Legislative Council

Wednesday, 14 November 1984

THE DEPUTY PRESIDENT (Hon. D. J. Wordsworth) took the Chair at 2.30 p.m., and read prayers.

MEMBERS OF PARLIAMENT

Legislative Council: Dress

THE DEPUTY PRESIDENT: I notify members that I will be signing a notice which will be posted outside the door of the Chamber indicating that members may take off their coats, as the temperature in the Chamber has risen to such a high level.

Hon. D. K. Dans: Can we take them off now?

The DEPUTY PRESIDENT: Members may enter the Chamber without their coats. I do not think it is a good thing for members to leave their coats lying around on the chairs beside them. I would prefer them to leave their coats outside the Chamber.

BILLS (2): ASSENT

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

1. Acts Amendment and Repeal (Disqualification for Parliament) Bill.
2. Acts Amendment (Local Government Electoral Provisions) Bill.

PARLIAMENTARY DEBATES: "HANSARD"

Publication of Extracts: Motion

HON. D. K. DANS (South Metropolitan—Leader of the House) [2.35 p.m.]: I move—

> For the purposes of s.51 of the Constitution Acts Amendment Act 1899 the President is hereby authorised and empowered to permit, on the written application of the Chief Hansard Reporter or the person performing the duties of the Chief Hansard Reporter from time to time, the separate publication of any part or parts of the official record of debates (*Hansard*) where such publication arises from a request by a member and the primary content of that publication comprises words spoken by the member making the request.

Question put and passed.

STAMP AMENDMENT BILL

Assembly's Amendments

Amendments made by the Assembly now considered.

In Committee

The Deputy Chairman of Committees (Hon. John Williams) in the Chair; Hon. J. M. Berinson (Attorney General) in charge of the Bill.

The amendments made by the Assembly were as follows—

Clause 6.

No. 1

Page 2, lines 32 and 33—Delete—

> "15A. The Commissioner shall, after deducting such fee as may be prescribed," and substitute the following—
>
> " 15A. (1) Subject to this section, the Commissioner shall ".

No. 2

Page 3, after line 8—Insert the following subsections—

> " (2) A refund under subsection (1) shall be made only upon application being made therefor and after—
>
> (a) subject to subsection (3), the prescribed fee is deducted from the duty paid;
>
> (b) the instrument referred to in subsection (1) is delivered to the Commissioner; and
>
> (c) such of the following instruments as the Commissioner may call for are delivered to him for cancellation or amendment of the stamp or denotation—
>
> (i) stamped duplicates or counterparts of the instrument referred to in subsection (1); and
>
> (ii) instruments on which the payment of the duty concerned has been denoted.
>
> (3) The Commissioner may waive wholly or in part the fee prescribed for the purposes of subsection (2)(a). ".

Clause 11.

No. 3

Page 5, line 22—Delete "before" and substitute the following—

> " whether before or after ".

No. 4

Page 6, line 23—Delete "before" and substitute the following—

" whether before or after ".

Clause 29.

No. 5

Page 21, lines 8 to 19—Delete the proposed subsection (2) and substitute the following—

" (2) When the total amount secured or to be ultimately recoverable by or under an instrument of security is not in any way limited, the instrument concerned shall be chargeable with *ad valorem* duty at the rate set out under item 13(2) of the Second Schedule on—

(a) the total amount secured or to be ultimately recoverable thereunder;

or

(b) an amount of $2 000, whichever is the greater. ".

Hon. J. M. BERINSON: I move—

That amendments Nos. 1 and 2 made by the Assembly be agreed to.

The amendment proposed to new section 15A is intended to make it quite clear that a refund of duty on a cancelled or rescinded instrument cannot be made unless the particular instrument and any stamped duplicate and connected documents which the commissioner may call for are returned to him.

In addition, it will stipulate that a spoil fee will be prescribed with the commissioner being empowered to waive that fee in whole or in part, depending on the circumstances.

These provisions apply currently in section 15 of the Act relating to the refund of duty in respect of spoiled stamps and it is intended that they apply equally to the instruments referred to in new section 15A.

By way of further elaboration on this point and on the further amendments from the Assembly, I remind the Chamber that, in introducing this Bill, I referred to its considerable complexity and its reliance on some very intensive work by a joint committee drawn from departmental sources and from the private legal profession.

Even after the stage had been reached of having the Bill drafted, further comments were received from the legal profession and also from the accounting profession, and these were taken into account when the Bill was dealt with in the Legislative Assembly.

The purpose of the amendments is to give effect to the suggestions which were then put to the Government.

Hon. G. E. MASTERS: The Opposition supports the amendments. I noted the debate in another place and the explanation given, and the Opposition in that place certainly expressed support for the proposal. Although there is some criticism of our system of two Chambers and of legislation which is very complex going from one Chamber to another, this amendment demonstrates the great value of the system. Although many people, especially Ministers, would rather see Bills proceed with more speed, the time taken at least provides the opportunity for people in the field to make their input, and bring about a reaction at some stage during the debate. This is just such a case and I am sure the Attorney would be very happy with the course of action which has been taken.

Hon. I. G. MEDCALF: The committee to which the Attorney General referred was a committee set up by the Government, but it included representatives nominated by the WA Law Society. These representatives were Mr Darryl Williams QC and Mr Michael Lewi. In addition, there were one or two Government representatives, I think Mr Brown was one, and the Commissioner of Stamps appointed a representative.

The reason for the setting up of the committee was to cure the anomalies which resulted in amendments which had been made to the Stamp Act at the request of the Treasury in 1979. The Law Society set up a committee and complained rather strongly about the terms of some of the amendments which Parliament had passed.

Subsequently when it became necessary to do further work, the same committee was reappointed and the results of the further work have been seen in the legislation which is now before the Chamber and to which the Attorney General refers.

I mention this simply because it is desirable to point out that a report which appeared in *The Sunday Times* about three weeks ago, which said that Mr Darryl Williams had been appointed by the Liberal Party to the Law Reform Commission and to the special committee on stamp duties was completely erroneous. The report appeared in Robert Bennett's column and he made the point that the Department of Premier and Cabinet had furnished him, Robert Bennett, with a list of people who were Liberal Party appointees and that this apparently was in answer to something which appeared in his column a week or two before and which related to Government advisers. It was said that Mr Williams was a Liberal Party appointee to the Law Reform Commission and the special committee on stamp duties.

I thought I should make it clear that Mr Darryl Williams was appointed to this particular committee originally as the nominee of the Law Society, and, being an expert in this field, he did a very good job and we are indebted to him and the other members of the committee for the work that is now before us in this Bill.

Question put and passed; the Assembly's amendments agreed to.

Hon. J. M. BERINSON: I move—

That amendments Nos. 3 and 4 made by the Assembly be agreed to.

The proposed amendments to sections 32(2) and 33(2) of the Act will allow a taxpayer, either before or after the expiry of the 42 days allowed by the law in which to object or appeal, to apply to the commissioner for an extension of time in which to lodge the objection or to appeal against the assessment.

The Bill in its present form requires an application for an extension to be made only within the 42-day period. This is now considered to be too restrictive as the commissioner, should he receive an application after the expiry of the 42-day period, would be bound to refuse the application.

The effect of this would be to nullify the provisions of section 34A of the Act by denying the taxpayer any further rights of appeal to the court against the commissioner's decision to refuse an application for extension.

In the case of an objection, this would also deny him any rights of appeal to the court against the commissioner's decision upon the objection.

Hon. G. E. MASTERS: The Opposition has no objection to these amendments for the same reasons that I gave previously.

Question put and passed; the Assembly's amendments agreed to.

Hon. J. M. BERINSON: I move—

That amendment No. 5 made by the Assembly be agreed to.

The present wording of section 83(2) may cause duty loss by being interpreted to mean that an instrument of security for an unlimited or unspecified amount can be stamped initially with only nominal duty as a deed without stamping as a security to the extent of the amount of the initial advance or indebtedness. Subsequently, provided no further advances are made or indebtedness is increased, the lender may review the position and upstamp the instrument as a security should the need arise to take action against the debtor.

It is important to charge duty on the initial advance or indebtedness, as the operation of subsection (3) allows action for recovery of a debt to be taken only in respect of the amount for which the instrument is stamped to secure. It also provides for the upstamping of the instrument should additional advances be made or further indebtedness occur.

The purpose of the proposed amendment is to ensure that the nominal duty for which the instrument may be stamped is directly related to security duty which will restrict the availability of the instrument to the amount for which it is stamped to secure.

This should ensure that the instrument will be stamped as a security to cover the full amount of the initial advance in order to be protected by subsection (3) against action to recover under the security.

The DEPUTY CHAIRMAN (Hon. John Williams): In case any member was not present in the Chamber when the Deputy President made the announcement, I repeat that if members wish to remove their coats they may do so as long as their coats are left outside the Chamber.

Hon. I. G. MEDCALF: I take it there is to be a minimum amount of $2 000 on which stamp duty is payable?

Hon. J. M. BERINSON: Yes, my understanding is that is correct and the minimum amount dutiable will be $2 000.

