The Shire of Wanneroo has first-class shire chambers—I am sure the Premier will agree with me because he was privileged to open them officially. It has a very competent staff, town planners, and the like, and up to date it has been able to cope. The shire has called upon and has received the co-operation of a number of Government departments, including the Town Planning Department. I believe it is a reasonable expectation that the shire can continue to gain the co-operation of Government authorities. I see no reason at all that the Shire of Wanneroo should not continue to develop as the occasion warrants. It has the skilled staff to cope with expansion. I do not believe this area should be excised from the shire. It is akin to chopping off a person's arm and saying, "You manage without it now."

I wish to raise another query in relation to the 80,000 acres which includes, as far as I am aware and the Minister will correct me if I am wrong, the Yanchep National Park. I am not quite sure of the acreage, but I believe it is in the vicinity of 15,000. However, whether it is 15,000, 10,000, or some other area, I would like to know whether this national park —an "A"-class reserve—will be handed over to the proposed Salvado development corporation.

This park is a nice playground, and we have heard so much tonight about the development of tourism, recreation, and matters of this type. And yet here the Government is saying, "Let us get rid of the National Parks Board's jurisdiction over the Yanchep National Park, and hand it over to the Salvado development corporation." As far as I know this is what the Bill says, and it is shown in the plan. The Town Planning Department plan which was tabled did not show very much detail —it gave us just a general indication; not even the shire boundaries were shown. I would like to know a little more about the proposals for the Yanchep National Park.

We should approach the shire and say, "We now desire to build a township four, five, or 15 miles from Wanneroo, for certain purposes." We should let the shire cope with this development, and if it is unable to do so, it should be brought into a joint venture. The shire should not be left out in the cold as the Bill proposes. A joint venture could bring in the shire so that all representatives could meet around the one table. The shire would still have jurisdiction over the area in respect of rates and the usual civic responsibilities. The joint venture could decide on the planning for a particular area.

Because of my confidence in the ability of the shire, I do not believe it would have to seek technical assistance. However, it has not even been asked whether it could do it. It has been bypassed and told, "Under this legislation this 80,000 acres will be taken from you", and I realise that 10,000 acres will come from the Shire of Gingin immediately to the north. No consultation has taken place—this is a straight takeover. It seems to me to be unduly dictatorial, and I do not like the principle. At the moment I am not speaking about the Bill itself, but merely about the principle in the proposals.

I compliment the member for Dale for his exhaustive research on this matter and the manner in which he dealt with the Bill. He made the suggestion that it should be withdrawn to enable the Government to have another look at it. So many protests have been received about it, not only from local authorities, but also from other bodies, that it appears its only proponent is the Federal Government. The call has gone out to the State Governments, and they have said, "Okay, we will draft our legislation on the principle laid down by the Commonwealth Minister. He will have a say in what is going on all the time." I suppose that is reasonable enough if the Commonwealth Government is to supply the money. However, the local authorities and the ratepayers within the local authorities, will have no say whatsoever.

Because we are dealing only with the Land Control Bill at this time, I will confine my remarks to that legislation. Without any hesitation, and with as much vigour as I can command, I oppose the Bill.

Debate adjourned, on motion by Mr. McPharlin.

House adjourned at 10.56 p.m.

Legislative Council

Thursday, the 29th November, 1973

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 2.30 p.m., and read prayers.

BILLS (6): ASSENT

Messages from the Lieutenant-Governor received and read notifying assent to the following Bills—

1. Alumina Refinery (Worsley) Agreement Bill.
2. Iron Ore (Cleveland-Cliffs) Agreement Act Amendment Bill.
3. Industrial and Commercial Employees' Housing Bill.
4. Totalisator Agency Board Betting Act Amendment Bill.
5. Museum Act Amendment Bill.
6. Maritime Archaeology Bill.

QUESTION WITHOUT NOTICE

EXCESSIVE PRICES PREVENTION BILL

Debate: Continuation and Completion

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

As the Excessive Prices Prevention Bill was given high priority on the notice paper yesterday, and in view of the fact that it has been placed fairly low on the notice paper today, I am wondering whether the Government is anxious to continue and complete the debate on this measure?

The Hon. J. DOLAN replied:

My Minister who is handling this Bill informed me yesterday he had to have inquiries made concerning questions asked on this subject by members on the other side of the House, and until he gets the answers he is not ready to go ahead with the Bill. As Leader of the House I therefore thought it desirable, in the interests of good debate, to accede to his wish.

