entitlement has nothing to do with eligibility. The Leader of the House has confirmed he does not understand his own Bill. The position has not changed on the question I am dealing with. He is trying to talk his way out of it.

The Hon. G. C. MacKinnon: I am not.

The Hon. LYLA ELLIOTT: The reply which he gave was really relevant to clause 4 (4) (b) of the Bill.

The Hon. G. C. MacKinnon: I have a simple solution.

The Hon. LYLA ELLIOTT: I have a simple solution: let us drop the whole thing. What the Leader of the House said about the new category of pensioner who would now be eligible is related to clause 4 (b) of the Bill. I am not suggesting that that person would now be entitled to claim rates previously paid. I am concerned with clause 4 (c) of the Bill, which contains exactly the same wording as paragraph (b) in the 1977 legislation. That has not changed at all. It was on this aspect of the Act I sought an answer to a question in August, this year. The Minister quite plainly interpreted the question to say that the Water Board was right in refusing a rebate to a person who paid his rates before he became entitled to the rebate.

I would like the Minister to get clear the difference between "eligibility" and "entitled". "Eligibility" relates to the definition of "pensioner" as defined in the national health and repatriation legislation. "Entitled" relates to a person registered with the Water Board for a rebate. Although the Minister has given an undertaking that people will have their rebates refunded, if they pay their rates before they apply for the rebate, that is not what the Act states. It is distinctly stated that pensioners will not be eligible if the rates are paid before they become entitled. I ask the Minister whether he is prepared to report progress.

The Hon. G. C. MacKINNON: I know the difference between "entitled" and "eligible". The easiest solution, perhaps, would be for me to report progress and get a firm ruling from a lawyer, and abide by that.

I cannot really see any point in that because now we have got ministerial discretion, and I have told the honourable member what I would do with that discretion.

The Hon. Lyla Elliott: It is not in the Bill. You will be going against the provisions of the Act if you do. Therefore, it should be dropped from the legislation.

The Hon. G. C. MacKINNON: If it were dropped the pensioner would not be entitled to a rebate; it must be in the Act.

The Hon. Lyla Elliott interjected.

The Hon. G. C. MacKINNON: If the honourable member does not mind, this is no way to run a debate. With the discretion contained in the measure, there are far less limits to what the department can actually do, and common sense must prevail in this situation. If a person is an entitled pensioner when the payment of rates is made, then he is entitled to a rebate.

The Hon. Lyla Elliott: As long as he does not pay the rates first.

The Hon. G. C. MacKINNON: However, if he pays his rates, say, in October, and he becomes entitled in the following March, he should not be able to apply for a backdated rebate.

The Hon. Lyla Elliott: That is right. "Entitled" is not "eligible".

The Hon. G. C. MacKINNON: In this situation I am saying it is.

The Hon. Lyla Elliott: You are wrong: you don't understand it.

The Hon. G. C. MacKINNON: Because ministerial discretion is involved the Minister cannot be wrong. It is as simple as that.

The Hon. R. F. CLAUGHTON: I know the Hon. Lyla Elliott will be cross with me, but I accept the assurance of the Minister that action will be taken in the way he has stated. When he replied previously it was not clear that the ability to claim a rebate extended back to the 1st July, 1977.

The Hon. G. C. MacKINNON: You can't go back past that under any circumstances.

The Hon. R. F. CLAUGHTON: That is right. The Bill says a pensioner is not entitled to a rebate if the rates or charges were levied in respect of a period which commenced before the 1st July, 1977. That answers the last query I had about the matter. I know Miss Elliott would like to see something added to the Bill, but like Mr Davies in the Assembly I am prepared to accept the Minister's assurance that the people in the cases I have mentioned who paid their rates and did not receive a rebate will now be able to go to the department and get one.

The Hon. G. C. MacKINNON: That is my understanding of it.

The Hon. LYLA ELLIOTT: I regret Mr Cloughton has accepted the Minister's assurance. I still insist the Minister does not understand the Bill. In any event, he will not be the Minister forever and one day there will be another Minister who will be called upon to interpret the legislation. Therefore, I move an amendment—

Page 4, line 35—Add after the word "pensioner" the words "and the rebate was not claimed within twelve months of the rates or charges being paid by the entitled pensioner".

I did consider deleting proposed subsection (4) (c), but I thought that could pose some problems in that the provision would be too open ended. For example, I would not want the Government to be faced years later with somebody claiming a rebate for five years. However, I think it is reasonable that a person should be able to claim a rebate within 12 months of having paid water rates.

I again assure the Minister that "entitled" does not mean "eligible". Obviously the persons would have to be eligible over the entire period under the definition of "pensioner". However, "entitled" refers only to registration with the board or the local authority. Therefore, that aspect is covered. The term "entitled" refers to the person being registered; so I think it is reasonable that if a person has paid his or her rates and within 12 months becomes entitled by being registered, he or she should be able to claim the 25 per cent rebate.

The Hon. G. C. MacKINNON: This matter seems to have caused Miss Elliott a great deal of concern. In view of the comment made by Mr Cloughton recently that special consideration should be afforded to the Opposition because there is insufficient time for such a limited number of members to do the necessary research, and because I would hate to see division occurring in the ranks of members opposite, I intend to report progress and to seek leave to sit again so that the amendment may be studied.

Progress

Progress reported and leave given to sit again, on motion by the Hon. G. C. MacKinnon (Leader of the House).

APPROPRIATION BILL (CONSOLIDATED REVENUE FUND)

Consideration of Tabled Paper

Debate resumed from the 25th October.

THE HON. G. E. MASTERS (West) [4.25 p.m.]: Naturally, I rise to support the Estimates of Revenue and Expenditure put forward by the

Premier and Treasurer of Western Australia (Sir Charles Court). I think it is fair to say it is recognised as a responsible document not only by members on this side of the House but also, it seems, by members on the other side because in the main they support the figures which have been presented. Certainly they have offered some criticism, and I acknowledge that. It is unfortunate the Hon. Don Cooley is not here. Obviously he is absent on parliamentary business, but if he returns I would like to draw his attention to some remarks he made which in my opinion were quite unfair and unwarranted in his criticism of the speech of the Treasurer.

It appears the Opposition adopted what we would call scare tactics. Members opposite have suggested a State income tax may be levied. That is purely guesswork, and it is unfortunate that the Opposition should decide to try to frighten the public in this manner.

The Hon. D. K. Dans: I think the Premier has now made a statement which is backing away from it.

The Hon. G. E. MASTERS: I do not consider there is any backing away at all. I do not think anybody would suggest the Premier of our State (Sir Charles Court) has ever backed away from anything about which he feels strongly or to which he is committed. This Budget is a responsible one and is recognised as such by the public of Western Australia. There is no question about that.

The Hon. D. K. Dans: There is.

The Hon. G. E. MASTERS: I do not think there is. It is essential to recognise the thrust of the Budget which has been put forward. In the main it is directed at helping to alleviate the unemployment problem. Although we are not permitted to discuss them at this time, further papers are coming forward dealing with loans which will clearly point out what I have said.

Programmes have been designed primarily to alleviate the unemployment problem, and priority is given in those areas where jobs can be created. It is fair to say all members in this House express grave concern at the unemployment situation. We on this side are no more happy about it than are members opposite.

The Hon. D. K. Dans: I thought the creation of unemployment was a plank in your platform.

The Hon. G. E. MASTERS: I will have something to say about that and I will explain the matter in considerable detail. Let me say we are gravely concerned at the situation. It is not necessarily a situation that is peculiar to Western

Australia or to Australia; it is a situation which is world wide, at least certainly in most western countries.

The Hon. D. K. Dans: You would not agree with that when Mr Whitlam was in Government.

The Hon. G. E. MASTERS: It is a problem with which we are faced. I acknowledge it, and I am recording that fact.

The Hon. D. K. Dans: I am recording the fact that you are now saying it was not caused by Whitlam.

The Hon. G. E. MASTERS: I appreciate Mr Dans' support.

I do not think it is fair to suggest—as was mentioned by Mr Hetherington and also a little unfairly by Mr Cooley—the Premier is trying to bury unemployment figures, because they are clearly set out in the 1977-78 summary of the Western Australian economy. They are shown in the middle of the first page. It is hardly fair to suggest the figures are hidden when in fact they are quite clearly indicated.

It is interesting to note—and again Mr Hetherington has pointed this out but it is worthy of further comment—our population increased by 2.3 per cent which is about double the national average. It is fair to say civilian employment increased by 1.5 per cent, and certainly there is a shortfall in that respect. The national average of increase in employment was 0.2 per cent. Again, these figures are recorded in the summary.