Question put and passed; the Assembly's amendment agreed to.

Report, etc.

Resolutions reported, the report adopted, and a message accordingly returned to the Assembly.

LAND TAX ASSESSMENT BILL

Second Reading

Debate resumed from 6 November.

HON. G. E. MASTERS (West—Leader of the Opposition) [2.53 p.m.]: The Opposition does not oppose this Bill but I would like to comment about some aspects of it. It is interesting that there is a degree of retrospectivity in the Bill and it is due to commence operation as from 1 July of this year.

In 1976 the Government of the day—that was the Government I was part of, the Liberal-National Country Party coalition—introduced legislation which exempted from land tax those people who lived on their properties; in other words, their place of residence was taken into account. The maximum area permitted was five acres or two point something hectares. The Act is quite clear; it states that all owners—that is the important part in the present legislation—must

reside on property to obtain exemption. It also says that in regard to property that is owned or partly owned by a proprietary company and partly by a natural person or persons, where all of those natural persons live on the property, that property can be exempted from land tax.

My understanding of the second reading speech and indeed of the legislation is that the Commissioner of State Taxation has made certain exemptions; in other words, I suppose, as I understand it, and as I read the second reading speech, the Commissioner of State Taxation has broken the law by permitting certain exemptions when strictly, according to the law, he should not have done so. In his second reading speech the Minister said he carried out these functions within the spirit of the Act, in other words, based on the spirit of debate in both this House and another place.

What happened was that the Commissioner of State Taxation, instead of insisting that all owners must reside on a property before an exemption from land tax was issued, has taken it upon himself to decide that where one spouse resides on the property and the other has left for any reason, that property is exempted. We could look at the example of a couple who were the owners of a property and who split up for one reason or another and one stays on the property and the other partner leaves. That is a simple example, but I would imagine that that case would be typical of some of the problem areas where a marriage has broken up.

Hon. J. M. Berinson: There is also a very common situation of one of the partners being ill in a home on a long-term basis.

Hon. G. E. MASTERS: Sure, fine; so it is the human aspect that the commissioner has been looking at and even if he may have, strictly speaking, broken the law, I do not think the spirit of the Act as it was passed through Parliament really was damaged. I think the Commissioner of State Taxation did the right thing.

The Minister in his second reading speech also stated that the Commissioner of State Taxation has exempted properties on a *pro rata* basis where there are a number of owners; in other words, where a group of people own land. Let us say that 10 people are part owners of a property and only two or three of them live on that property. In that case the Commissioner of State Taxation has made allowances on a *pro rata* basis. I ask the Minister to give us an explanation of where this could take place. I suppose one could say that some of the properties today are owned by communes and it may be that people go backwards and forwards from these properties at different times and they do not necessarily all reside on that property at the same time. There would obviously be other examples. Again, the Opposition really has no objection to this proposal because we think it is within the spirit of the Act.

I would like the Minister to give some explanation in regard to lending institutions. In his second reading speech the Minister made reference to the requirement of some lending institutions to refuse to advance security on a property unless the guarantor was part owner of that property. I am only guessing, but perhaps I can give an example. Let us assume that a father is standing as a guarantor of a property for his son or daughter. In that case, where the parent is prepared to stand as a guarantor, as I understand it, the lending institution would say, "Righto. Now we need you to be a part owner of the property", but having been registered as a part owner, and because it is recognised that the main interest is from the people who are living on the property—in other words, who are residents on the property—the Commissioner of State Taxation has taken it upon himself once again to exempt the land from land tax.

I would like the Minister to go into a little more detail on that matter and to explain to the House and put on public record what the legislation is really about and if in fact it is a standard procedure for lending institutions to take this action. I did not think it was a standard procedure. I thought it perhaps was the exception.

Under the strict interpretation of the Act as it stands today, the owner must reside on the property in respect of which there is a request for exemption. The owner must have resided on that property from the beginning of the year. I presume that means the beginning of the financial year, in other words, July. At present the law provides that if a person applies for exemption from land tax on a property and he moves from that property in, say, August or October of this year, according to the Act he is not able to obtain exemption because he was not there on 1 July.

I think what the Minister said in the Bill and in his second reading speech was that if I or anyone else were to move onto a property and take up permanent residence on that property I would be able to claim exemption from land tax under this Act for the year beginning 1 July 1984.

I guess that is one of the reasons for retrospectivity being written into the legislation. I just wonder whether that sort of proposition cannot be abused at some time. In other words, what would happen if I were to obtain a property now and reside on that property until, say, 29 May

next year and applied for exemption for the whole year? Am I able to reclaim that tax? I ask the Minister whether I am clear on that point?

It seems to me that the legislation can be abused a little; even so, there is good reason to consider an application in the spirit of the Act. I emphasise the spirit and intention of the Act, because I was so much involved with it when we were in Government. I was involved in the preparing of some of this legislation because I represent areas in the hills where many people own properties of about five hectares or much larger in area. Many of those people were hit hard with land tax. They were permanent residents, but for some reason people with that size block were not exempted from land tax. I have a substantial interest in this matter and I have no objection to what is being proposed by the Government.

Another point I wish to raise is contained in the Bill and the second reading speech. Again, I have some personal experience of this matter. Anyone who wished to seek exemption from land tax had to apply for exemption, year after year, and fill in a form stating that he or she was a resident on such and such block of land, and was making application for exemption from land tax.

I have not made application for exemption from land tax for a few years, and no-one has pressed me on the matter. The point made by the Minister in his second reading speech that the system is now geared to record owners, is a valid argument. Computerisation will mean easy access for the Commissioner of State Taxation to check on ownership and residency of land. In that way the commissioner's time will not be wasted and people will not need to make applications from exemption year after year. To my knowledge I have not applied for exemption for at least two years.

With those comments, I will not oppose the legislation, but would be interested to hear the Minister's answers to the matters I have raised.

HON. NEIL OLIVER (West) [3.02 p.m.]: What Mr Masters has just said is applicable to farming areas in close proximity to the metropolitan area, which originally farmed crops and also ran sheep or cattle.

The price of those commodities today provides such a low return that people on those properties are only able to subsist on 1 500 acres of land. I am referring to areas such as Wooroloo and Wundowie. Properties in those areas were sold as settlement properties, but now it is not possible for people living there to meet the criteria of the land tax department; that is, that their major source of income must come from their farming property.

Like all the farmers and graziers in Australia, these people have adapted to maintaining a standard of living which is at least above the poverty line. They have used some form of investment, either the purchasing of shares or the making of investments, in order to maintain a certain standard of living.

Many of these people are now in the twilight years of their lives and are so-called "asset rich, credit poor". They are reluctant to sell their properties at Muchea or Wooroloo which they have been farming for some 35 to 40 years.

A move has been made for the amalgamation of properties, but frankly with the interest rates which are prevailing at present, a person cannot purchase a property without borrowing funds at a high rate of interest and still make a go of it.

This is a complex issue, as you, Sir, would realise, because of the area you represent. The situation is as clear as the 10 times table. In order to survive these people have to look for areas of investment, or speculation, to at least provide a reasonable living.

I put it to the Minister that he would have called at many farming houses over the years and noted that the farm dwellings in many respects do not compare favourably with the homes in the metropolitan area. The occupiers maintain a reasonable standard of living, but they are subjected to the assets test, because they own property which is not classified as residential property.

Many people have rung me about this matter and I think this area must be considered when drafting future legislation. The land tax department has been fairly reasonable to people. I have taken several cases to the department and I know that the commissioner has certain powers, as provided in the current legislation.

I put it to the Minister that the people who live in the areas of Muchea, Gidgegannup, Wundowie, Wooroloo, and areas south, are faced with this problem. Many are now looking at areas of horticulture to help them overcome the gap. Some have gone into intensive farming and some have undertaken the growth of protea which is a marketable wildflower from South Africa. It has quite a high export potential.

It takes four or five years to bring those crops to fruition. The same time limit applies to mangoes. These people are looking at these diverse crops so that they will be able to intensively farm their small holdings. Hopefully, this will remove the problems that they are experiencing with land tax and they will be able to meet the criteria placed on them by the department.

I draw this matter to the Minister's attention in the hope that he will take some notice of the problem. I do not wish him to solve it today, but I hope he will examine it and, upon examining it, provide some breathing space for these people.

These people, who are in the twilight years of their lives, are in very severe financial circumstances and are very concerned. I feel that if they were moved, after living on those properties for 30 or 40 years, they would lose the urge to live. People cannot be moved at the stage of life that these people have reached.

HON. J. M. BERINSON (North Central Metropolitan—Minister for Budget Management) [3.12 p.m.]: I thank Hon. Gordon Masters and Hon. Neil Oliver for their contributions to the debate and for their support of the Bill. Hon. Gordon Masters began his speech with a comment related to the retrospective effect of this legislation. That really is not unexceptional in the circumstances of this case. I think people normally raise their eyebrows at retrospective provisions when there is a question of imposing novel or unanticipated burdens on members of the public. So far, at least, I have never heard of a complaint about retrospectively reducing a burden. So I do not take the honourable member's comment as a criticism in this respect. I am quite sure that it was not meant to be a criticism.