The Hon. S. J. Dellar: That would be the normal state of affairs, would it not?

The PRESIDENT: Order!

COMMONWEALTH POWERS (AIR TRANSPORT) BILL

Second Reading

Debate resumed from the 28th November.

THE HON. D. K. DANS (South Metropolitan) [2.42 p.m.]: I support the Bill introduced by the Government. I was prepared to speak on it last night but Mr. Arthur Griffith caught your eye, Mr. President,—or the eye of the Deputy President —before I could do so. To some extent I am rather glad he did, because the honourable member made a substantial contribution to an extremely vexed question.

I must admit that other Opposition members who have spoken to the Bill have not impressed me a great deal, but I exclude from those Mr. Withers, because unfortunately I did not have the opportunity to hear him speak. That may have been my bad luck or good fortune—I do not know which.

It appears to me that the Bill we are debating is one which seeks to allow the Government to look at the proposition of whether or not TAA should enter the north-west air services. I think Mr. Claughton put forward a very good case in support of such a move. A number of speakers made many strange observations, if I may say so, but I do not want to be pernickety. Mr. Clive Griffiths stated that the giant TAA was coming into this State to crush poor little MMA.

The Hon. Clive Griffiths: I never said that at all; I never said anything about a giant.

The Hon. D. K. DANS: One usually relates the word "giant" to the story of Jack and the Beanstalk. The honourable member also made another proposition; namely, to allow air charter operators to come into the field of transporting goods by air.

The Hon. Clive Griffiths: That was an excellent idea.

The Hon. D. K. DANS: I think there would be as much opposition to that proposition as there would be to the entry of TAA into this State.

I will touch briefly on the comments made by Mr. Logan and Mr. Medcalf at a later stage, because a certain amount of confusion seems to exist. Late in the debate last night Mr. Arthur Griffith suggested an inquiry should be held. Perhaps an inquiry should be held; but I should have thought, after all aspects of the two-airline system had been considered by the previous Federal Government and it had decided—after many hours of study—the time was right for the introduction of such a system into Western Australia, that the State Government of the day would have been able to institute the inquiry that has been suggested.

The Hon. A. F. Griffith: Has the Federal Government made a decision as to the time the two-airline system will commence to operate?

The Hon. D. K. DANS: Mr. President, I rarely interject, as you know.

The Hon. Clive Griffiths: Only when somebody is speaking.

The PRESIDENT: Order! Order!

The Hon. D. K. DANS: I think we have to consider a number of points.

The Hon. A. F. Griffith: Without answering the question.

The Hon. D. K. DANS: For the edification of the Leader of the Opposition, I will answer the question as I go along.

The Hon. A. F. Griffith: Will you promise to answer that one before you sit down?

The Hon. D. K. DANS: I will not promise to answer anything that has been asked by the Leader of the Opposition today; maybe on another day. Many Opposition members have quoted facts and figures.

The Hon. J. Dolan: Presumed facts and figures.

The Hon. D. K. DANS: Yes, as my leader has suggested, presumed facts and figures. Every speaker in this Chamber who has already spoken to the Bill has had a choice of two methods of operation. It is much the same as having two tins of white paint—one with "TAA" marked on it, and the other with "ATI" marked on it—and having to decide into which tin

one will place one's brush before starting to paint. I might say that all the speakers have had to rely on information received from the parties concerned in this issue.

The Hon. W. R. Withers: That is incorrect; I did not use that information in my speech.

The Hon. D. K. DANS: I thought the Leader of the Opposition pointed to this rather forcibly when he said he did not have the information available to him. Many cases have been cited in support of a number of propositions put forward. To put Mr. Withers at his ease; he did read his speech, but not very fully, and I am disadvantaged by having missed hearing it, but then of course, I may have been lucky —I do not know.

The Hon. A. F. Griffith: Will you do something for me?

The PRESIDENT: Order!

The Hon. D. K. DANS: Mr. President, I can only answer one person at a time; and at the moment I am experiencing difficulty in having to listen to my leader telling me a few things, while the Leader of the Opposition is interjecting about something else. However, I am making the speech and I will continue to do so without the assistance of anybody in this Chamber.

The Hon. A. F. Griffith: I wanted you to tell the gentleman sitting next to you not to mutter.