I believe the Government has a fair record, and it has achieved some degree of success against heavy odds. There is no way we can prevent people coming to Western Australia from the Eastern States and New Zealand. Many hundreds, if not thousands of them are coming to this State for very good reason: there is greater opportunity to obtain work and employment here. This is one of those things that, even if it were easy to stop, we would not be prepared to do so.

The Hon. D. K. Dans: There is a chance we could have a development led recovery for Western Australia.

The Hon. G. E. MASTERS: Give me time to develop my argument, and I have no doubt the Leader of the Opposition will explain to me where I am wrong.

The Hon. D. K. Dans: I am agreeing with you.

The Hon. G. E. MASTERS: It is fair to say the Government's record in employment is quite a remarkable achievement despite the problems with which we are faced.

One of the major areas of concern over the last two years has been the drought problem, which has been very serious indeed not only in the metropolitan area—that was bad enough—but also in country districts. Mr Cooley correctly pointed out that unemployment in country areas had increased by 50 per cent. I suggest it would have been even higher had the Government not taken initiatives with an injection of funds to try to encourage employment in these areas.

Traditionally, farmers spend a considerable amount of money in country areas. If they have the funds, they do not sit on them; they get out and spend them. This year, hopefully, there will be an improvement in the situation. With the rainfall we have received this year in the wheat-belt areas there are good prospects that crops will improve.

The Hon. D. K. Dans: So you agree that primary produce is still our main strongpoint?

The Hon. G. E. MASTERS: Of course I agree with that. With improved crops, the economy in the country areas will boom once more. Many businesses are based in country areas. I suppose the machinery firms will be undergoing something of a boom in the near future if they are not already experiencing one, with improved sales of cars, trucks and farm machinery.

The Hon. A. A. Lewis: That is quite right.

The Hon. G. E. MASTERS: I am sure it is. Therefore, I expect to see an improvement in the employment situation. I do not suggest this will solve all our ills.

The Hon. A. A. Lewis: They are making a fortune.

The Hon. G. E. MASTERS: If they are making a fortune out of selling farm machinery perhaps Mr Lewis can stand and tell us about it.

The Hon. A. A. Lewis: They will not allow me to have a second go.

The Hon. G. E. MASTERS: Then I am sure Mr Lewis can make his point by interjection. As I say, an upsurge in the rural economy will not solve all our ills; we will still be left with considerable unemployment.

I was most interested to listen to Mr Hetherington's remarks when he discussed computerised automation. There is no doubt that computers will have an increasing impact upon our society. Mr Hetherington likened it to the industrial revolution; perhaps that was an exaggeration, although only time will tell. In any case, we must look very carefully at this situation.

We know that the Australian Labor Party has established a committee to discuss the effect of computers on our society. However, the Liberal-National Country Party coalition Government has been looking at this matter for a long time. We are involved in business much more than members of the Labor Party so obviously we should be in a better position to appreciate the effect computers will have on our future society.

The Hon. D. K. Dans: You have not done so.

The Hon. G. E. MASTERS: I do not agree.

The Hon. D. K. Dans: I am looking at the national papers when I make that statement. Perhaps Western Australia is ahead of the rest of the nation.

The Hon. G. E. MASTERS: I think we are; we are looking carefully at the matter.

The Hon. D. K. Dans: If you keep looking at it they will call you the mirror.

The Hon. G. E. MASTERS: If I keep looking at Mr Dans I might forget what I want to say.

The significant aspect we must consider is that Australia as a whole basically is a primary producing nation. We are able to produce wheat, wool, meat, vegetables, and fruit to sell at competitive prices on the world markets. I accept that we experience problems in a few areas such as fruit. However, we are able to produce products which are saleable on world markets. In addition, we export minerals in their raw state.

The Hon. D. K. Dans: Very cheaply, too, says Mr Anthony.

The Hon. G. E. MASTERS: Mr Dans is not suggesting I support Mr Anthony's remarks, is he?

The Hon. D. K. Dans: He is one of your colleagues.

The Hon. G. E. MASTERS: That may be so, but we in our party recognise that we must agree to differ at times. We certainly differ with Mr Anthony in that remark.

The Hon. A. A. Lewis interjected.

The Hon. D. K. Dans: He is going to win on this one.

The Hon. G. E. MASTERS: I think Mr Lewis covered the issue with his remark. The primary producing areas in the main are highly automated—

The Hon. D. K. Dans: Mechanised.

The Hon. G. E. MASTERS: Well, mechanised and computerised.

The Hon. D. K. Dans: No, that is quite different.

The Hon. G. E. MASTERS: We have a high degree of mechanisation in our primary producing industries. I suppose one could argue that this is the reason for increasing unemployment. As Mr Hetherington pointed out, I am a relative newcomer to this country. However, I immediately recognised the tremendous potential in Australia. It is a brand new country; 150 years old is a new country, by any standards.

The Hon. D. K. Dans: Vargo, the economist, says that Australia is a frontier country.

The Hon. G. C. MacKinnon: Mr Hetherington did not get personal, surely?

The Hon. G. E. MASTERS: We are a new country. Surely in a State of more than one million square miles with a population of 1.2 million, there is an enormous amount of work to be done. Roads need to be constructed, water supplies, sewerage and drainage systems installed, construction programmes undertaken and forestry programmes carried out.

The Hon. D. K. Dans: Get the money from the Federal Government and we could do it right away.

The Hon. G. E. MASTERS: Let me finish the point I was going to make. By the time I have finished my speech, Mr Dans will say that he agrees with most of the things I have put to the House.

The Hon. D. K. Dans: I am sure I will.

The Hon. G. E. MASTERS: I am very pleased about that. There is a need for a large and efficient work force. It is fair enough to say we have a work force available which we are not using.

But why are we not using this work force? The answer is simply that the projects are not being promoted; they are not under way. Nobody could argue about that.

The Hon. D. K. Dans: That is a simple solution to a very complex problem.

The Hon. G. E. MASTERS: Let me go on from there. There are not many projects under way due to the lack of finance and, perhaps, the lack of confidence and incentive.

Let us consider the two principal areas where projects are developed; namely, Government and private enterprise. When we examine the situation of both the Federal and State Governments we find the problem is a lack of finance which, I suppose, is a political limitation. It is no good any Government coming forward and saying, "We are going to do this and that" if it cannot raise the money.

Mr Hetherington suggested we increase taxes. I believe the public has just about reached the limit of its tolerance in this area; it is not prepared to continue to pay and pay and suffer increased taxation. Even if a Government did decide to increase taxes it would suffer a political limitation in that it may well be put out of business at the next election.

The Hon. D. K. Dans: Wouldn't you say we are now entering the post-industrial era?

The Hon. G. E. MASTERS: I do not know about that; I am talking about Government finance and the political problems associated with generating new projects; I am talking about the way a Government is not able in all circumstances to develop the projects it may wish to develop. That is the reason we are not able to construct roads and other public works. However, it is only a matter of time.

In the field of private enterprise, I do not believe it is a matter of a lack of finance; it is more likely to be a lack of confidence and incentive.

The Hon. D. K. Dans: Perhaps we do not have the money to buy all the goods we produce.

The Hon. G. E. MASTERS: Mr Dans always argues along those lines. However, I maintain that if we produce goods at the right price we will sell them. We are selling our primary products now because they are at the right price. I know there are problem areas; however, in the main, we are selling our products.

The Hon. R. Hetherington: You are talking about a world-wide problem.

The Hon. G. E. MASTERS: I am talking about Western Australia.

The Hon. D. K. Dans: I hope you do not upset the Chinese with this speech of yours, otherwise we will have a lot of wheat on our hands.

The Hon. G. E. MASTERS: I would be worried about that; however, there are other markets, and we still have our iron ore and other mineral resources. As I say, I believe there is a lack of confidence and incentive among both the big and small businessmen in this country.

If a number of members in this Parliament had \$10 000 or \$20 000 to invest, they would look very carefully before they invested it in a business because it is so simple today to obtain a fair return on capital without any risk factor. That is what private enterprise is all about. A person with \$100 000 to invest can place it in a building society or somewhere else and receive 10 per cent or 14 per cent on his money in complete safety, whereas he could very well receive a lesser return by risking his capital in the market place.

In such situations, why should he bother to invest it in the private enterprise? This is the danger of the situation which is developing today.

The Hon. W. R. Withers: That is what is happening today.