Hon. Gordon Masters asked some questions amounting, I suppose, to an invitation to provide examples of the sort of situations which are met. I do not know that I can go into any great detail in that the commissioner has not brought to me a statistical analysis of the problems that he has so far faced in what one might describe as a flexible exercise of his discretion. Take, for example, the question of land jointly owned by a number of people who are not spouses. I doubt very much whether the commune type of development is really a significant consideration. My understanding is that far more common situations occur when a residence is owned by a number of members of the one family—sons and daughters of deceased parents, for example, only one of whom actually lives on the property.

The situation may have occurred that the property is passed from the parents to the children and the children have decided that they prefer not to sell it and are happy for one or more of their family to live in it. As I understand it, that is the far more common situation that is covered by this legislation.

Hon. Tom Knight: Not around Denmark.

Hon. J. M. BERINSON: I am sorry, I do not know Denmark as well as I know Mt. Lawley. I do not know whether the member is referring to communes or the basis on which such properties are owned. I am sorry that I cannot help him in detail. Perhaps the honourable member may help me.

Again, I am unable to answer with any authority the question as to whether it is a general or an isolated practice by lending institutions to require guarantors to become registered as co-proprietors of a property which is provided as security. I really cannot go further than the advice I have, which is that some facility is required to meet the problem which sometimes arises.

Hon. Gordon Masters also asked, reasonably enough, whether there might be a scope for abuse in the provision which allows an exemption from land tax where land was owned on 30 June but is not occupied until some time into the following financial year.

I draw the member's attention to the substantial limitations applying to such cases by the provision of this Bill. This is not a concession which will apply to anyone holding a property on 30 June and going into occupation later. It is qualified substantially by the further requirement that the residence to be occupied is a newly constructed residence and that the applicant is the first occupier of it. Further to that, the occupier should not be, on 30 June, in occupation of another property for which he had exemption from land tax.

It seems to me, therefore, that we are really looking to the situation where, on 30 June, taxpayers are living in a house which is not their own but they own their land, have under construction or are about to commence construction of a building on that land, and will be the first occupiers of the new house when it is completed.

It is a fairly limited provision in keeping with our interest to assist people into first homes. This is another small contribution towards that.

Hon. Neil Oliver raised matters relating to farming land. I appreciate that he does not wish me to solve these problems now. That is very understanding on his part because, in any event, I would not be able to solve them even if his expectations had been higher.

The problems which he raised are real enough. However, I think he has acknowledged that they are not really relevant to the purposes of this Bill. I am quite happy to undertake, as he requested, a review of the problem and to see whether something may be done to relieve it.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Hon. J. M. Berinson (Attorney General), and passed.

COMMERCIAL TRIBUNAL BILL

Recommittal

Bill recommitted, on motion by Hon. Peter Dowding (Minister for Consumer Affairs), for the further consideration of clause 21.

In Committee

The Deputy Chairman of Committees (Hon. P. H. Lockyer) in the Chair; Hon. Peter Dowding (Minister for Consumer Affairs) in charge of the Bill.

Clause 21: Power to cure irregularities—

Hon. PETER DOWDING: Last night I did not have the benefit of an officer to give me information. Hon. Ian Medcalf asked whether this clause appeared in any other Act. I was not in a position to assist. We were then driven to rely on the research of Hon. Peter Wells.

In fact words very close to those in this Bill appear in South Australian legislation which has been in force since 1982. I have not been able to find any definitive interpretation of the clause, although there are two cases which interpolate a similar clause from a planning Statute in South Australia.

I believe the appropriate course to take—rather than pass legislation containing what I concede, in the light of the absence of case law, to be perhaps something which will give rise to litigation—is to delete the clause and look at it again more closely. Perhaps before the Bill is proclaimed in the early part of next year we will have an opportunity to examine whether a similar clause ought to be re-inserted.

Clause put and negatived.

Further Report

Bill again reported, with a further amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon. Peter Dowding (Minister for Consumer Affairs), and transmitted to the Assembly.

BUILDING SOCIETIES AMENDMENT BILL

Second Reading

Debate resumed from 6 November.

HON. NEIL OLIVER (West) [3.27 p.m.]: I expect all members will support this legislation, which was initiated by the Court-O'Connor Government. I congratulate the current Government for taking on board all the recommendations which came forward from the review of the legislation. I would also thank the Minister for bringing this legislation forward on the Notice paper to fit in with my personal requirements which preclude me from speaking to the Bill tomorrow.

The major thrust of this legislation is as a result of the Campbell report and various papers issued in respect of that report as it progressed. That was followed by the Martin report which in some ways made the building societies a little more comfortable.

The Campbell report was very much an investigation of the deregulation of our banking system. While building societies were included, it was very heavily weighted in respect of banks. It was also very heavily weighted in respect of the deregulation of banking and the introduction of overseas banks into Australia. These banks are expected to offer innovative and new facilities and banking services which are not currently available in Australia.

There was a mad rush of amalgamation of banks in Australia in view of the competition which had come in from offshore sources.

The building societies felt a lot more comfortable after the Martin report had tempered things a little. All I can say is that the Campbell report certainly did not place the societies in Western Australia in the position of being an unwilling bridegroom at a shotgun wedding.

As I shall explain later, they are certainly not rushing in to become partners with new banks or existing banks in Australia. This Bill will enable the societies to establish healthy competition in the financial market and, if necessary, as unwilling as they may be, each society will take into account its own degree of comfort in respect of taking on a partner, and individually may move towards setting up a partnership with either an existing bank or an offshore bank.

The real point is that the refinement which will enable partnerships with banks is necessary so that building societies have access to banking facilities for the clearing of cheques. A number of inquiries have been made and a great deal of negotiation has occurred among building societies who seek to obtain agency agreements, as it is essential that

they gain access to the cheque clearing system. Members would probably have observed in the Press recently the operations of the Hill Samuel merchant group. I understand it is proceeding to establish the Macquarie Bank, and the banks existing currently in Australia have refused to allow the Macquarie Bank access to the clearing system. As a result, that bank will only be able to use an Australian bank as an agent in various States, where the bank has access to the clearing system.

It is also unfortunate that the Reserve Bank has lent its support to the fact that the clearing system should remain closed to those banks and other financial institutions which wish to use it. The Federal Government will need to attend to this issue in order that new banks and banks which are affiliated with building societies, if that occurs, have access to the clearing system.

I can understand that the building societies may be an unwilling groom at a shotgun wedding, because they already have their own corporate identities. They have their own funding systems and computer arrangements which they would not wish to hook into another banking computer system in a back-to-back arrangement, because of the confidential nature of those systems. Much of that information is not only applicable to the overall management and operations of the building society organisations, but is also applicable to the customer basis which they have.

The building society movement is subject to State laws and it has certainly served Western Australia well. Governments of both political persuasions in this State have endeavoured to foster the building society movement here. Until the present time the building societies in Western Australia have enabled us to attain a standard of living which is almost second to none in the Commonwealth. This move towards deregulation was commenced in August and I can understand that the building societies are eager to know where they are going and for this legislation to be passed and proclaimed expeditiously.

The difference between the operations of building societies and trading banks is that the latter are required to hold 18 per cent in cash in Commonwealth securities, plus 7 per cent in the Reserve Bank. Building societies are not required to do that, but they do keep large sums in liquid forms. In Western Australia currently that sum is in the vicinity of 21 per cent. It has been as low as 18 per cent, but, in many instances, the average is considerably higher than 21 per cent.

I put it to you, Sir, that mortgage property is good security and, indeed, it is equally good as the security banks have in the form of cash in the Reserve Bank.

I am pleased to see that this legislation sets out the role of the building societies advisory committee. In his second reading speech the Minister referred to the Australian Association of Permanent Building Societies and its legislative review committee. In fact, I think that should be the Western Australian Association of Permanent Building Societies.

I am pleased to see that the role of the building societies advisory committee is to be widened in this Bill to enable it to advise on the need and desirability for wider functions for building societies as deregulation grows. Therefore, the building societies will be able to react expeditiously as the process evolves.

I have one criticism of the Bill. I do not wish to be critical of the Government's initiative. Indeed, the Minister referred to the fact that the Bill was a consequence of Government initiatives. There is a great demand for housing loans and it is very healthy that the State and Federal Governments have taken these initiatives. The only concern I have, and it is not really relevant to this Bill, is that I hope, bearing in mind all the booms and busts which have occurred in the industry over time and the fact that the higher the peak, the lower the trough, the Federal Government, taking into account the taxation concessions it wishes to grant, will at least maintain this level so that we do not fall off the peak and roll down into a deep trough.

The Minister referred to greater assistance being given to families on low to moderate incomes. I would like to see a review take place in this respect. Initially assistance will be provided in the areas of low to moderate incomes and probably it would be better if it were provided to those on low to low-moderate incomes.

As you, Sir, would be aware, first home buyers are usually young couples on low incomes. The lower interest rate which is available through terminating building societies under Commonwealth-State housing agreements and through other matching funds provided by lending institutions is provided according to criteria laid down by the Reserve Bank. At present these funds are well used.