The PRESIDENT: Order! I realise this is an extremely vexed question, but I ask for the indulgence of members to allow Mr. Dans to make his speech. In effect, members are making more than one speech and, according to the Standing Orders, they are entitled to make only one.

The Hon. D. K. DANS: Thank you, Mr. President, and I might state that this is my first. Like other speakers in this debate I will be obliged to refer to notes. I do not like doing this because I am not very proficient at it.

Many Opposition members have referred to the fact that no economic study—at least none of a type which would reveal the effects on MMA of a two-airline operation—has been undertaken. This is incorrect. Prior to seeking the agreement of the Liberal-Country Party Cabinet of the last Commonwealth Government, Senator Cotton, the then Minister for Civil Aviation, asked the Department of Civil Aviation to check the economic effect on MMA of TAA's proposal. The Department of Civil Aviation did this and as a result of its advice, the Liberal-Country Party Government agreed to legislate for TAA's entry.

Studies done by the Department of Civil Aviation show that measured by any reasonable standards the traffic and revenue on the Perth-Darwin route had by that time reached a level where competition could safely be introduced without serious financial detriment to MMA.

At the present time the traffic and revenue existing on this route is well in excess of the level existing when Ansett was allowed a half share of TAA revenue on the Adelaide-Darwin, Brisbane-Darwin and Port Moresby-Bougainville routes.

I repeat that Ansett was allowed a half share. I emphasise again that TAA is not asking for anything like a half share in MMA's total revenue-producing operations. It is, in fact, asking for 12½ per cent. of its total operations.

Mr. Logan referred to the discrepancy in the various statements made about the number of services per week to be provided by TAA. Currently MMA operates seven return services per week to Darwin via Port Hedland, Broome, Derby, and Kununurra—one every day. Not all south-bound services call at Kununurra. If Mr Logan had bothered to read thoroughly TAA's presentation he would have understood its proposal, which is clearly outlined.

TAA will operate three services a week to Darwin via Port Hedland, Broome, Derby, and Kununurra, calling at Kununurra on each service both north-bound and south-bound. If MMA chooses to retain F28s and chooses to operate on the remaining four days a week there will still be seven services a week. If MMA chooses to operate DC9s on three days a week which would provide the equivalent seating capacity of four F28 services, TAA would provide a fourth DC9 service or share a seventh service to preserve the daily frequency.

The Hon. L. A. Logan: Were you in the office when TAA talked to us and told us they would do three services?

The Hon. A. F. Griffith: You will not get an answer from him.

The Hon. L. A. Logan: I will not have him twisting my words.

The Hon. D. K. DANS: The Government would opt for the latter alternative, but depending on what arrangements were finalised between the two airlines, TAA could finish up operating three services per week, 3½ services per week, or four services per week; and so could MMA.

The Hon. L. A. Logan: TAA told us in our office that it would do three services.

The Hon. D. K. DANS: I was not there, so I cannot comment on that. Mr. Logan and Mr. Medcalf see this Bill as a simple means to confiscate, for the Government airline, business built up and enjoyed by MMA. Mr. Medcalf in particular went on to describe his approach to competition. He said—

> Where there is competition we usually get the best results for the public, but competition must be on fair terms.

He also said—

> I believe there must be some means of rationalising services and ensuring the public is given the best service.

We are proposing competition between two airlines with the aim of securing the best results for the public.

The Hon. I. G. Medcalf: You do not know the end result.

The Hon. D. K. DANS: We are aiming to introduce that competition slowly; phasing it in initially on one route which accounts for only 25 per cent. of the total revenue, and finally to a maximum extent of half that 25 per cent.

There are two ways this can be done. Either we could allow TAA or MMA to operate as and when it likes, or we could allow it to operate on alternative days. The first way would undoubtedly result in parallel operations; that is, similar departure times with both aircraft running less than half full. This obviously would be a waste of resources and would be extremely costly. It is just the sort of thing that could result in higher air fares.

The second way would eliminate parallel operation and would result in aircraft being fuller and therefore operating more profitably than under the first system.

The second way, proposed in the Bill, meets all the requirements of the Opposition for intelligent, planned competition, and in addition the public has a clear choice of airline.

The Hon. I. G. Medcalf: Who wrote your speech for you?

The Hon. D. K. DANS: Each airline can compete on equal terms for the public favour and the amount of business enjoyed by each will depend on the quality of the service it provides.