The Hon. G. E. MASTERS: That is correct. I believe the problem is being experienced principally in the small business area.

Let us consider the problems faced by small businesses today. If Mr Dans and I were to decide to invest perhaps \$10 000 in a small business, firstly we would face high labour costs.

The Hon. D. K. Dans: Hardly the Australian scene, Mr Masters.

The Hon. G. E. MASTERS: Nobody could deny Australia has high labour costs. In addition, our work force would be entitled to annual holidays and special holiday loadings. We would have to pay them according to the relevant awards. We would have to take out workers' compensation insurance, which is quite crippling in some instances. We would face taxes and insurance on our vehicles and equipment. We would be required to pay SEC charges, Metropolitan Water Supply charges, sewerage charges, local government rates and pay-roll tax.

If after all those costs Mr Dans and I make a profit, we would be required to pay very heavy Government taxation on that profit. In addition, we must not forget that people involved in small businesses often work 60 to 70 hours a week and more. Anyone who has been involved with a small business would know that one never turns off; one's mind is ticking over 24 hours a day, whether one is at work or in bed. Small businessmen continually face these problems and challenges.

For this reason, many small businessmen are not expanding their businesses but in fact are reducing them. They are getting to the stage where, if they can do the job themselves and operate as a family concern, that is what they do. There are less problems and less costs involved in operating a business from one's own premises, rather than hiring factories or other premises. So, the combined effect of all these costs unfortunately is that many small businessmen either are giving it away altogether or are winding down their businesses and not risking any capital they may have because of the lack of return on money invested and because of the many costs and problems to be faced.

In addition, I have noticed a considerable change in the traditional style of employment—by "traditional" I mean the 40-hour week, with three or four holidays each year, with public holidays and with all the protection a permanent

job affords. I have noticed a growing tendency to employ people in the short term. In other words, if an employer has a contract to carry out, he is more inclined these days to employ labour in the short term, and not on a permanent basis. I realise in the past this has been fairly common practice in the construction industries, but it is becoming increasingly more the case today.

A young man with a wife and children to support and with payments on his home, furniture and motor vehicle and with all the other costs he faces finds it difficult today in his early working life to obtain permanent employment. These young people are getting very worried about this trend because, no matter how well it may be paid, temporary work is never as good as permanent work. This trend is growing.

I heard recently of unskilled people being employed in a temporary capacity in the Kwinana area at around \$400 or \$500 a week. On the face of it, that seems to be very attractive. I assure members it is not an exaggeration, because I know people who have earned this sort of money on a short-term basis. It may sound good but taxation must deal with these people; and, once they finish the job, they have nowhere to go. Therefore, their average income is nothing like \$400 or \$500 a week; we must take into account periods when they are unemployed.

Mr Hetherington talked about a 30-hour week. Perhaps this situation applies to these people, whether they like it or not. In the short term, they may be working 60 hours a week for perhaps two or three weeks; however, once that job is over they go back on the unemployed list. So, on average, probably they are working no more than 30 hours a week. I am concerned that this trend towards a lack of permanency in our work force will grow, and the traditional method of employment will be discarded.

This remark is reflected and reinforced by an article which appeared in *The West Australian* of the 20th October. It states as follows—

30-hour week drive supported

Melbourne: Australia's biggest white-collar union group yesterday supported a campaign for a 30-hour week.

The ACSPA resolution said that reduced working hours were needed to maintain employment levels and opportunities without decreasing individuals' take-home pay.

I suppose this is the aim which is hoped could be achieved. However, I do not think that reducing the number of hours worked each week necessarily will increase employment. If Government services were to impose a 30-hour week, it would

mean a reduction in the services provided to the public. A bank which worked a four-day or five-day week or a post office which reduced its hours of work would not necessarily require additional employees to cover the loss of that 10 hours or eight hours a week. It does mean there will be a shortage of service hours to the public if the 30-hour week is maintained, and there will be no great increase in employment.

The Hon. D. K. Dans: Shorter hours sometimes increase productivity. We are looking at nine-day fortnights.

The Hon. G. E. MASTERS: If the working week is reduced to 30 hours, it does not necessarily mean more people will be employed, although that is an argument often put forward.

The Hon. R. Hetherington: It is part of a complex process.

The Hon. G. E. MASTERS: We are pricing ourselves out of the market. In some construction areas there is anything up to 60 per cent or 80 per cent of costs involved in the labour content. When I was in the private sector the area of labour content involved around 30 per cent or 40 per cent of costs.

The Hon. D. K. Dans: What industry?

The Hon. G. E. MASTERS: Contracting and plant hire.

The Hon. D. K. Dans: The labour content in the maritime and stevedoring industry is nowhere near that figure.

The Hon. G. E. MASTERS: It depends on the industry, but in most sections the labour content is very high indeed. It is an area in which we are pricing ourselves out of world markets. We are unable to market our produce at a competitive price overseas and we cannot market some of our home products here competitively, even though foreign products are loaded with tariffs.

The Hon. D. K. Dans: The same argument is used in America and Great Britain.

The Hon. G. E. MASTERS: That may be so, but it still applies.

The Hon. G. C. MacKinnon: It is funny the Leader of the Opposition uses those two examples, because if one looked at their monetary situation one would see it is not bright.

The Hon. G. E. MASTERS: We are pricing ourselves out of the market and one of the main reasons is the high labour content in our costs. By the time I have finished Mrs Vaughan will agree with me.

Several members interjected.

The Hon. G. E. MASTERS: I am attempting to make a very orderly speech today. I am not trying to provoke members opposite.

We have a number of people on high salaries and wages, but that number is decreasing. We have a decreasing number of people on wages and more and more people on the dole. This is a position which is developing all the time. It is fair to say in many cases that every pay rise means the loss of another man's job.

The Hon. Grace Vaughan: You should be worried about the industry you are in now, because that is very highly labour intensive with high salaries.

The Hon. G. E. MASTERS: That is true, and we earn our bread and butter. I will comment about this later. I believe we earn our money; our job is most essential.

The Hon. D. K. Dans: Would you like to change your wage for that of a British MP in the House of Commons?

The Hon. G. E. MASTERS: In developing my next argument I shall use a word which is something of a favourite with Mrs Vaughan, a word she uses quite frequently with delight; it is the word "elitist". We are developing an elitist group in Western Australia. That group comprise the people who have work. The people without work are those in the lower bracket, and so we have the have's and the have-nots. Mrs Vaughan talks about us Liberals as being an elitist group, but any person with a job is now in an elitist group. When she uses that word again willy-nilly, Mrs Vaughan should remember what I have said.

At the last election it was clearly indicated the people with good jobs were not overly worried about the unemployed. The Labor Party went to the polls stating unemployment was terrible and it would solve everything, but the fact was the public did not respond. Those with jobs said "Hooray, we are all right".

The Hon. D. K. Dans: We went to the New South Wales election with that slogan.

The Hon. G. E. MASTERS: The fact that the Labor Party had a good result in the Eastern States does not mean members opposite should let it go to their heads. A few months ago they were despondent. Here in Western Australia we have an efficient Government and a good Premier.

The public really is not too worried, and this was clearly shown at our last election. Members opposite were defeated miserably and it must have frightened them when they realised the issue was a non-event.

The Hon. D. K. Dans: What was a non-event?

The Hon. G. E. MASTERS: The issue of unemployment.

The Hon. D. K. Dans: It creeps up on you.

The Hon. G. E. MASTERS: We are aware of this and we are most concerned.

The Hon. D. K. Dans: Your own Prime Minister predicted another 90 000 unemployed as a result of his Budget.

The PRESIDENT: The honourable member should refrain from inciting members to interject.

The Hon. G. E. MASTERS: I had no wish to incite the Opposition. I have been talking about the high cost of labour and Mr Dans has been getting excited. I will now touch on a matter on which Mr Dans is an expert, and that is State shipping, where a very good award, of which Mr Dans is very proud—and rightly so—operates. The award is probably second to none in the world as far as seamen's wages are concerned.

It seems State ships are becoming fewer and the pressures on them greater, largely due to the high cost of the labour content in this industry. I know one or two seamen and they think Mr Dans is a wonderful man, even though they are nearly out of a job.

The Hon. D. K. Dans: We are the only waterfront union that has a surplus of jobs because men have to be qualified to fill the positions.

The Hon. G. E. MASTERS: There are problems with the State ships, many caused mainly by high wages.

The Hon. D. K. Dans: The statement you have just made is the most irresponsible you have ever made in this House. I can show you figures from the Commonwealth Government which would blast your statement to pieces.