As an example of the people who will be helped by this scheme, we can take a law student on a very low income. Once he has graduated and completed his articles his income increases and, when he becomes a partner in a law firm and moves up in the world, his income would go up even more. Inflation must also be considered in

this respect. Regardless of the size of a piece of real estate, it is always regarded as being a gilt-edged investment, particularly if one can obtain a loan at an interest rate below that which is ruling currently.

The Government should examine the loans made by these terminating building societies. A review of this nature should be carried out annually or at greater intervals in order that adjustments may be made as the earning capacity of those involved increases. The period of the loan could be reduced or the monthly repayments increased in order that this money go into a revolving fund to enable more people in these circumstances to meet their ambition to buy their first homes.

This amendment enables permanent building societies to undertake subordinate loans. I am uncertain as to where these loans rank as a creditor in relation to the shareholders or to the first charge creditors. Will they be in the form of convertible notes or debentures? What is it envisaged these subordinate loans will be, and where will they rank as creditors?

The two per cent of aggregate assets phased in over a three-year transitional period of the net worth and risk factor is a very good move. It is a move put forward by the building society movement through its legislative review committee and the building societies advisory committee should be commended for moving in that direction. While banks are required to maintain a level in the vicinity of four per cent, it must be realised that bank lending is generally by way of overdraft and on many occasions those loans are unsecured. In this instance the building societies are not only lending on secured mortgages, but in addition the majority of those mortgages under their trust deed are insured by the Housing Loan Insurance Corporation or similar institutions.

With reference to this continuing credit arrangement there is reference in the Bill, encompassed in the statement by the Minister, to the ability of a society to issue promissory notes. It is necesssary to have this line of credit, and the capital adequacy test flows from the credit Bills we debated in this House some seven or eight days ago. That, including this continuing credit arrangement which was also encompassed within that legislation, overcomes the technicalities that will arise with the use of Visa cards, where suddenly a depositor's account could be overdrawn by $2 or $3. The society would then be in breach of the Act.

What is a very commendable move—and I know the building society movement has been very anxious to have this facility available to it—is the second mortgage market; that is, the buying and selling of mortgages. This is a first-class move and I am very pleased to see it. In fact, it is probably one of the most significant initiatives contained in this legislation.

Sitting suspended from 3.45 to 4.00 p.m.

Hon. NEIL OLIVER: I was speaking about the second mortgage market. Basically, this provision means that building societies will be able to sell mortgages to superannuation funds or other bodies, not just for the purposes of liquidity. For example, there could be orders for the release of other funds.

I have been to several seminars on this matter. I have been to Washington and New York and seen this system. The move with this legislation is one I am pleased to see.

One area of the Bill to which I object is the provision that the societies will be able to develop land in their own right. I wonder whether there is a conflict of interests there. If a building society tenders—as they do—for broadacres then commits itself to the development of that land, during that time the funds will be going out to the development of roads, drainage and sewerage, and all works associated with the development of raw land in residential allotments. Obviously the cost of the outflow of these funds would be capitalised. I know that societies have done this and that some of the moves have been in the vicinity of $5 million which, with societies which hold assets close to $1 000 million, would be like talking in cents.

I know this is subject to the approval of the registrar, but I will not list those approvals in this House or draw any attention to that matter.

We know that there are financial institutions in Australia that are no longer in the market place because they decided to go into activities which their clients were already in, and which put them in a negative cash flow situation. Of course, they are already paying out to their subscribers on the funds that are deposited.

I am suggesting that there is a conflict of interest because, if there were a shortage of funds for housing and if one building society held 3 000 allotments in a project, where would one put one's loans for housing and provide a positive cash flow? One would choose one's own investment. I am a little concerned about that. I can see the merits of deregulation and all that comes with it, and the need for healthy competition, but I think in that particular area it could lead to a conflict of interest.

On the complementary side of this, societies can have flats of their own for rental purposes. At the

moment there would not be anyone in Perth, including the Attorney General, who would bother to invest in flats, because the net capital return on flats at the moment would be lucky to exceed six per cent. If the building society advisory committee has decided to put the provision into the legislation, it shows its public responsibility and commitment to housing.

The procuration fees which were probably brought about by the Finance Brokers Institute of Western Australia, and the amendments to that Act, are acceptable. I just hope they are not applicable to the people buying their first prime residence. I would not expect the first home buyer to pay a procuration fee to a finance broker. I hope that is not the Government's intention.

Regarding the building societies moving into a corporate entity under the Companies Code, I would imagine this is brought about by the fact that they may want to apply for a bank licence or undertake a joint venture. That would be required under the Banking Act. Of course, they would probably still maintain their trustee status, whether or not listed on the Stock Exchange. I think a company has to have 15 years with a profitable balance sheet, and at least $2 million, to be given trustee status. Of course we see Wesfarmers undertaking that at the moment.

The other point I would like to make is the establishment of a share and deposit insurance corporation. Obviously this is self-regulating and is not something that is in competition with MGIC or HLIC. It will probably be used as a type of lender of last resort to building societies. I understand the Minister needs to leave, so I will move rapidly through these points.

Section 32 of the Act says that, where a society secures an overdraft by way of a charge over property, it is desirable for that purpose only that banks, credit unions, etc., would not need to incur the costs of such facilities. Because of the fact that they have already valued the property and will advance another $200, they will either do it by caveat, secured second mortgage, or an extension of the advance of the first mortgage. They do it by valuation in-house, without involving the borrower with all the associated costs of external valuers.

The other point I am a little concerned about is the reason for an independent valuer, when valuing the real assets of any society; that is, its own buildings. I would presume the reason for the provision for an independent valuer is that societies would not want a valuer who is involved in residential housing; they would want one involved with commerical properties.

There is little more I can add to the comments I have made. This legislation has the support of the building societies and their advisory committee.

I congratulate the Government for taking on both the initiatives we brought forward before and since the Campbell report was brought down. We support the legislation.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Hon. P. H. Lockyer) in the Chair; Hon. Peter Dowding (Minister for Planning) in charge of the Bill.

Clauses 1 to 27 put and passed.

Clause 28: Section 60 amended—

Hon. PETER DOWDING: I move an amendment—

> Page 22, line 13 and page 23, line 26—Insert after the figure "$1 000" the passage, "or imprisonment for 3 months, or both".

Hon. NEIL OLIVER: I did not mention it in the second reading debate, but this amendment is the result of a suggestion put forward by the member in the other place who handled the Bill on behalf of the Opposition.

The Opposition felt that the penalties in the Building Societies Act should be the same as those which apply under the Western Australian Companies Code and the National Companies and Securities Commission (State Provisions) Act. The amendments should be incorporated in the legislation and I thank the Government for taking the suggestion on board.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 29 to 42 put and passed.

Title put and passed.

Report

Bill reported, with amendments, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon. Peter Dowding (Minister for Planning), and returned to the Assembly with amendments.

ELECTION OF SENATORS AMENDMENT BILL

Second Reading

Debate resumed from 25 October.

HON. P. G. PENDAL (South Central Metropolitan) [4.15 p.m.]: The Opposition does not oppose this Bill which really seeks to do two things, one of which I think is of some importance and the other not a matter of such importance.

The amendment of least importance, so far as I can ascertain, touches on the period of seven days and the issue of writs. I guess it could be said that it is a minor attack on the rights of the State. However, if that argument were mounted one would be equally entitled to say that it is within our power to prevent that minor attack on the rights of the State by throwing the Bill out. I doubt whether there would be any member from either side of the House who would see it as a matter of such importance and, therefore, I pass from that subject.

The Bill also provides for a change in the voting hours for Senate elections. If we refuse to go along with the Government's request to reduce the voting hours from 8.00 a.m. to 8.00 p.m. back to 8.00 a.m. to 6.00 p.m. we would be in the peculiar position when having a Federal election in Western Australia, because the House of Representatives' polling hours, which are set by the Commonwealth Government, would be from 8.00 a.m. to 6.00 p.m. and the voting hours for the Senate elections would remain at 8.00 a.m. to 8.00 p.m. Clearly, that would lead to an absurd situation whereby a voter at 7.00 p.m. on the night of 1 December could presumably cast a valid vote for the Senate, but not for the House of Representatives.

There is an element of regret in so far as the reduction in voting hours is concerned because it will have a negative effect on certain sections of our community, and it is wrong in principle. However, it is a question of this State's coming into line with other States of the Commonwealth, so I do not think we have any option but to pass the legislation. Indeed, in fairness I would say that the Government had no option other than to ask the Parliament to pass the legislation. To a large extent the Government's hands have been tied in much the same way as the Parliament's hands are tied in the matter.

Members would be aware that members of the Seventh Day Adventist faith and the Jewish faith will be inconvenienced as a result of cutting back the conclusion of voting hours from 8.00 p.m. to 6.00 p.m. on the day of an election.

Hon. Garry Kelly: The benefits will outweigh the inconvenience.