The Hon. A. F. Griffith: Where is that in the Bill?

The Hon. I. G. Medcalf: Are you reading those notes?

The Hon. Clive Griffiths: Has Mr. Hunt given you permission to read your speech?

The Hon. I. G. Medcalf: What about Standing Order 72?

The Hon. D. K. DANS: If anyone wants to make such remarks, I am equal to the occasion and can apply the Standing Order to all situations.

The Hon. I. G. Medcalf: You are certainly not applying it now.

The Hon. D. K. DANS: MMA has been called a Western Australian company but it is not; nor is it a separate company. It is a small segment of a large organisation called Ansett Transport Industries (Operations) Pty. Ltd.

The Hon. D. J. Wordsworth: Manned by Western Australians.

The Hon. D. K. DANS: I do not know what that has to do with it. ATI controls all the airline activities of Ansett, plus Pioneer Tours, Gateway Inns, and road freight activities. ATI (Operations) Pty. Ltd. holds the airline licenses for all the air routes operated by Ansett, including interstate licenses and intrastate licenses in New South Wales, Queensland, South Australia, and Western Australia. This company had airline revenues of $156,000,000 last year, with gross assets totalling $131,000,000, and employing airline staff of just under 9,000 people.

TAA's revenue from airline operations last year was $132,000,000, some $24,000,000 less than achieved by Ansett. This difference primarily results from the monopoly operations by Ansett in Western Australia. TAA's initial proposal is to have access to some $2,000,000 of this $24,000,000 difference, with a gradual phase-in to other routes.

The DEPUTY PRESIDENT: Order! The honourable member appears to be reading his speech in contravention of Standing Order 72 which stipulates that speeches shall not be read except when Bills are being introduced.

The Hon. D. K. DANS: I hope that particular ruling is upheld in the future and I most certainly will ensure it is.

The Hon. J. Heitman: You are going to run Parliament are you?

The Hon. D. K. DANS: I am looking at notes. I am certainly not reading my speech. I have copious notes as I said when the President was in the Chair. Every member, with some exceptions, who has spoken on this very vexed question has had to use notes. Mr. Arthur Griffith used notes and did exactly the same as I am doing now. I do not consider that on such a vexed question involving facts and figures, we should be relying on other people to give us the information.

The Hon. I. G. Medcalf: I did not have any notes.

The Hon. D. K. DANS: I said, "with some exceptions".

The Hon. A. F. Griffith: I agree with what you say.

The Hon. D. K. DANS: Your ruling, Mr. Deputy President, has put me in a difficult position because I am the last speaker. I am not extremely happy about the situation. I did not challenge the right of previous speakers to refer to notes.

The DEPUTY PRESIDENT: Order! I point out that I have not objected to any member speaking from notes. The honourable member may resume.

The Hon. D. K. DANS: I want to put the House at rest. I made the point when I commenced that I would refer to notes. I said I did not like doing so and that I am not good at it. I made that statement

before you resumed the Chair, Mr. Deputy President. I am not *au fait* with the whole issue. No-one is. If we were, we would not be talking about it now. The matter would have been resolved.

The Hon. A. F. Griffith: I agree that there are times when we must all use notes—sometimes quite copious notes.

The Hon. J. Heitman: You can get permission too, you know.

The Hon. D. K. DANS: I do not think we should go that far. I think you are aware, Mr. Deputy President, that I very rarely use notes when I am speaking.

It is obvious to me that, in the fullness of time, TAA will in fact operate in the north-west. It is just a matter of when and how. I become a little confused with the Opposition because on a previous Bill the other day it pleaded very successfully for the right of a hawker to compete against the local storekeepers in the district. Until Mr. Arthur Griffith spoke on this subject I was concerned that the Opposition was pleading for the right of MMA, and to keep TAA out of the north-west. The Leader of the Opposition said that this was not so.

The Hon. A. F. Griffith: It was not so.

The Hon. D. K. DANS: He suggested that maybe some—

The Hon. A. F. Griffith: Surely you will agree that I stated an independent point of view on the matter. I did not favour anyone.

The Hon. D. K. DANS: I said that at the outset.

The Hon. A. F. Griffith: Your statement was that members had spoken that way.

The Hon. D. K. DANS: I said that until Mr. Arthur Griffith spoke that was the situation. I have a completely different picture now, and I am glad the President did not catch my eye last night because if he had, maybe I would have made a speech different from the one I am trying to make now.