The Hon. G. E. MASTERS: If a lot of work were available for State ships, there would be more of them. Mr Withers is concerned that State ships soon will not be going to the north, and he knows the dangers involved. It cannot be denied there are problems, and a lot of them are caused by the high labour costs.

I draw member's attention to the recent problem of sheep being loaded at Esperance. The problems were overcome one way or another. There were also bales of hay to be placed on those ships. I am told the cost of putting the

hay on the ships from the quay, a distance of only a few yards, was \$2 a bale: That is an incredible cost. The poor farmers—

The Hon. D. K. Dans: The poor farmers in Esperance are loaded.

The Hon. G. E. MASTERS: It is incredible that a cost of \$2 should be charged. That charge is scandalous, because the farmer producing the product probably receives just \$1 a bale. This is quite wrong. The Opposition knows it is, and I know it is. The price is far too high.

Let me say again there are untrained and unskilled workers in Kwinana on construction jobs earning \$10 to \$15 an hour, and this is too high. There are problems and there are reasons for them.

In the local government area there are awards for juniors which are far too high. With inside workers in local government a 17-year-old is paid \$92.90 per week as a minimum. He will pay tax of \$7.60 and net \$85.30. An 18-year-old earns \$108.59, pays tax of \$12.90, and nets \$95.69. That may seem fair enough, and it may not seem extremely high. We should then consider the situation of young people in this age group who are on the dole and are receiving only \$36 a week.

The Hon. D. K. Dans: Are you saying the Commonwealth Arbitration Commission, the various wages boards, and the learned judges on State tribunals do not know anything about the economy?

The Hon. G. E. MASTERS: I am commenting on the humanitarian side. Many people forget that when they press for higher wages which increase costs, all they are doing is putting people out of work. Does not Mr Dans think these young people should avoid the situation of having to accept handouts?

It would be far better if two 17-year-olds could receive \$65 a week each, rather than one clearing \$85.30 and another \$36.

The Hon. D. K. Dans: Are you suggesting there should be half as many upper House members again on half-pay?

The Hon. G. E. MASTERS: I am surprised Mr Dans is treating this matter so frivolously. Two youngsters employed and receiving a reasonable wage are better than one on a high wage and one out of work on a pittance.

Several members interjected.

The PRESIDENT: Order!

The Hon. G. E. MASTERS: I would have thought most 17-year-olds would live at home without any real costs to meet as their parents

would be able to house them. Surely it would be better to have two 17-year-olds earning \$65 clear instead of one earning \$85, and one \$36. This is something we should look at.

The Hon. D. K. Dans: As an individual citizen you should go down and make a submission at the next commission hearing.

The PRESIDENT: Order! The member on his feet should be making the speech.

The Hon. G. E. MASTERS: I was pointing out the high cost of wages and labour, and developing the argument that while this was so I was not altogether blaming the trade unions.

The Hon. D. K. Dans: I thought you were blaming me.

The Hon. G. E. MASTERS: Mr Dans has been responsible for some very good awards and conditions for maritime workers. I have no doubt he has received credit for his work. I do not know if he is now blamed for these workers being unemployed.

The Hon. D. K. Dans: We do not have unemployment in the maritime industry.

The Hon. G. E. MASTERS: I have been commenting on claims made for higher wages. There are perhaps two or more types of trade union leaders, and I am not knocking the trade unions unjustly. One of them is the career unionist. He is part of the system. He is a trade union leader or someone well up in the movement who is keen to get to the top of the ladder. Obviously he must produce the goods, be active, and make submissions for better conditions, because sooner or later he will be up for re-election. This is part of the system and it is one of the problems we have to face.

The Hon. D. K. Dans: He is like a managing director in a firm.

The Hon. G. C. MacKinnon: Why not let him make a speech?

The Hon. D. K. Dans: I am trying to help him.

The PRESIDENT: Order! Everyone is being extremely disorderly. The honourable member should proceed with his speech.

The Hon. G. E. MASTERS: I am pointing out that this is all part of the system in the trade union movement. I realise these people are being pushed from behind and that a leader must work hard to improve conditions, regardless of whether his attempts are justified or not. The other people concerned are the destructionists.

Even the Opposition will agree that there is a group which could not care less about the employer, the employee, the trade union movement, or anything else. It is interested only in destroying the economy.

The Opposition will be pleased to know I believe that, apart from the operations of the trade union leaders, one of the major problems is our taxation system. More and more people are penalised for doing extra work. In other words, anyone prepared to do extra work in difficult conditions and work for longer hours on penalty rates or at holiday time gets a kick in the backside through extra taxation. They are penalised for working hard and earning more money. The initial cost is always placed on the employer, because regardless of what happens the employer pays and the employee does not get anywhere near the full payment he should receive. In fact he sometimes receives only 50 per cent of what he earns, the rest going to the tax man.

On the 17th October this year some figures appeared in *The West Australian* and I will quote them for the interest of members. A man earning \$200 a week pays tax of \$45.21 a week. In other words 22.6 per cent of his pay goes in tax. If a man earns \$300 a week he pays \$80.30 which is 26.76 per cent of his pay. If he earns \$400—and many do—he pays \$127.05 or 31.76 per cent in tax. Mr Hetherington has indicated that is a very fair thing, and the more a person earns the more tax he should pay. I do not think that is so.

The Hon. Lyla Elliott: I do not know where you got that. It is a standard 33½ per cent from everyone.

The Hon. R. G. Pike: You are not right.

The Hon. G. E. MASTERS: I am talking about the wage earners—the people we represent. All of us have been workers at one stage or another.

The Hon. R. G. Pike: We still are.

The Hon. G. E. MASTERS: I am referring to physical work and manual labour.

The situation is serious. I have indicated that the more a person earns the more he pays. Let us suppose a young man on a construction job in Mr Dans' province—in Kwinana—earns \$300 a week. After tax he gets \$220.

The Hon. D. K. Dans: A person would never get that much down there.

The Hon. G. E. MASTERS: Oh yes he would. Let us keep to the truth. A man earning \$300 a week would get \$220 clear.

The Hon. Grace Vaughan: Where did you get these figures?

The Hon. G. E. MASTERS: I will let the honourable member have them afterwards. All she need do is to walk into a post office and pick up a tax deduction form. On it she will find on one side the amounts which can be earned and if she looks across she will find there is a tax figure against each amount. If a person has five children the situation is not too bad, but I am talking about a single person earning \$300 in Mr Dans' area on a construction job. I repeat that these figures can be obtained by anyone. A person earning \$300 will receive \$220 clear.

If his boss wants him to do an important job during the holidays or overnight the employee will rightly ask how much he will be paid for the extra work. Perhaps the man's union leader will insist on knowing how much will be paid. The employer may offer \$10 an hour, or more. However, let us say he offers \$10. The employee goes to work in difficult conditions when everyone else is on holidays or asleep. He works on the understanding that he will receive \$10 an hour so that instead of earning \$300 gross he will get \$400 which will mean \$100 extra in his pocket. However, that is not the case because the tax man immediately comes in and takes some of it. Of the \$100 overtime for which the employee has worked he will receive only \$53 so, in fact, he has been working for \$5.30 an hour and not \$10. This is the point I am making about taxation.

The Hon. D. K. Dans: That was one of the greatest confidence tricks Mr Fraser worked.

The Hon. G. E. MASTERS: Taxation has been with us for all times.

The Hon. D. K. Dans: He promised a reduction.

The Hon. G. E. MASTERS: I am going to suggest just that.

The Hon. D. K. Dans: It went up yesterday.

The Hon. G. E. MASTERS: I am not very happy about that either.

The Hon. G. C. MacKinnon: Why are you so frightened of Mr Masters making a speech?

The Hon. D. K. Dans: I am trying to help him. He is so inaccurate.

The Hon. G. E. MASTERS: I am not inaccurate. Mr Dans says I am inaccurate. For his information I will give him the tax sheet I have and he can look at it himself. He will then see what I am saying is correct. A person who is prepared to work extra hours under difficult conditions does not get anywhere near the full benefit he should receive. He is penalised heavily. Why should a person—a shopkeeper, a worker at

Kwinana, or anyone else—work extra hours and then have almost half the money he earns go to the tax man? This is the problem.

The Hon. R. G. Pike: Quite right.

The Hon. G. E. MASTERS: Let us again consider increased wages or awards. Let us say that a group in an industry has an increase of \$20 a week. The employee may well get \$12 of that while the tax man will get \$8. Again, the employer pays; it is costing him \$20. Obviously to stay in business he must raise his charges to cover the extra \$20. What happens is the employee who thinks he has gained and is better off finds in fact he has lost and is behind the eight ball.