Hon. P. G. PENDAL: Mr Kelly suggests that the benefits will outweigh the inconvenience, which brings me to the question of what are the benefits to be gained by changing the conclusion of voting from 8.00 p.m. to 6.00 p.m.

Certainly none of the benefits is explained in the second reading speech. However, one assumes that it is part of the fairly lame argument that it will produce a quicker result in a Federal election.

Hon. Garry Kelly: An earlier result.

Hon. P. G. PENDAL: Can anyone seriously suggest that the world will stand still or that Mr Hawke or Mr Peacock will be any better or worse off by knowing the results two hours earlier?

Hon. Garry Kelly: The polling officials will get to bed earlier.

Hon. P. G. PENDAL: If that is one of the reasons we are being asked to reduce polling hours, it is a poor one.

I will briefly touch on those people whose religious observances will mean that they will be inconvenienced as a result of this Bill. Perhaps the Minister handling this Bill will know of people in that category who will be adversely affected. In terms of Seventh Day Adventists, it probably inconveniences between 4 000 and 5 000 Western Australians. I have had some mixed advice on this. Some Seventh Day Adventists have told me it is no more than a matter of inconvenience and others have told me that they resent the intrusion into their right to cast a vote in the normal way. Those two categories of constituents will, of course, be required to do postal voting rather than vote at the polling booth. It is true that the capacity of these people to vote will not be affected. However, no reason has been put forward by the State Government as to why we should blindly follow the Commonwealth line, notwithstanding that it is admitted that we are dealing with the polling times for Senate elections and, therefore, it would be an absurdity to have them out of kilter with House of Representatives elections.

Having put to one side the argument as it affects those people with certain religious beliefs, I briefly touch on the principle at stake in reducing the hours of voting. In this day and age I would have thought that we would have been going out of our way, if anything, to increase the number of hours in any given day in which people can cast a vote for a parliamentary election. No argument appears to have been put forward to sustain this action other than that which Garry Kelly provided by way of interjection; that is, we shall at least get a quicker result. I hope the State Government will not follow suit and put forward amendments to the State Electoral Act so that State polling booths close at 6.00 p.m. on the day of an election.

It is quite extraordinary when one considers that Governments of all political persuasions now-

adays go to some extreme lengths in order to ensure that everyone casts a valid vote. They even go to the extent that electoral authorities, particularly in the Commonwealth sphere, devote a substantial advertising budget to persuading all eligible citizens to discharge that responsibility. If the philosophy that we should be giving people a greater opportunity to take part in the democratic process exists in the community, it is a little strange that we are being asked at the same time to reduce the number of working hours.

The Opposition does not intend to oppose the Bill. Indeed, the Opposition has signified its support, both publicly and in another place, because we are in a position where we would be left with the absurdity of different voting hours on 1 December if this Bill were not passed.

With those comments, we support the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Hon. J. M. Berinson (Attorney General), and passed.

WESTERN AUSTRALIAN TRIPARTITE LABOUR CONSULTATIVE COUNCIL AMENDMENT BILL

Second Reading

Debate resumed from 8 November.

HON. G. E. MASTERS (West—Leader of the Opposition) [4.28 p.m.]: I do not intend, nor does the Opposition, to oppose the Bill before the House. However, it is necessary to make some comments. The Bill relates to the ability of the Minister to appoint a deputy chairman to the Western Australian Tripartite Labour Consultative Council. I understand that the Minister of the day, who is the official chairman under the present Act, cannot always attend the council meetings. It is interesting to note the composition of that council: The Minister, who shall be chairman; the director of the Western Australian Government Industrial Relations Service, who is mentioned in the Bill; and eight other persons. I would have thought that it was very important for the Minister to chair these meetings as often as possible.

I remind the House that when the Opposition was in Government I think it was Hon. Ray O'Connor who was responsible for setting up an advisory council. That progressed to the stage where this Government, fulfilling an election commitment, placed in the Statutes the structure and the membership of the Tripartite Labour Consultative Council.

It is important that the Minister attend, but having been a Minister I know that is not always possible.

The Minister and the Government have consistently made reference to the consultative council in their industrial legislation, whether occupational health, safety and welfare, industrial relations, or whatever. I recognise its importance, as does the Minister.

It seems strange to me that the Minister should bring forward this piece of legislation for two reasons, and for one in particular—to enable him to appoint an acting chairman.

Hon. D. K. Dans: A deputy chairman.

Hon. G. E. MASTERS: A deputy chairman. As I understand it, when the Minister is not present, that deputy chairman will attend. Whether it is a deputy chairman or an acting chairman I do not know; I would have interpreted it as an acting chairman in the absence of the Minister.

Notwithstanding that, I understand it is the normal practice that when such committees meet and the regular chairman is not present, a chairman is elected from the membership of the committee. This seems to prove satisfactory in almost every case I know of.

It may well be this is a finely balanced consultative council where as far as possible there is an equality of members between the employer and employee groups. Anyone from either group taking the chair would upset the other group. It may well be it is finely balanced. If that is the case, perhaps it is an indication that all is not as well as it should be in the tripartite council. I could be wrong, but the normal practice is for the members to elect a chairman in the absence of the regular chairman. Perhaps the Minister can tell the House why this is not the case this time.

The Minister may see this as an opportunity to attend on a most irregular basis. If so, it is more than likely the Minister or the Government may place an adviser as the regular acting or deputy chairman. If that is the case, we would have some concern, particularly if that adviser had a strong political bias.

The Minister may well have a deputy chairman in mind to fill the bill and suit the other members. I would assume, with the care and caution he has demonstrated over the last few days, he will be

careful about whom he appoints. I believe there should be a regular deputy chairman in that position.

It is proposed to remove from the council the Director of the Western Australian Government Industrial Relations Service. Members may recall that during the debate on the Western Australian Tripartite Labour Consultative Council Bill, I raised the question of whether it was appropriate for the Director of WAGIRS to be part of that council. The Minister said at the time that the director would be an employer representative.

During the debate on this Bill the Opposition amended the Bill to include on the tripartite consultative council a representative from the new Western Australian Chamber of Commerce and Industry. It was then the Perth Chamber of Commerce. The Minister agreed to this.

Hon. D. K. Dans: That upset the balance a bit.

Hon. G. E. MASTERS: So I understand, with the sensitivity of the tripartite council. The Minister has decided to bring the scales level again and remove the director. Perhaps there has been some pressure on him to do this.

It seems strange to me that any sort of criticism could have been levelled at the Director of WAGIRS.

Knowing departmental heads and directors of departments as I do, it is unlikely they would go against the wishes of their Ministers, and it is unlikely they would vote in a way which would embarrass their Ministers at any meeting, particularly a consultative council meeting. Nevertheless, it seems to be exceptional to someone.

The Minister has said, to save any criticism or embarrassment, "We will bring the thing back to level again". I guess that is the real reason for it. The Minister can confirm that if he wishes.

It seems those are the only amendments of any significance. There is a recognition that the Perth Chamber of Commerce has changed its name, and that is incorporated in the Bill. The Perth Chamber of Commerce is now the Western Australian Chamber of Commerce and Industry (Inc). That is written in the Bill. It is a very small Bill, and it demonstrates the care that the Minister has to take in balancing this consultative council, and in doing so getting the best out of it as far as he is concerned.

Obviously the Opposition will seek at times to persuade the Minister of the day to take certain matters that it raises to the consultative council.

Hon. D. K. Dans: Why not?

Hon. G. E. MASTERS: The Minister is correct. When the Opposition brings matters forward we may well say to the Minister, "We would like you to take this to the consultative council and give our own recognition to the consultative council". As he says, why not? I am sure he would accommodate us with no misgivings at all.

With those few words the Oppositions supports the Bill, but we would like an explanation of those matters which I have raised.

HON. D. K. DANS (South Metropolitan—Minister for Industrial Relations) [4.38 p.m.]: All we are doing is balancing the committee. We are providing for a deputy chairman who will be a Government officer. The consultative council is seen, with the Director of the Industrial Relations Service and myself, as being a little top-heavy with people from the Government. As Mr Masters rightly identified, it would be unusual for the Director of the Industrial Relations Service to vote any differently from the Government's wishes. Almost every member of the tripartite committee saw the Government hand as being a little too heavy.

Mr Masters rightly identified the change of name of the chamber of commerce. The reason for the director coming off was to balance it up. The other reason is that this committee is very different from the committees instituted by Hon. Ray O'Connor. Some of these meetings go on for four or five hours, and many are held in a week.

The practice I have developed is to open the meetings and then let the members select who is to chair the meetings, otherwise I would be stuck in the tripartite council all day. More importantly, it seems to function better when I simply open the meeting or attend mainly at the more critical times so that for the rest of the time it can operate with an independent chairman and work out its own destiny, usually without the need to go to a vote.

As we go down the track with tripartite councils or this so-called consensus approach we will identify other areas that will need to be expanded or deleted. At present all the tripartite committees we have put together are working extremely well, irrespective of what has occurred in this Chamber.

I am very pleased that the Chamber of Commerce and Industry has been added to the tripartite council. In the words of the chamber itself, it is now better informed on what is happening in the industrial relations area, a pretty wide area as Mr Masters will know, being a previous Minister for Industrial Relations.