On looking at all the material that has been supplied to me by both sides—and I am now dipping in the TAA pot—it appears that all the requirements have been met. I daresay that by referring to the map to which Mr. Withers referred, I could have done as good a job for TAA as he did for MMA.

The Hon. W. R. Withers: You could not, you know.

The Hon. D. K. DANS: That, of course, will remain a supposition. We must get out of our heads, however, the fact that TAA is endeavouring to enter the field in Western Australia against MMA; because this will be an extension of the present two airline system which has worked to the benefit of the Australian community as a whole from the rest of the States of the Commonwealth into Western Australia.

The question we must resolve is whether now is the time to give the present Government the power, after investigation, to allow TAA to operate in the north of Western Australia. The question that TAA will enter would not be mandatory for next week, next year, or the year after.

The Hon. W. R. Withers: The Premier has agreed with TAA.

The Hon. D. K. DANS: I am not concerned with what the Premier has said. If Mr. Withers knows what the Premier has said then he is very well informed.

The Hon. W. R. Withers: We are.

The Hon. D. K. DANS: I come now to a number of statements that have been made on both sides of the House.

I took the trouble to obtain—as no doubt have other members—a photostat copy of the very important sections of the Australian National Airlines Act. I refer particularly to section 19(d), which appears to give to the Commonwealth some power to enter the trade with or without the State Government's permission. So far as I am concerned I would prefer to see TAA enter this service with the permission and the blessing of the Government of the day. I now quote as follows—

> The incidental power in TAA's Act enables it to carry a small volume of intra-state traffic on an interstate flight where the intra-state traffic is incidental to the main carriage.
>
> So that on a flight operating Perth-Port Hedland-Broome-Derby-Kununurra-Darwin TAA could carry some traffic from Perth to the three stopping places in W.A., but such traffic would need to be less than and thereby incidental to the Perth-Darwin traffic.
>
> Average daily traffic from Perth to Darwin is 13 passengers and between Perth and Port Hedland, Broome, Derby and Kununurra is 84 passengers—but under its incidental power TAA could accept only a small number of these 84 passengers offering—it could only take say 12 of these, one less than the traffic carried from Perth to Darwin.
>
> TAA's DC9 aircraft would be forced to leave Perth with only 25 passengers and 75 vacant seats, whereas with rights to intrastate traffic as provided by this Bill and as possessed by MMA, TAA's aircraft could uplift the full 97 passengers offering.
>
> That is why this Bill is necessary to allow economic operation and equal competition between the two airlines.

We have established the fact that this will be an extension of the two airline system; if the Government agrees, and only if the Government agrees; and I refute the suggestion that it is handing over power to the Commonwealth.

The Hon. W. R. Withers: Have you read the title?

The Hon. D. K. DANS: I have. To extend the argument a little further, we may as well say that we do not want the Department of Civil Aviation in the north-west. I do not think the Department of Civil Aviation is moving like some creeping hoard of grey socialism to take over the north-west; and I do not think that TAA operating through the centre of Darwin will be taking over Western Australia.

To digress for a moment, when I used the flight to Sydney some years ago there was a slogan which said, "Chance it with Ansett". This was when ANA was operating.

The Hon. G. C. MacKinnon: You are going back a few years. Was that when they had elastic in their aeroplanes?

The Hon. D. K. DANS: They used to wind it up before they took off! They had extremely cheap fares and, as a consequence, the people gradually gained some confidence in the airline and as it was cheaper they decided to fly Ansett and chance it. They finally began taking over ANA. I do not want to get mixed up with the Butler airline business; Mr. Withers would know all about this.

The history of the two-airline policy is not one of TAA gaining only by obtaining access to ATI routes. On October the 15th, 1961, Ansett Transport Industries gained access to the Adelaide-Darwin and Brisbane-Darwin trunk routes which previously had been operated solely by TAA. At that time the annual Darwin-Adelaide-Darwin route generated just under 12,000 passengers a year. This compares with over 40,000 passengers per annum on the Perth-Darwin-Perth route.

In 1972-73 ATI earned revenue exceeding $5,000,000 on the Adelaide-Alice Springs-Darwin and the Brisbane-Mt. Isa-Darwin routes. ATI gained access to the Moresby-Bougainville route on September the 26th, 1969. Previously this had been a sole TAA operation. In 1972-73 ATI earned over $1,000,000 on this route which was passed to Air Nuigini in November by both TAA and ATI.