I am convinced that the only way to get a wage increase is to have a tax reduction because that money is then directly in the pocket. If the Government would reduce taxation by, say, \$10, the employee would pocket that \$10. At this stage the employer does not then have the extra costs and so, frankly, this is the only real way an advantage can be gained for all.

I know everyone here will say although that might be the answer to the problem, how will the Government make up the money lost? How will the Government raise the money involved which could be millions of dollars? Again the answer could be to reduce Government spending, but I agree with Mr Hetherington that we cannot reduce Government spending too much, because the unemployment situation would get totally out of hand.

I suggest the Government could introduce a flat rate of, say, 20c or 25c in the dollar. I can see Mr Hetherington is nodding his head.

The Hon. R. Hetherington: I am shaking it vigorously.

The Hon. G. E. MASTERS: We must have some sort of incentive for people to work more. We must not penalise those who are prepared to work. Therefore I am suggesting that we have a flat rate of tax in the dollar. We must consider concessions, not penalties, for people who are prepared to work that little bit harder.

The Hon. R. F. Claughton: The fault in what you say is that people on higher rates are not working under harder conditions; it is just not true.

The Hon. G. E. MASTERS: Obviously I have not made my point clear. I am saying when there is a need for someone to work harder, or for extra hours, or under difficult conditions and the person as a consequence is paid extra under his award, the tax man takes most of it back.

The Hon. R. F. Claughton: He does not.

The Hon. G. E. MASTERS: People are asked to work extra hours or give more effort and they are penalised for it. This is the area of my concern. I am convinced there should be a flat rate in the dollar charged for taxation. To compensate for the amount lost we would have to increase indirect tax. We would have to introduce a luxury tax or a VAT. A value-added tax would mean that the more people earned, the more they would spend and the more tax they would pay. That is fair enough.

As I have already said people should not be penalised for working hard or extra hours, and I am convinced indirect taxation is the answer to the problem. It would certainly give the Government the opportunity to recoup its money and it would mean the person who worked extra hours would, at the end of the week, have more in his pay packet than he has now. At the moment when a person works overtime and he looks at his pay at the end of the week he wonders why he did the extra work.

The Hon. D. K. Dans: The minute they got out the door with their pay it would be taken off them in indirect taxation.

The Hon. G. E. MASTERS: But the workers would have a choice as to how they spent the money. At least it would be in their pockets to begin with. Our taxation system is chaotic and it is the main reason we have such high demands for extra pay. Half the money is taken by the tax man before the employee receives his pay packet.

The Hon. Lyla Elliott: Families with children have very little choice as to how they spend their money. Do you think that a man on a low income and with a family of six should pay the same tax as a single person living in wealthy circumstances?

The Hon. G. E. MASTERS: Obviously I have not made my point clear. I believe there would be a certain level above which the rate in the dollar would be charged. For instance, if a person was earning only \$160 there would be no tax or very little tax, but if a person was earning \$160 to \$200 from then on a flat rate in the dollar would be charged.

The Hon. Lyla Elliott: What sort of things would you like taxed?

The Hon. G. E. MASTERS: Luxury goods.

The Hon. Lyla Elliott: Define luxury goods.

The Hon. G. E. MASTERS: A colour television set is a luxury. I do not have one. Does the honourable member have one? Also, possibly refrigerators.

The Hon. Lyla Elliott: That is a luxury?

The Hon. G. E. MASTERS: It is an item on which an extra charge could be made. Would the honourable member agree that a colour television set is a luxury? Does she have one?

I apologise, Mr President. I will return to my speech. A luxury tax and a value-added tax would be better than the system we have at present.

Mr Hetherington made a few comments during his speech and he does seem to get upset when I mention the unemployed and refer to those who do not wish to be employed. There are many of these people. It is a tragedy our welfare state has generated the feeling of dependency on the Government. When anyone is in trouble he or she immediately asks what the Government is doing about the matter. Unfortunately this is the trend today.

The Hon. D. K. Dans: The people elect Governments.

The Hon. G. E. MASTERS: Yes, and they sack them too.

The Hon. D. K. Dans: That is true; and we are the servants of the people.

The Hon. G. E. MASTERS: I believe the welfare state in which we exist today is a tragedy and is causing many of our problems. I believe more than 1 per cent of the work force—and Mr Hetherington gets irate when I refer to this percentage—is not inclined to work for one reason or another.

The Hon. R. Hetherington: Give me some other evidence except that you meet some of them.

The Hon. G. E. MASTERS: All of us here make a contribution in our speeches as a result of our experiences. There is no doubt about that. Mr Hetherington said that he had lived longer and worked longer in Australia than I have. I acknowledge that. However I have lived longer in Western Australia than he has and I have seen more of the State.

The Hon. R. Hetherington: Point taken.

The Hon. G. E. MASTERS: My experience is different from that of Mr Hetherington. I risked capital and I have also been in the work force. I have rolled up my sleeves and got stuck into it. I am not suggesting there is anything wrong with the way Mr Hetherington earned his living.

He has a great reputation as an academic and all credit due to him. Someone has to do that kind of work.

The Hon. R. Hetherington: That is true.

The Hon. G. E. MASTERS: I have not worked in a protected industry, but Mr Hetherington has. My experience in the field is better than his. My experience has been in the field and Mr Hetherington's has been in the classroom and with history books. I am not suggesting that is bad. I am merely pointing out there is a difference and so Mr Hetherington could be excused for getting things the wrong way around. He does not realise what comes first in this life.

Mr Hetherington criticised the expenditure on education. Goodness knows why. When he was asked how we would raise the money, he said, "We will raise more by way of taxation." The public are sick and tired of taxes and giving all the time. Mr Hetherington should go to the public at the next election and say, "We are going to increase taxation because we want more money for education." We would be most happy to fight an election on that issue.

I am old-fashioned enough to believe we must produce, compete, improve our living standards, and have a strong economy, and the rest will follow. I put the horse before the cart. But, as I say, Mr Hetherington can be excused for his basic mistakes because I do not think he has necessarily had experience in the outside world.

The Hon. R. Hetherington: That is an argument I will deal with at another time.

The Hon. G. E. MASTERS: I believe those issues are vital to our recovery. Perhaps I sound a little critical of the Premier but I am somewhat surprised he decided to increase the expenditure on education. I think the increase is 14.6 per cent.

The Hon. R. Hetherington: He did not spend it all last year.

The Hon. G. E. MASTERS: He indicated a 14.6 per cent increase would represent expenditure of \$332.2 million or 25 per cent of the total Budget. They are the figures in his Budget speech, and I am quite surprised he increased expenditure on education. I think there should have been a reduction in education, and development in other areas.

The Hon. R. Hetherington: Bearing in mind Government announcements about retraining and the North-West Shelf, I am surprised at it.

The Hon. G. E. MASTERS: I believe there is too much expenditure on education, welfare, and health.

The Hon. D. K. Dans: Would you go to an election on that?

The Hon. G. E. MASTERS: Yes.

The Hon. D. K. Dans: I bet your Premier will not.

The Hon. G. E. MASTERS: On education itself I would be more than happy to go to the public and say, "We will reduce expenditure on education." But the Premier in his wisdom said, "We will increase expenditure on education", and still Mr Hetherington criticises the Budget and says it is not enough. I do not know whether he wants blood.

The Hon. R. Hetherington: I did not criticise the Premier but the Liberal Party.

The Hon. G. E. MASTERS: The honourable member criticised the Fraser Government. I am saying I do not agree with the increase, but the Premier does, and the honourable member should be pleased.

What I do agree with is the Premier's policy of containment in the Public Service and Government departments. Mr Hetherington looks aside and says it is impossible. Perhaps it is, but I believe we must be firm in our resolve; we must be clear about what we want to do. It is not simple; it is an almost impossible task.

The Hon. R. F. Cloughton: What reasons did the Premier give for containment?

The Hon. G. E. MASTERS: That we cannot afford it and there is too much red tape in the bureaucracy. I will give some figures. As I understand it, as a State Government we paid nothing more than lip service to containment last year. We said last year we would contain growth in Government departments but we have not done so. The following figures were given in *The Australian* of the 6th September, 1978—

... the Australian Government workforce increased by 3 400, or 0.9 per cent, between June 1977 and June 1978.