The amendments are those that the tripartite council itself deems necessary; they might not be absolutely necessary, but it is felt they will allow the council to operate even better than it is now.

As we feel our way along, more people might be added to the council—hopefully not too many because then more juggling would be required.

The council seems to operate best when its members can be left to agree to disagree rather than having to go to a vote.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Hon. P. H. Lockyer) in the Chair; Hon. D. K. Dans (Minister for Industrial Relations) in charge of the Bill.

Clause 1: Short title and principal Act—

Hon. G. E. MASTERS: The Minister has indicated that on most occasions the deputy chairman will chair future meetings, so a degree of permanency seems to be involved.

Hon. D. K. Dans: But the Minister will still chair many meetings.

Hon. G. E. MASTERS: So the Minister obviously will attend meetings selectively when matters in which he should be involved are to be discussed.

Hon. D. K. Dans: He will open most meetings.

Hon. G. E. MASTERS: The Minister indicated that he felt that the departmental officer would be seen as a more independent chairman than the Minister, which surprised me a little.

Hon. D. K. Dans: They perceived that to be the case.

Hon. G. E. MASTERS: We recognise the difficulties the Minister has, but we hope he will attend as many meetings as possible. In the meantime we agree to this amendment which will provide for an almost permanent chairman. It seems he will chair nine out of 10 meetings.

Clause put and passed.

Clauses 2 and 3 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon. D. K. Dans (Minister for Industrial Relations), and transmitted to the Assembly.

LOTTERIES (CONTROL) AMENDMENT BILL

Second Reading

Debate resumed from 30 October.

Point of Order

Hon. G. E. MASTERS: I have already spoken to this Bill. I assumed that the Minister would reply to the questions I raised.

The DEPUTY PRESIDENT (Hon. D. J. Wordsworth): I cannot give the member the call.

Debate Resumed

HON. G. C. MacKINNON (South-West) [4.45 p.m.]: I understand that Hon. Gordon Masters has already spoken to this measure and has asked a lot of questions and is now expecting answers from the Minister. Are the answers to be forthcoming or will someone else be speaking? I thought Mrs Hallahan would speak.

The DEPUTY PRESIDENT: Is the member making a speech?

Hon. G. C. MacKINNON: Obviously, Sir, when one gets up to speak one is naturally making a speech.

HON. D. K. DANS (South Metropolitan—Minister for Administrative Services) [4.46 p.m.]: I was not here when the Bill was debated. I would like to move on to the Committee stage and for Mr Masters to ask his questions again so that I can endeavour to answer them.

Points of Order

Hon. G. E. MASTERS: Sir, am I able to make just a brief statement?

The DEPUTY PRESIDENT: I am afraid the member cannot. He is not in a position to speak again.

Hon. G. C. MacKINNON: Mr Deputy President, do you not think that with all this confusion we should just vote to defeat the Bill? It would seem to be infinitely easier.

The DEPUTY PRESIDENT: That is not a point of order, although the member can make that observation.

Debate Resumed

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Hon. P. H. Lockyer) in the Chair; Hon. D. K. Dans (Minister for Administrative Services) in charge of the Bill.

Clause 1: Short title and principal Act—

Hon. G. E. MASTERS: There is some confusion at the moment. The Minister might recall that he was not here when the Bill was debated at the second reading stage. Hon. Joe Berinson handled the Bill and at the time I raised a host of questions, such as what were the total receipts for the current Instant Lottery.

Hon. D. K. Dans: I can answer you if you sit down.

Hon. G. E. MASTERS: I recall that a series of questions were asked in the second reading debate and answers were not provided in the Minister's reply. I am disappointed with the present confusion, but if the Minister has the answers I will resume my seat.

Hon. D. K. DANS: Let me explain firstly that I did not plan that this Bill should be handled in this way. I can provide Mr Masters with certain information, and if it is not what he is after he can jog my memory. The information that I have been provided with is as follows—

> Monies from the sale of Instant Lottery tickets is at present distributed as follows—
>
> Prize Money—60 per cent.
>
> Commissions Expenses and Agents' Fees—14 per cent (approximately).
>
> Sports Culture Instant Lottery Account at the Treasury—20 per cent up to a maximum of $6m.
>
> Hospital Fund—The balance.

Hon. G. E. Masters: I asked much more in-depth questions.

Hon. D. K. DANS: I will let Mr Masters comment.

Hon. G. E. MASTERS: Much of the information Mr Dans has just provided was supplied in Mr Berinson's second reading reply.

I proceeded much further down the line and asked such questions as: What were the total receipts from the Instant Lottery last year? How much went to sport, culture and the arts, and the hospital fund? What was the cost of administration last year? What was the cost to Government departments and what was the cost of outside advice? What advisers were used within and outside Government? How many applications for grants have been made to the Minister for the Arts for arts and cultural activities? How many of these are for individuals, and how many individual grants have been made apparently in contravention of the Act? Can the Minister explain how the money is dealt with when it is collected and held? Is it invested, as I guess it is, in sensible and productive investments? If so, what happens to the interest from the money?

It may be that the Minister is able to answer some of those questions. They are searching questions and they reflect the attitude the Opposition will take in considering this Bill. Without those answers I could not support the Bill. Perhaps the Minister misunderstood the situation, and I ask whether he is prepared to report progress and get the answers? The next two Bills could be dealt with in a short time.

Hon. D. K. DANS: Before I do that I will read this document. It states—

> The monies required to be paid to the Sports Culture Instant Lottery account are paid quarterly until the total of $6 million is reached. The balance for the hospital fund is paid at the end of the financial year.
>
> Last financial year the following amounts were paid out by the Lotteries Commission:
>
> Sports Culture Instant Lottery Account, $6 000 000; plus $700 000 being the balance of prescribed percentage of monies received by the Commission in 1982-83. Hospital Fund, $14 001 433.

Hon. Gordon Masters is correct in saying that what this Bill proposes is to deduct the administrative costs from the amount of monies normally paid into the hospital fund at the Treasury.

Mr Masters asks who are those persons consulted to advise the Minister as to distribution of the Instant Lottery funds.

To date no consultation has taken place and therefore no payments have been required. However on Crown Law advice because the power to consult was provided in the initial legislation to introduce the Instant Lottery a complementary power to pay persons who may be consulted has been included in this Bill.

Mr Masters has made a similar comment in respect of the use of bodies or Government departments to distribute the Instant Lottery monies.

At present the WA Arts Council and the Department for Youth, Sport and Recreation are responsible for the administrative work involved in allocation of Instant Lottery Funds and the costs incurred in this way have been met from the Consolidated Revenue Fund.

An estimate of the administrative costs of distribution of those monies for 1983-84 is as follows:—

WA Arts Council—$140 000.

Department of Youth Sport and Recreation—$23 663.

It is therefore estimated that the payment of the hospital fund in 1984-85 will be reduced by $93 000 and $190 000 in 1985-86 should the Bill be passed.

The total amount spent on sport in 1983-84 was—$2 649 219.

The total amount spent on culture in 1983-84 was—$3 673 005.

The hospital fund benefited by the sum of in 1983-84—$14 001 433.

No grants have been made to individuals. This is in accordance with advice received from the Crown Law Department. The application forms indicate that only groups and organisations are eligible. All advertising specifies that grants are not available to individuals.

However, despite this some five to 10 people a week write to the Minister for the Arts or enquire by telephone about the possibility of grants to individuals. The Government has also been approached by a number of individuals and organisations, urging it to change the Act to make it possible for individual artists and crafts people to be funded. Some consultation has taken place and it is hoped that a limited number of artists, writers, composers, crafts people and others will be able to receive grants.

It is believed there will be a great number of applicants once this Bill has been passed and proper guidelines have been announced.

The number of applications for funding in 1983-84 for culture was 422, and applications for funding for sports are received at approximately 1 500 per year.

It should be noted that the difference in the expenditure by the Arts Council and the Department for Youth, Sport and Recreation is explained by the fact that the Arts Council has to put on additional staff whereas the Department for Youth, Sport and Recreation utilises existing staff.

I think that answers most of the questions.

Hon. G. E. MASTERS: The Minister has covered almost all of the questions I raised. There is one further point: I understood him to say that no allocation of funds to individuals has been made at this stage but there are about five or 10 applications per week from people seeking funds. I know someone who has recently applied for such funds.

If I owned a small shop or art gallery which was operated under a small business arrangement, and I applied to the Minister responsible for a grant for my business, would I be considered for funding or not? Would the new arrangement take account of that application and allow it?

Hon. D. K. DANS: The Leader of the Opposition is asking whether he would be considered for a grant on application for a private art gallery which he operated for profit. That is a different question from asking whether it would be granted.

Hon. G. E. Masters: Would I get it under the present Bill?

Hon. D. K. DANS: As an individual I do not think Mr Masters would. This Bill sets out to make it possible for individuals to make applications under the proper guidelines. No doubt those guidelines will be set out in regulations and tabled in the Chamber.