The Hon. I. G. Medcalf: Who wrote that?

The Hon. D. K. DANS: I do not know. Substantial passenger and cargo on-carriage business was gained by ATI in both these instances.

The Hon. I. G. Medcalf: Who are you quoting?

The Hon. D. K. DANS: I think everyone knows this has been a constant battle over the years, and the remaining area in which we do not have the advantage of a two-airline system is in the Perth-Darwin area.

Several members interjected.

The Hon. D. K. DANS: There are a number of members who seem to be advancing more valid arguments when I am speaking than they did when they were on their feet. I am, however, grateful for their interjections.

The Hon. G. C. MacKinnon: We are impressed by the good job you are making of the Minister's second reading speech.

The Hon. I. G. Medcalf: The extraordinary thing about it is that we do not know who wrote that.

The Hon. W. R. Withers: It is better than the Minister's second reading speech.

The Hon. D. K. DANS: I am extremely happy to hear that.

The Hon. W. R. Withers: You are giving us more information.

The Hon. D. K. DANS: Mr. Medcalf was not in the Chamber at the time I said it was necessary and desirable to quote from the notes that had been supplied to me. I agree with Mr. Arthur Griffith that there has been no shortage of material, and its supply, of course, depends on the side of the House on which one sits. It is only a matter of sifting the material and making it available.

The Hon. G. C. MacKinnon: You have checked the validity of the material?

The Hon. D. K. DANS: I have checked the validity of this material to the same extent that the members opposite check the material that they use. I would have thought that this was the idea behind the suggestion made by Mr. Arthur Griffith; that some inquiry should be held. My argument is that when the Liberal Party was in Government it should have sparked off that inquiry straightaway.

The Hon. W. R. Withers: You won the election two months after Senator Cotton presented his ideas to the Commonwealth Government.

The Hon. A. F. Griffith: Did you get that point, Mr. Dans? You won the election two months after Senator Cotton presented his ideas.

The Hon. W. R. Withers: It was just under two months actually—six weeks.

The DEPUTY PRESIDENT: Order!

The Hon. D. K. DANS: The previous Government had plenty of time—

The Hon. A. F. Griffith: You can stretch long bows when you want to.

The Hon. D. K. DANS: It is very late in the debate that the soft shoe shuffle takes place. The debate is going in one direction and suddenly, out of the blue, comes a completely different concept.

The Hon. W. R. Withers: I thought you were going to do a soft shoe shuffle.

The Hon. J. Dolan: That is the 15th speech you have made.

The Hon. D. K. DANS: Where do we stand? We are trying to give the Government the power to examine the situation, and the Government has given a whole

host of assurances as to what will happen if and when TAA enters into service in Western Australia. The Opposition in this Chamber, once again assuming the role of Government and protecting the rights of the few against the interests of the many, says we cannot do that. I have heard statements that the people in the north-west do not want a second airline.

The Hon. W. R. Withers: They do in some cases.

The Hon. D. K. DANS: The honourable member would be a better authority on that than I am, but when I look at *The West Australian* of the 24th November, I notice an item concerning the Port Hedland Shire Council under the headline, "Hedland backing for TAA". I would imagine that is the biggest centre in the North Province.

The Hon. W. R. Withers: Do you know that other councillors in Port Hedland do not agree with that statement?

The Hon. D. K. DANS: No I do not.

The Hon. W. R. Withers: That is so.

The Hon. D. K. DANS: I am quoting from a Press cutting and, as I have said previously in this Chamber, I, like any other member, am always very happy to criticise the Press from time to time when it does not report what I say; and when I see anything in the paper with which I agree I, like anyone else, am always happy to quote it.

The Hon. W. R. Withers: Do you know the president—

The Hon. D. K. DANS: No, I do not know him and I do not want to know him. I am speaking about a statement which appeared in *The West Australian* of the 24th November. It appears to me that the previous Federal Government had examined all the factors and obstacles put forward by the Opposition in this Chamber and had come to the conclusion that after all these years the time was ripe to extend the two-airline system into Western Australia.

The Hon. W. R. Withers: It was conditional and this Government has not met those conditions.

The Hon. J. Dolan: To whom are we listening?