That is an increase of about 1 per cent, after a tremendous effort. On the other hand, the Western Australian Government, despite its policy of containment, could only partially restrict growth. In fact, I do not believe it restricted growth at all because it was the second-worst in Australia with an increase of 3.2 per cent.

The Hon. D. K. Dans: Not the second-worst Government?

The Hon. G. E. MASTERS: The second worst in containing employment in Government service. I thought the Leader of the Opposition would take that for granted. We have not a good record in containment of the Public Service and Government departments. I recognise that the Premier is now making a very strenuous effort in this regard. I hope it is much more than lip service because we must do something. At the present time Government departments throughout Australia employ 32.8 per cent of the work force—one-third.

The Hon. D. K. Dans: Some of those departments generate finance.

The Hon. G. E. MASTERS: Of course they do, but let me point out the figures going back to 1967. In 1967 Government departments employed 25.29 per cent of the work force; in 1977, 30.97 per cent; this year it is 2 per cent higher on average. If one liked to develop that trend, at an average increase of 2 per cent a year, in 10 years 50 per cent of the work force would be employed in Government departments. No matter how much we shake our heads and say it is not possible, we would be very hard put to restrict growth even to that extent. I have no doubt the Opposition would like to see more public servants.

The Hon. D. K. Dans: We believe in the broad parameters of the present Federal Budget.

The Hon. G. E. MASTERS: I am glad that is on record. I repeat that I am concerned at the level of employment in the Public Service and Government departments, and I do not know where it will stop. If after making a tremendous effort we can only contain growth at 2 per cent, in 10 years' time we will have half the work force employed in Government departments. I think Governments should make a tremendous effort, and I hope this Government will show that it can be done.

I would like to quote some remarks from *The Futurist* of December, 1977.

The Hon. D. K. Dans: Is that a left-wing or a right-wing paper?

The Hon. G. E. MASTERS: I read papers which I think are worth reading and quote extracts from them which I think are worth repeating in this House. In an article entitled "The Limits to Complexity: Are Bureaucracies Becoming Unmanageable?", Duane S. Elgin and Robert A. Bushnell had this to say—

Ten years ago government was widely viewed as an instrument to solve problems; today government itself is widely viewed as

the problem . . . with an enormous increase in our technological capacity, we have rushed to create bureaucracies of such extreme levels of scale, complexity, and interdependence that they now begin to exceed our capacity to comprehend and manage them . . . The system will tend to become more rigid since the form that it assumes inhibits the emergence of new forms . . . Within government, the fiercest battles are waged not over principles and ideas but over jurisdiction—control of old and new programs.

I think those words are well put and should be carefully considered because it is the major problem of our time. I am convinced our children or grandchildren—or perhaps Mr Hetherington's great-grandchildren—will describe this as the bureaucratic age.

We seem to have adopted the principle that to be efficient and progressive we must be big, and unfortunately it has been adopted by bureaucracies. However, there is a level of bigness at which efficiency declines.

The Hon. D. K. Dans: You should read the book *Small is Beautiful*.

The Hon. G. E. MASTERS: I am suggesting this attitude is developing and becoming very much worse in our bureaucracies. I think we should all be concerned and take notice, unless we are happy with the situation; and we as a party certainly are not happy with it.

Talking about authorities and Government controls, I did a little research on statutory authorities and boards. After getting to 63 I gave it away as a bad job. There are boards of control, authorities, and commissions for almost every single thing we do in our lives today, and in this House we spend half our time legislating for more boards and controls.

The Leader of the House is looking around at me and suggesting I might eat my words. I hold up this publication as an example and suggest he might like to have a look at it, because the involvement of and control by Government departments in our way of life today is becoming almost intolerable.

The Hon. R. Hetherington: We will be creating another one shortly.

The Hon. G. E. MASTERS: I suggest there must be some alternatives and we should consider them. We have an almost uncontrolled bureaucracy as far as growth goes. I do not think we as members of Parliament are getting to grips with the situations. The Americans have some

alternative systems. I do not suggest they are necessarily suitable for our way of life but they are certainly worth looking at.

In an article entitled "Can Public Administration Cope?", in the *Australian Journal of Public Administration* of March, 1978, the author (K. D. Green) says—

What are the possible modifications to our bureaucracy? One alternative is the American system, where officials over a wide range of responsibility and rank are expected to resign on a change of administration to enable their places to be filled by appointees of the new administration;

I admit they are Government and political appointees, and the possible danger is that those who are promoted as heads of departments will not necessarily be qualified in those areas. But that is the American system and it does work.

There are two other alternatives we should perhaps look at. One is to reduce drastically the size of the bureaucracy, transferring some of its functions to private or semi-private institutions. In America the telephone system is run as a private institution. I am not saying the telephone system here could necessarily be run as a private institution; it might be difficult as a profit-making business to persuade the Government it is desirable. However, I am suggesting the alternative of transferring certain functions may be worth looking at, perhaps on a smaller scale in Western Australia.

Another alternative is to increase the number of private advisers available to Ministers and to Government as a means of reviewing and countering the allegedly entrenched and conservative views of the senior bureaucrats. I would say perhaps Mr Whitlam and the Labor Party were more active in this field than we have been. They showed a tendency to use outside advice, but I think we are now adopting the same idea and that it should be developed to a far greater scale.

The alternative which most interests me is transferring certain functions and activities to private or semi-private institutions, but it is not easy to do, even on the scale we are trying in Western Australia at the present time.

Let me refer to the problem of the water supply workers in Western Australia. The following announcement was made in *The West Australian* on the 16th October, 1978—

Water supply workers in Western Australia have placed a ban on works put in by private contractors.

The article goes on to say—

... the MWB's acting general manager, Mr L. Coonan, indicated that the board had a firm policy to hand over the installation of water reticulation in new subdivisions to private contractors.

This is a Government policy but it is very difficult to achieve because there is resistance even at that level, where the water supply workers are obviously concerned for their jobs—I am not arguing about that—in the transfer of work to private or non-Government contractors. They maintain that even on private projects and developments the metropolitan water supply workers should be involved. I do not believe that at the present time they can do the work as cheaply as private contractors can.

The article to which I have referred contained this interesting comment of the water supply workers—

The MWB could be competitive with private contractors if the cost of administration was not so high.

It could not compete while to every 24 workmen there was one public servant.

It may be in this case that the reason the MWB cannot compete is that there is too much administration; there are too many people giving orders; there are too many chiefs and not enough Indians. I do not know whether or not that is the case, but if it is it should be looked at. In my experience in the field of construction of water supplies in country areas, in which I spent many years, the construction men working in the field were easily able to compete, as Government workers, with private enterprise. They were highly efficient and well organised.

I am suggesting that the Government policy of transfer of work to the private sector is almost impossible to achieve, because there is this inbuilt resistance.

I give as an example the experience of one of my constituents. Recently a quote was obtained from the Metropolitan Water Board for the extension of a water supply to a subdivision. For the laying of approximately 100 metres of piping he was quoted \$3 066. Naturally, the owner of the land thought that was a little high so he obtained a private quote, the work to be carried out under Metropolitan Water Supply directions and complying with all the department's regulations. The private quote obtained was \$2 104, or nearly \$1 000 less than the price quoted by the department.

I received a letter from the Under Secretary for Works (Mr T. J. Lewis) on the 1st September this year in the following terms—

It is not this Department's practice to allow private contractors to construct mains extensions of this magnitude.

"This magnitude" was 100 metres of pipeline, where my constituent received a private quote almost \$1 000 less than the department's quote.

I really cannot see there is any argument to justify that sort of approach. Where there is a situation in which a member of the public is able to save that sort of money, the Government should encourage him. If the work is not carried out by a Government department, it will be done by private enterprise, and private enterprise is as desperate for work as anyone else.

I ask the Minister to look into this matter to make sure that Government departments start to compete with the private sector, and if a saving is to be gained by giving private enterprise the work it should be permissible.

I believe a great deal of unnecessary duplication occurs in Government departments. In fact, a fair comment on the activities of our bureaucracy is contained on the front page of today's *Daily News*, with the headline, "Jobs lost in red tape." That is the very point I am making: More and more red tape is causing the loss of more and more jobs. We are getting bogged down and destroyed by red tape duplication and frustration costing millions of dollars in all our operations. Nothing seems to be done, and people lose interest and take their money elsewhere. I believe it is up to the Government to urgently examine this area with a view to eliminating unnecessary duplication.

A typical example of this unacceptable situation is in the Town Planning Department. Local authorities have their own town planning schemes; generally they employ a trained and skilled town planning officer, who has his own office and staff. A town planning scheme passes through the Town Planning Department, the Town Planning Board, the MRPA, and the Minister before final approval is given.