Hon. G. E. Masters: You are saying that, as the Act stands, I would not get the allocation but that when this Bill goes through I could?

Hon. D. K. DANS: Yes. Mr Masters could make an application and it would be considered.

Hon. TOM KNIGHT: I also asked some questions when this Bill was presented to the Chamber, and the answers the Minister has given today provide me with more ammunition to use against the target I was aiming at when I spoke. He told us $14 001 433 was granted to the hospital fund. I pointed out that when we introduced the Act it was to be a sports Instant Lottery involving culture and that 10 per cent of the total income would go to sport and 10 per cent to culture. The figure was not given, but Mr Berinson when he handled the Bill said he believed $53 million gross was the correct figure. On that basis, there was a $4.6 million shortfall to sport and culture—2.3 per cent to each—because we went to the maximum of $6 million as against $10.6 million, which would have been 20 per cent.

I would still like to see that happen because financial support for sport and culture is very low. If an amount of $4.6 million were taken from the allocation of $14 million to meet the original intention, it would still mean that $10 million would go to hospitals.

I believe that we introduced this system for a specific purpose and it is now being used for another purpose.

Hon. D. K. Dans: You recall the Bill coming in earlier this year and setting out the changes to the way the Instant Lottery money was to be distributed?

Hon. TOM KNIGHT: I am pleased that the administration costs will be taken out. However, I still believe that, because sport and culture are always short of funds, they should receive the allocation that was originally intended. We know that hospitals are also short of funds; however, the legislation was introduced for the specific purpose of providing funds for sport and culture.

I have received representations from people involved with sport and culture, particularly in country areas, who have been knocked back for grants. The amount of $4.6 million extra would have covered the needs of at least 80 per cent of the people who approached me.

I must say that I was surprised to find that $14 million was allocated to hospitals.

Clause put and passed.

Clauses 2 and 3 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Hon. D. K. Dans (Minister for Administrative Services), and transmitted to the Assembly.

STOCK (BRANDS AND MOVEMENT) AMENDMENT BILL (No. 2)

Second Reading

Debate resumed from 8 November.

HON. C. J. BELL (Lower West) [5.04 p.m.]: The purpose of this Bill is to allow carriers to issue a waybill where the owner of livestock has not provided them with an owner's waybill. The problem has arisen over a number of years where owners leave cattle at other properties and in yards and contact carriers to go to those yards to transport that livestock to a point of sale or a point of slaughter without the appropriate documentation. The carrier is in a position of either illegally carting the cattle without a waybill or of illegally making out a waybill.

Hon. Tom Knight: Or leaving them in the yard.

Hon. C. J. BELL: Yes. Most carriers carry waybills in their trucks and are in the habit of writing out waybills for the movement of stock. It has recently been found to be illegal and so another form of documentation has been introduced which will allow the carrier to legally cart livestock and to legally recover the costs involved in the cartage of livestock.

The waybill system has been in operation in Western Australia for a number of years. It was introduced to prevent the stealing of livestock. However, from the information that I have, I feel that does not warrant its introduction. There does not appear to be any evidence to indicate that livestock waybills have assisted the livestock stealing squad in apprehending anyone involved in the taking of stock illegally.

As a livestock owner, I appreciate waybills for one purpose only; they are a simple way for me, at the end of March each year, to calculate the livestock that I have sold in the previous 12 months for the purposes of filling out my taxation return.

I think this Bill, therefore, continues a piece of bureaucratic nonsense because the Government believes that the existence of waybills assists in the prevention of livestock theft. I bring this matter to the Minister's attention so that he will examine it to see whether, in fact, waybills have any relevance in today's society. I know that producer organisations say that they have. My information is that the livestock stealing squad believes they have no relevance.

As I said, I find them very convenient. In March each year I go to my truck, pull out the waybills, and calculate, in a simple way, the amount of stock I have sold during the previous 12 months. It seems to me, that if that is the only reason for their use, we ought to eliminate insisting on waybills being issued before any livestock is sold. Waybills are usually filled out in saleyards where there is a lot of dirt, dust, and other unsavoury items. They get shoved into pockets. It seems to me to be a terribly messy way of achieving what the Bill seeks to achieve.

HON. TOM KNIGHT (South) [5.07 p.m.]: The original concept for the issuing of waybills was to protect livestock owners from the theft of their livestock. The term used in America is "rustling". On many occasions when I have sold stock, I have organised the stock into yards and have had to leave it to do something else. I have then had to rush back to the saleyards to give the carrier the waybill. This legislation will help the genuine stock carter who arrives at a property and finds that a farmer has genuinely forgotten to leave the waybill. The carter can then issue his own waybill. There would then be no reason for the police or the stock squad to stop that carter and investigate whether he was carrying stock illegally.

I believe that the issuing of waybill books should be recorded. They should be co-ordinated with the numbers on the waybill sheets so that the movement of stock and the carriers can be easily investigated. Without that, there is a loophole

which would allow someone to illegally move stock. He could fill out a waybill and there would be less chance of his being apprehended.

The idea is a good one. It will certainly be of great assistance to the genuine, honest, stock carrier. A great deal of stock and cattle rustling has been going on throughout the rural areas over the last few years. This may give those people an added loophole through which they can continue their activities. They may be able to produce a waybill, even if they have written the waybill themselves. At least if some record of issue of waybills is kept there will be some means of checking the source of the waybill and which carrier may have lent the book to another person or had that book stolen from him.

HON. D. K. DANS (South Metropolitan—Leader of the House) [5.11 p.m.]: I thank the members for their contributions and support of the Bill. I will, as always, convey the matters raised by them to the relevant Minister.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Hon. D. K. Dans (Leader of the House), and passed.

CENSORSHIP OF FILMS AMENDMENT BILL

Second Reading

Debate resumed from 31 October.

HON. P. G. PENDAL (South Central Metropolitan) [5.13 p.m.]: The Opposition does not oppose this Bill. On the surface the legislation is a good move in that it seeks to get rid of the negative cinema classification of "Not Recommended for Children" and to replace it with a rating which in effect becomes the positive sign of "Parental Guidance Recommended". That appears to be in order and to be a good move, with the onus being placed on the parents so that they accept more responsibility and the State accepts less responsibility. To the extent that it puts more onus on parents, I thoroughly endorse the objective of the Bill. However, a number of people to whom I have referred the legislation have some reservations. One such body is the Australian Family Association in Western Australia. Its reservations are based on a suspicion that it may, in fact, have a negative impact on the community.

It must be borne in mind that last year when a number of actions were taken by Governments around Australia with regard to video films, we saw an upsurge in the number of video nasties as a result of those changes. When those changes were explained at the time the community did not envisage them having the effects that they ultimately had. Because of that outcome many people, including the Australian Family Association, look upon legislation of this kind with some reservations and even some suspicion.

However, it is not good practice to reject legislation or seek amendments based on suspicions and the AFA acknowledges that. Therefore, the message from that body is that it will be keeping this matter under very close scrutiny. As a member of Parliament I shall also keep it under close scrutiny and if it is found to have a negative effect when, in fact, it is supposedly intended to have a positive effect, it will be open to people like members of the AFA to take some action.

In so far as the Bill seeks to achieve the end described by the Minister, we support it.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Hon. D. K. Dans (Minister for Administrative Services), and transmitted to the Assembly.

House adjourned at 5.19 p.m.

QUESTIONS ON NOTICE

ABORIGINAL AFFAIRS

Land Rights: Seaman Inquiry

410. Hon. N. F. MOORE, to the Minister for Planning representing the Minister with special responsibility for Aboriginal Affairs:

Further to my question 335 of 25 October 1984—

(1) Will the Minister advise what action is being taken to obtain final returns from the persons and organisations listed in part (3) of his answer?

(2) Will the Minister advise me in writing when all returns have been received so that I may again ask for full details of how funds were spent by persons and organisations making submissions to the Seaman Inquiry?

Hon. PETER DOWDING replied:

(1) I am advised that Mr Bridge's office has despatched a number of reminders to the said organisations, requesting that returns be furnished as per the original condition of the grant.

(2) Yes.

411. *Postponed.*

LAND RESERVES

Abydos and Woodstock

412. Hon. N. F. MOORE, to the Minister for Planning representing the Minister with special responsibility for Aboriginal Affairs:

Further to the Minister for Lands and Surveys' answer to my question 379 of Wednesday, 7 November, will the Minister advise—

(1) Is it intended to lease Abydos and Woodstock Reserves?

(2) If so, to whom are they to be leased and for what purpose?

Hon. D. K. DANS replied:

(1) and (2) No decision has been made to lease Abydos and Woodstock Reserves.

BUILDINGS

Lawson Flats: Sale

413. Hon. P. G. PENDAL, to the Leader of the House representing the Premier:

(1) Is the Premier aware of the pending sale of Lawson Flats on the Perth Esplanade?

(2) Is he also aware of the reported fears that the building may be demolished to make way for a larger development?

(3) Is he further aware that the premises have a National Trust listing and that they housed the Western Australian Cabinet in the years of World War II?