The Hon. D. K. DANS: The Government has given all the assurances—

The Hon. W. R. Withers: It has not.

The Hon. D. K. DANS: It has given all the assurances and the Opposition, again assuming the role of Government, asserts that we are dictating what Western Australians will or will not have; whereas all we are asking is that this Government or any future Government be given the right to say "Yea" or "Nay" to the proposition. As I read the proposition, it also gives the okay to cancelling the role of TAA if the service falls off.

No doubt it was the Department of Civil Aviation which made the examination, and it was only incidental who happened to be the Minister in the Government at that particular time. Does anyone really think that any Government would have come to the conclusion after all these years that the time was ripe if in fact it was not ripe, subject to any conditions one cares to place upon it?

The Hon. W. R. Withers: It could not have been D.C.A. It would have had to be an independent authority.

The Hon. D. K. DANS: Mr. Withers, as usual, has got himself wound up like a top spinning in the wrong direction. I said—and I repeat for his benefit—that the then Minister, as well as the present Minister, would no doubt be led by the Department of Civil Aviation in coming to his decision. I do not know whether Senator Cotton set up an independent inquiry. I do not know whether the present Minister has made an independent inquiry. I do not know that there has been any inquiry other than the one made by Senator Cotton.

The Hon. W. R. Withers: Are you saying D.C.A. is incompetent?

The Hon. D. K. DANS: This is the position, and this is the kernel of the matter: the then Minister decided the time was ripe, and one can put on it any conditions one likes. The present Government has followed up that decision by putting the proposition to the State Government. The State Government has presented this Bill asking for the powers.

The Hon. W. R. Withers: It has not carried out the conditions.

The Hon. D. K. DANS: I have only the word of Mr. Withers for that.

The Hon. W. R. Withers: Check Federal *Hansard*.

The DEPUTY PRESIDENT: Order, please!

The Hon. D. K. DANS: Where are we going from here? Are we having a stalling match? We have seen a complete change in the opposition to the Bill since the time the Leader of the Opposition spoke, and I think it was a very good speech. However, we see the same thing again, where the interests of the few are being played off against the interests of the many.

The Hon. W. R. Withers: Rubbish!

The Hon. D. K. DANS: That is the position with which we are faced. Is the Government to be given the power to have a look at it? As I understand the Bill from the outline given by Mr. Claughton—

The Hon. V. J. Ferry: The Government should have had a look at it before bringing in the Bill.

The Hon. D. K. DANS: —we are not asking that TAA be permitted to operate.

The Hon. W. R. Withers: But you have committed yourselves through the Premier.

The Hon. A. F. Griffith: What in the name of creation—

The Hon. D. K. DANS: I can handle only a few moans and groans at a time.

The Hon. A. F. Griffith: If you are not asking TAA to operate, what are you doing?

The Hon. D. K. DANS: If the proposition is accepted, and all the conditions are met, the sum total of the exercise is to enable the State Government that is in office at the time to allow TAA to operate.

The Hon. A. F. Griffith: So the Bill does allow TAA to operate.

The Hon. D. K. DANS: It could do so, or the Government might say the time is not ripe for it as far as Western Australia is concerned.

The Hon. A. F. Griffith: In the meantime, you are happy to hand over power to the Commonwealth. I am not.

The Hon. D. K. DANS: Let us take away the power of the Commonwealth Department of Civil Aviation in the north-west. Let us take away the power of the Commonwealth lighthouse service.

The Hon. W. R. Withers: We are talking about this Bill—the Commonwealth Powers (Air Transport) Bill.

The Hon. D. K. DANS: Let us take away the power of the Australian Broadcasting Commission in Western Australia. One could go on *ad infinitum* with this "bunkum" about the Commonwealth creeping in here. I have not noticed that any other States have suffered from the intrusion of TAA over a period of years.

The Hon. W. R. Withers: What about Tasmania?

The Hon. S. J. Dellar: Tasmania has not suffered one scrap, and you know it.

The DEPUTY PRESIDENT: Order!

The Hon. D. K. DANS: I repeat that sooner or later the people in this State must make up their minds about the activities of the Opposition in this Chamber, when it decides issues for the few against the interests of the many. We are debating a progressive step which has been a long time coming, and I urge this Chamber to carry the Bill as presented.

Debate adjourned, on motion by The Hon. L. D. Elliott.