However, if I had an acre of land in Kalamunda situated in an area zoned for half-acre lots, and I wanted to split that acre of land into two parts, my application would go not only to the relevant local authority but also to the Town Planning Department, the board and so on. It would need to be approved in a number of areas. Surely when a local authority has its own planning

scheme it should be allowed simply to approve an application without this madness of repetition and duplication.

I draw members' attention to page 115 of the Estimates for the year ending the 30th June, 1979; they will see the Town Planning Department employs 142 people, and the cost of running the department is \$2.310 million. That is an enormous expenditure for what I believe in many cases is a duplication of the work done by local authorities in the field of town planning. I ask the Minister for Local Government to examine this area to see whether she can streamline some of the activities of this department. We are losing time, and time is money. The activities of the Town Planning Department are frustrating the public and causing local authorities to wonder whether, in fact, it is worth having their own town planning departments all at enormous public expense.

I leave it at that. I commend the Government on its Estimates and the activities it has generated over the year and will continue to generate this year. I support the motion.

Debate adjourned, on motion by the Hon. I. G. Pratt.

ADJOURNMENT OF THE HOUSE

THE HON. G. C. MacKINNON (South-West—Leader of the House) [5.35 p.m.]: I move—

That the House do now adjourn.

Members of Parliament: Standard of Dress in Chamber

THE HON. R. F. CLAUGHTON (North Metropolitan) [5.36 p.m.]: Mr President, members would know that when it comes to matters of preserving the Standing Orders of this House, I have been strongly in defence of them on numbers of occasions. I would take very strong exception to any accusation that I had deliberately flouted those Standing Orders.

For that reason, Mr President, I registered my protest when you made a criticism of me at the beginning of the sitting today. If we examine the Standing Orders we will note they contain no reference to whether or not ties are to be worn.

The PRESIDENT: Order! The honourable member may continue to speak on the adjournment motion. However, if he intends to adopt the attitude that he is going to take this opportunity to speak on a comment I made at the commencement of the sitting today, I will have no option but to rule the member out of order. If he persists with it, I will take the appropriate action.

The Hon. R. F. CLAUGHTON: Mr President, it is to be regretted that you adopt that sort of attitude because I would have felt that in this Parliament members who are accused of transgressing Standing Orders would be given ample opportunity to state their case.

Point of Order

The Hon. G. C. MacKINNON: Mr President, whatever comes and goes in this place, we do not "regret" your points of order. You represent us all; indeed, as you are aware, I am a great believer in the form you take. You are elected by the whole House to that position, and you rule this House.

If a member objects to one of your rulings, procedures are laid down by which he can make known his objection. However, it seems to me to be quite improper and opposed to the spirit of our Standing Orders to state that one objects to anything you say. I take very violent umbrage at anyone expressing himself in that way from the floor of this House.

The PRESIDENT: The honourable member already has been advised that I do not intend to permit him to proceed with this line of debate. If he wants to speak on the adjournment, he is perfectly at liberty to do so. However, if he intends to continue with the line of discussion he has been pursuing, I intend to rule him out of order. I do not want to do that.

Debate (on motion) Resumed

The Hon. R. F. CLAUGHTON: May I say firstly to the Leader of the House that the matter to which I was addressing myself was not a ruling of the President; it was a point of criticism he made of me. Mr President, on previous occasions when you have called me to order I have always bowed to your ruling.

Point of Order

The Hon. G. C. MacKINNON: Mr President, may I point out that there is no argument about this. It is a matter of fact that you reported to the House that you observed an infringement of the Standing Orders of this place—as you are expected to do under Standing Order 105. Mr Cloughton has his rights, which are clearly set out in Standing Order 107. He may make any explanation or apology he thinks fit. The honourable member can do only that and nothing else; certainly, he cannot comment on your behaviour, Mr President.

The PRESIDENT: Order! It was not my intention to report the honourable member as provided for in Standing Order 105; if I had done

so, Standing Order 107 provides for precisely the state of affairs the Leader of the House has just outlined. It was because it was not my intention to report the honourable member but purely to do as I did—namely, to advise the honourable member that I had noted his appearance in the House yesterday—that I framed my objection in the way I did and expressed the hope the honourable member would not repeat his performance.

When the honourable member attempted to speak I asked him if he intended to apologise. As he clearly indicated that was not his intention, he then left himself open to be dealt with under Standing Order 107, and I did not want that situation to present itself. Therefore, I stopped the honourable member from proceeding.

If Mr Cloughton had indicated to me at the time it was his intention to apologise, I would have allowed him to make an explanation. That was the situation as I dealt with it. I deliberately refrained from suggesting to the House that I was reporting Mr Cloughton as provided for in Standing Order 105 so that a situation would not be presented whereby some motion could have been moved that the honourable member be suspended from the services of the House. That is the position which would have presented itself had I proceeded under Standing Order 105 and had the honourable member not apologised at the time.

Debate (on motion) Resumed

The Hon. R. F. CLAUGHTON: Let me say finally that, under our Standing Orders, the avenue open to me at that time was that I should be allowed to make an explanation or an apology. However, I was given only one choice, and that was where the matter erred at that time.

The PRESIDENT: Order! I repeat to the honourable member that the one choice given to him was for his benefit, not for mine or for the House.

The Hon. R. F. CLAUGHTON: Mr President, it was for your benefit, not for mine.

Point of Order

The Hon. G. C. MacKINNON: Mr President, this sort of thing simply cannot go on. The Standing Orders of this House are not written for the President or for any other individual; they are written for us all. Mr Cloughton is expected to know—

The Hon. R. F. Cloughton: And I observe the Standing Orders.

The Hon. G. C. MacKINNON: Mr Claughton did not even try to make an explanation. He started to try to point out where the President was wrong.

The Hon. R. F. Claughton: You read back and see.

The Hon. G. C. MacKINNON: I will read what was said with great care. At present, I am simply remembering what took place. There is no way any member of this place can stand and say that the President is doing the wrong thing. He must move a motion to that effect. The Standing Orders are quite specific in the way they deal with this matter.

The Hon. R. F. Claughton: There was nothing else I could do.

Debate (on motion) Resumed

The PRESIDENT: Order! The question is that the House do now adjourn.

Question put and passed.

House adjourned at 5.43 p.m.

QUESTIONS ON NOTICE

EDUCATION: TEACHERS

High Schools

409. The Hon. J. C. TOZER, to the Minister for Lands representing the Minister for Education:

- (1) Is it generally accepted that rapid change-over of Principals and other senior administrative and teaching staff members in a senior high school must have a detrimental effect on the educational programme and, consequentially, the achievement of students?
- (2) Is it fair to claim that the position would be exacerbated by a blanket change-over of senior staff, as is indicated for Hedland Senior High School for the 1979 school year?
- (3) What steps are taken by the Education Department to rectify this alarming turnover of senior staff?
- (4) Is it believed that the main reasons for a senior teacher choosing to stay in the Pilbara for a minimum term lie within the high schools themselves, or the social conditions they enjoy (or endure) within the community?
- (5) Have any real attempts been made to provide incentives (not solely by way of salary, but in housing, subsidy on services, and general conditions which

compare less than favourably with the community standard) to attract teachers to extend their term of service?

- (6) Has the cost of providing real incentives been determined with a view to offsetting this against savings which could be made in the immense expenditure incurred in transferring senior teaching staff (usually married with families) into the region and out again one or two years later?
- (7) Can the Education Department restrict the apparently prevalent practice of taking long service leave concurrently with a northern posting?

The Hon. G. C. MacKinnon (for the Hon. D. J. WORDSWORTH) replied:

The information being sought by the member relating to staff appointment policy and staff entitlements within the Education Department is extensive and detailed. The Minister will be replying to the honourable member by letter when the information he seeks has been collated.

RAILWAYS

Rolling Stock

411. The Hon. F. E. McKENZIE, to the Minister for Lands representing the Minister for Transport:

- (1) Is the Minister aware of a report on page 12 of *The West Australian* dated the 1st November, 1978, under the heading "Trains Worn Out" where the retiring Commissioner of Railways, Mr R. J. Pascoe, was reported as writing in his Annual Report "Westrail's suburban passenger trains urgently need replacing", and furthermore, as having written "that urban transport had been the subject of several major studies but no firm guidelines had emerged that would enable Westrail to plan its future equipment needs properly"?
- (2) In view of the retiring Commissioner's concern, will the Minister advise when the Government intends to issue firm guidelines to enable Westrail to plan its future equipment needs properly?