(4) In view of the Government's expanding interest in office accommodation, would the Government consider buying these historic premises and relocating Government offices in them?

Hon. D. K. DANS replied:

(1) to (4) I will have the matter investigated.

PLANNING

Metropolitan Region Planning Authority: South Perth

414. Hon. P. G. PENDAL, to the Minister for Planning:

(1) Is the Minister aware that the City of South Perth has been waiting 27 months one week and two days for a reply from the Metropolitan Region Planning Authority as to the suitability of an area in the Collier pine plantation as a proposed transfer/recycling station for rubbish?

(2) Why has no substantial reply been forthcoming other than—

(a) an MRPA letter of 24 December 1982 seeking clarification of certain points; and

(b) a telephone call from the MRPA to the council on 17 October 1983, responding to the council's letter of 12 January 1983?

(3) Will he investigate why the Health Department and the Department of Conservation and Environment were able to manage favourable replies by 12 October 1983 and 1 February 1984, but that the MRPA is unable to respond?

(4) Will he expedite the matter in view of the imminent closure of the existing Collier tip and the need for urgent alternative arrangements to be made for ratepayers?

(5) Will he also investigate the reason for the delays in dealing with the original approach to the MRPA on 4 August 1982?

Hon. PETER DOWDING replied:

(1) to (5) The matters raised are presently being investigated and I will respond to the member by letter in due course.

ROADS: SOUTH PERTH

Road Rationalisation Study

415. Hon. P. G. PENDAL, to the Attorney General representing the Minister for Local Government:

I refer to the recent deputation he received from the City of South Perth over the road rationalisation study and ask—

(1) Is it correct that the latest meeting between the city and the Minister's special advisory committee has failed to advance the city's desired aims?

(2) If so, will he now consider exercising his ministerial prerogative and agree to the city's request for a six-month trial to test all the key proposals as a total package?

Hon. J. M. BERINSON replied:

(1) and (2) The latest meeting between the City of South Perth representatives and the interdepartmental committee advising me on this matter was held on 1 November last. I understand that the committee is considering its final advice to me on the whole submission and expects to report to me in about a week's time. Upon receipt of that report I will make my determination on all the evidence presented to me.

ROADS

Overlander-Denham Road

416. Hon. P. H. LOCKYER, to the Minister for Planning representing the Minister for Transport:

(1) Does the Minister still expect the completion of the sealing of the Overlander-Denham Road to be in April 1985?

(2) If not, when is completion expected?

Hon. PETER DOWDING replied:

(1) and (2) It is anticipated that the sealing of the Hamelin Pool-Denham Road will be completed in April 1985, provided that delays are not brought about by adverse weather conditions.

PASTORAL INDUSTRY

Lease: Mt. James

417. Hon. P. H. LOCKYER, to the Leader of the House representing the Minister for Lands and Surveys:

(1) Has a final decision been made on the pastoral lease known as Mt. James?

(2) If so, who are the parties to get all or part of the leases?

(3) What party will get the part of the lease that includes the homestead block?

Hon. D. K. DANS replied:

(1) No.

(2) and (3) Answered by (1).

TRANSPORT: AIR

Skywest

418. Hon. P. H. LOCKYER, to the Minister for Planning representing the Minister for Transport: .

(1) Is consideration being given to allowing Skywest to compete on routes other than the ones already allocated to it.

(2) If so, which routes are being considered?

Hon. PETER DOWDING replied:

(1) and (2) The decision to licence Skywest Airlines to operate to Geraldton, Kalgoorlie, Karratha, and Port Hedland was intended to be the first stage in a gradual move towards competitive air services in Western Australia. The most likely second stage would be to allow competition on the Kimberley services. However, no decision on this will be made until an evaluation is made of the effects of stage 1.

If a second operator is licensed to fly to the Kimberley, a similar selection procedure to that used for the current competitive services will be adopted. There is no guarantee that Skywest would be the successful applicant.

419. *Postponed.*

ROADS

North West Coastal Highway

420. Hon. P. H. LOCKYER, to the Minister for Planning representing the Minister for Transport:

(1) What is the proposed programming for widening of the North West Coastal Highway between—

(a) Overlander to Carnarvon;

(b) Carnarvon to Minilya Bridge;

(c) Minilya Bridge to Nanutarra; and

(d) Minilya Bridge to Exmouth?

(2) What is the estimated cost of (a), (b), (c), and (d)?

Hon. PETER DOWDING replied:

(1) (a) The Main Roads Department's programme for 1984-85 provides for widening and sealing shoulders 0.6 m wide over a 31.4 km section starting some 40 km south of the junction with Carnarvon Road; this work will start early in the new year with sealing to be carried out next financial year;

(b) the programme for 1984-85 also provides for reconstruction and priming of a 3.2 km section near the junction with Carnarvon Road; work will start early next year; the current Road Grants Act expires in June 1985; because of the uncertainty of the future levels of road funding, no firm plans have been made for widening the section between Carnarvon and the Minilya River Bridge; however, depending on the availability of funds, a start could be made in the next two or three years on widening an 82.6 km section starting 44 km beyond the Gascoyne River Bridge and extending up to the Minilya River Bridge;

(c) there are no plans for widening between the Minilya River Bridge and Nanutarra; and

(d) there are no firm plans for widening work on this road; widening of a 35.6 km section which is at present sealed 3.7 m and 5.6 m wide will depend upon the availability of funds in the next Road Grants Act.

(2) (a) $215 000;

(b) an order of cost for widening the 82.6 km section including reconstruction of a section approaching the Minilya River is $7.5 million;

(c) an estimate is not available;

(d) an order of cost estimate for widening the 35.6 km section is $1.7 million.

AGRICULTURE

Metropolitan Market

421. Hon. P. H. LOCKYER, to the Leader of the House representing the Minister for Agriculture:

What is the present timetable of the Government for the moving of the metropolitan markets from West Perth to Canning Vale?

Hon. D. K. DANS replied:

No date has been set for the move. An interdepartmental committee with representation from Treasury, Agriculture Department, Metropolitan Market Trust, and the Industrial Lands Development Authority was set up to examine the proposed move. The next meeting is scheduled for the end of November and its report is expected shortly thereafter.

EDUCATION: HIGH SCHOOLS

Exmouth

422. Hon. P. H. LOCKYER, to the Minister for Planning representing the Minister for Education:

When does the Minister expect the Exmouth Junior High School to be raised to the status of a senior high school?

Hon. PETER DOWDING replied:

It is not anticipated that Exmouth District High School will be raised to the status of a senior high school.

However, discussions are proceeding between the Education Department and the Exmouth community on the future possibility of the school providing teaching in a restricted range of subjects at the upper secondary level.

ENVIRONMENT

Monkey Mia

423. Hon. P. H. LOCKYER, to the Leader of the House representing the Minister for Lands and Surveys:

(1) What steps are being taken concerning the freeholding of the Monkey Mia caravan park?

(2) Is it correct that objections have been raised concerning the freeholding of this area?

(3) When does the Minister expect the matter to be resolved?

Hon. D. K. DANS replied:

(1) As advised in answer to question 408 on 9 November inquiries are being made with appropriate authorities as to the acceptability of freehold being granted.

(2) Yes.

(3) It is expected that this matter will be resolved following completion of the present inquiries with appropriate authorities.

MINERALS: NICKEL

Agnew Mining Co.

424. Hon. P. H. LOCKYER, to the Minister for Planning representing the Minister for Minerals and Energy:

(1) What progress has been made with possible assistance to Agnew Mining Co. at Leinster?

(2) If no decision on assistance has been made, when can a decision be expected?

Hon. PETER DOWDING replied:

(1) Discussions between the company and relevant Government authorities are progressing.

(2) It is expected that a decision will be made before the end of the year.

FISHERIES: SNAPPER

Shark Bay

425. Hon. P. H. LOCKYER, to the Leader of the House representing the Minister for Fisheries and Wildlife:

(1) What will be the composition of the committee formed to oversee the snapper fishery in Shark Bay?

(2) What are their terms of reference?

Hon. D. K. DANS replied:

(1) The committee will consist of industry and Government representatives. The WA branch of the Australian Fishing Industry Council has been requested to consider the matter of industry representatives, which will include Carnarvon interests.

(2) Although formal terms of reference have not yet been finalised, the broad function of the working group will be to consider management options for the Shark Bay snapper fishery and recommend future management measures.

HEALTH

Medical Practitioners: Mt. Magnet

426. Hon. P. H. LOCKYER, to the Leader of the House representing the Minister for Health:

What steps are being taken to assist the Mt. Magnet Shire with its present proposal to assist a private medical practitioner in the town?

Hon. D. K. DANS replied:

Assistance in negotiations with shire and mining company.

Use of nursing post for three months while becoming established, thereafter by negotiation.

Direct discussion and advice to the incoming practitioner.

As a private practitioner he will receive information and advice from the State branch of the Commonwealth Department of Health.

The practitioner's responsibility is to make direct inquiry to that department for advice about medical bills which attract Medicare benefits, dispensing doctor recognition and inquiries for travel benefits provided under the IPTAAS scheme.