The Hon. G. C. MacKinnon (for the Hon. D. J. WORDSWORTH) replied:

- (1) Yes.

- (2) Prior to receipt of the annual report of the Commissioner of Railways, the Minister for Transport had taken steps to firm up a programme for providing adequate rolling stock for the suburban rail passenger services. Finalisation of this programme will be made as soon as possible.

It has previously been announced that the Government is taking initiatives towards acquiring new railcars for the service. The method of purchase is proposed to be by a leasing arrangement which will enable Westrail to pay for the vehicles over a number of years.

TRAFFIC ACCIDENTS

Mandurah

412. The Hon. D. K. DANS, to the Leader of the House representing the Minister for Police and Traffic:

- (1) Is the Minister aware that on the night of the 20th October, 1978, a road tanker, travelling through the town of Mandurah and carrying sulphuric acid, left the road knocking down a light standard and tree and damaging a child's swing before overturning?
- (2) If the accident did occur, is the Minister aware of the reasons for the accident?
- (3) Do children usually play in the area in daylight hours?
- (4) If the accident did occur, what action has been taken, or is proposed, to prevent a re-occurrence?

The Hon. G. C. MacKINNON replied:

- (1) At about 8.22 p.m. on Friday, 20th October, 1978, a semi-trailer carrying tanks was involved in an accident in Mandurah, knocking down a light standard, tree and children's swing. The vehicle had taken a load of sulphuric acid to Bunbury but was unladen at the time and it did not overturn.
- (2) Yes. In a statement to the Police the driver said that he reached over the back to get a packet of Quick-Eze and lost control of the vehicle.
- (3) Yes.
- (4) Action has been taken against the driver for careless driving. It was a case of driver error which can occur at any time.

ENERGY

Nuclear: SEC Information

413. The Hon. R. F. CLAUGHTON, to the Attorney General representing the Minister for Fuel and Energy:

Further to my question No. 387 on the 26th October, 1978, concerning the costs of nuclear power, will the Minister advise—

- (a) the year of the UKAEC's annual report to which he refers; and
- (b) is this available at the State Energy Commission?

The Hon. I. G. MEDCALF replied:

- (a) 1978.
- (b) It has been ordered by the State Energy Commission but not yet received. A summary is available.

HOUSING

Home Builders Account

414. The Hon. LYLA ELLIOTT, to the Attorney General representing the Minister for Housing:

- (1) How many homes were built under the Home Builders Account for the year 1977/1978?
- (2) How many homes is it estimated will be built under the Home Builders Fund during the current financial year?

The Hon. I. G. MEDCALF replied:

- (1) The Home Builders Account funds during 1977-78 assisted 492 home purchasers, of which 155 were State Housing Commission referred applicants.
- (2) From the Home Purchase Assistance Account funds in 1978-79, it is estimated 400 home purchasers will be assisted, including 200 State Housing Commission referred applicants.

SESQUICENTENNIAL CELEBRATIONS

Funds Allocated and Spent

415. The Hon. R. F. CLAUGHTON, to the Leader of the House:

- (1) Will he advise—
 - (a) funds allocated; and
 - (b) funds spent;
 in each of the financial years of the operation of the 150th Anniversary Celebrations Committee?

(2) Will he also advise the funds allocated and spent by—

- (a) the Department of Tourism;
 - (b) the Department of Industrial Development; and
 - (c) other departments;
- for the 150th Anniversary celebrations?

The Hon. G. C. MacKINNON replied:

- (1) (a) The total budget allocated by the Government for the 150th celebrations is \$3 150 000.
- (b) 1976-77—\$112 073.93.
1977-78—\$348 527.29.
1/7/78-31/10/78—\$296 840.70.
- (2) (a) to (c) Nil. In the course of promotion and development, the various departments have utilised the sesquicentenary "Way 79" and 150th birthday themes in order to capitalise on press and other media cover of projected events and activities in 1979.

RAILWAYS

Road Buses

416. The Hon. F. E. McKENZIE, to the Minister for Lands representing the Minister for Transport:

- (1) What is the cost of each Mercedes bus recently purchased by Westrail?
- (2) Has this price varied from the original quote given to Westrail?
- (3) If so, would the Minister give details as to the amount, and reasons for such escalation in price?

The Hon. G. C. MacKinnon (for the Hon. D. J. WORDSWORTH) replied:

- (1) The average price is \$110 222 each.
- (2) Yes.
- (3) The basic price quoted was \$85 617 which has escalated to \$110 222. Variations have occurred to the extent permitted under the contract; e.g. increases in local materials and labour rates, variations in design, increases in customs duty and exchange.

TRANSPORT: BUS

MTT: Mirrabooka Station

417. The Hon. R. F. CLAUGHTON, to the Minister for Lands representing the Minister for Transport:

- (1) Has land required for the Mirrabooka Bus Station been transferred to the Metropolitan Transport Trust?
- (2) (a) Have plans for the Bus Station been completed; and
(b) received approval from the Stirling City Council?
- (3) When is it expected construction of the Bus Station will commence?

The Hon. G. C. MacKinnon (for the Hon. D. J. WORDSWORTH) replied:

- (1) No.
- (2) (a) No.
(b) No.
- (3) No date has yet been fixed.

RAILWAYS

Road Transport

418. The Hon. F. E. McKENZIE, to the Minister for Lands representing the Minister for Transport:

- (1) Is Westrail's road freighter service from Perth to Esperance to cease operating?
- (2) If so, would the Minister give the reasons?
- (3) Did Westrail apply recently to the Transport Commission for a permit to carry perishables and operate the service twice weekly?
- (4) Is it the Government's intention to continue through the Transport Commission to protect private road transport operators at Westrail's expense by refusing it permits to operate services which are assured of public support?

The Hon. G. C. MacKinnon (for the Hon. D. J. WORDSWORTH) replied:

- (1) Yes. One of the twice weekly services is to cease as from the 15th November, 1978.
- (2) Insufficient support for the Westrail service and availability of alternative services.
- (3) Yes.
- (4) In accordance with the provisions of the Transport Commission Act, licences will continue to be considered bearing in

mind the adequacy of existing services to meet the reasonable needs of the communities concerned.

EDUCATION

Schools: Organisation for 1979

419. The Hon. R. HETHERINGTON, to the Minister for Lands representing the Minister for Education:

- (1) Will the Minister ascertain whether primary school headmasters are being asked to fill out forms on the organisation of primary schools for 1979, and return them by the 3rd November, when many of them, at least by the 1st November, had not received the Staffing Policy Statement for 1979?
- (2) If these are the facts, will the Minister extend the date for the return of the forms until headmasters have received the policy statement and had time to study it?

The Hon. G. C. MacKinnon (for the Hon. D. J. WORDSWORTH) replied:

- (1) and (2) Copies of both documents have been despatched from the department and, as far as is known, all primary schools have both documents.

TRANSPORT: ROAD

Perth-Hopetoun

420. The Hon. F. E. McKENZIE, to the Minister for Lands representing the Minister for Transport:

- (1) Is the Perth-Hopetoun road bus passenger and freighter service to cease operating?
- (2) If so, on what date?
- (3) Does the Government intend providing an alternative service?

- (4) If so, will the Minister give details, or, if not, why not?

The Hon. G. C. MacKinnon (for the Hon. D. J. WORDSWORTH) replied:

- (1) and (2) The road coach and freighter service between Perth and Hopetoun on Thursdays, returning Fridays, is to cease from the 16th November, 1978. The Tuesday service is being retained.
- (3) and (4) An alternative service for parcels and mails by local carrier already exists. There is insufficient patronage to support a twice weekly service.

EDUCATION: POST SECONDARY

Colleges: Karratha and Port Hedland

421. The Hon. J. C. TOZER, to the Leader of the House:

As the reply to question No. 400 on the 1st November, 1978, related only to the proposed Post Secondary Education College at Port Hedland, whereas the information sought concerned both Karratha and Port Hedland, can the Leader of the House now inform me of the position relative to the interim planning committee for the Karratha Post Secondary Education College?

The Hon. G. C. MacKINNON replied:

The Karratha college will be constructed from State funds whereas it is hoped that the Port Hedland college will be built from Commonwealth grants beginning in 1979-1980. Since the availability of State funds for 1979-80 is not yet known, it has been considered that it would be preferable to defer the appointment of the Karratha Interim Planning Committee until after the formation of the committee for Port Hedland.