DEATH DUTY ASSESSMENT BILL

Receipt and First Reading

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

Second Reading

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [3.21 p.m.]: I move—

That the Bill be now read a second time.

This Bill issues from an extensive and careful review of the legislation governing death duty taxation and is to give effect to the Government's undertaking to provide substantial relief from this tax.

It is proposed to achieve the purposes for which this Bill has been introduced by repealing existing provisions in the Administration Act concerning the assessment of death duty, and by repealing the Death Duties (Taxing) Act.

Currently the assessment provisions for death duty are contained in the Administration Act. This Act not only contains these provisions but also administrative sections dealing with legal matters associated with probate and administration. These are administered by the Master of the Supreme Court.

Prior to the establishment of the State Taxation Department, all of the papers necessary to lead to a grant of probate or administration by the court were lodged at the Supreme Court. At the same time the papers required for the assessment of death duty—namely, the statement of assets and liabilities and the supporting documents—were lodged with the court.

In the course of time, after the granting of probate or administration had been completed, the Master of the Supreme Court then forwarded the papers to the commissioner for the assessment and collection of death duties. This occasioned some delay, depending on the complexities met in the granting of probate or administration, before the commissioner could commence assessment procedures and the arrangement obviously delayed the final completion of deceased estates.

After the establishment of the State Taxation Department, new arrangements were made to divide the administrative functions from the taxing functions and to permit taxpayers to file with the commissioner the statement of assets and liabilities and supporting documents at the same time as applications were made for a grant. Consequently, the statement of assets and liabilities can now be filed independently from the papers filed with the court for a grant.

Thus delays in complying with administrative provisions have been eliminated, enabling the speeding up of assessing procedures, with the consequent earlier completion of the assessment of estates.

It is now proposed that functions quite different and diverse be completly separated by law. To this end the Bill now

before the House will replace the provisions currently contained in the Administration Act for the assessment of death duty.

This Bill contains saving provisions covering assessments that have to be made under the present law.

Advantage has been taken in the redrafting of the provisions to improve the format and thus provide a much easier reference than is available under the existing law.

It is planned, subject to the proposals being passed, to bring the Death Duty Assessment Act into operation on and from the 1st January, 1974, so that it will apply to the estates of persons dying on or after that date.

The main elements of the Bill may be summarised as follows—

Provision of additional relief.

Simplification of the existing provisions and procedures.

Improvement of equity as between taxpayers and protection of revenue.

Improvements in administrative procedures to reduce the time lags and also work-load on taxpayers, when dealing with estates with assets in more than one State.

I shall deal with each of these main elements progressively. The major additional relief is to be provided in the form of an across-the-board allowance.

Currently the Act allows a deduction from the net estate of a spouse allowance, where the estate is left wholly or partially to a widow or widower. The current deduction is $10,000. A deduction is also made for a dependent child or an orphan child. In the case of the former it is $5,000 for each dependent child and $10,000 for each orphan child.

It is proposed that these deductible items be increased to a spouse allowance of $20,000, a dependent child allowance of $10,000 and an orphan child allowance of $20,000. This doubles the existing allowances.

Let us examine the case of a surviving widow with three dependent children who are left an estate with a gross value of $72,500, comprising a house valued at $30,000, furniture and equipment valued at $1,500, a motor vehicle valued at $2,000, shares, debentures, and other interests totalling $16,000, insurance policies of $20,000, and bank accounts totalling $3,000. Say the house is mortgaged for $5,000 and other debts total $1,000, including funeral expenses of $500. This then leaves a net estate of $66,500.

After applying the current deductions of $10,000 for the widow and $15,000 for three dependent children, together with $1,500 for the furniture and equipment, a taxable estate of $40,000 remains. This, under the existing law, will attract duty of $2,850.

The following will be the position under the new law. The net estate of course will total $66,500 as before. From this would be deducted the spouse allowance of $20,000, dependent children allowance of $30,000, and the furniture allowance of $1,500. These total $51,500, leaving a net estate for calculation of duty of $15,000.

As the scale of death duty to be imposed in these cases does not commence until the assessable value exceeds $15,000 there would be no duty payable at all in this case. What is proposed amounts to very substantial relief, which will remove duty from almost every home and insurance policy included in estates.

A study was made of the original proposals to exempt the matrimonial home and specific insurance policies, but these were rejected in favour of an across-the-board allowance which applies equitably to all estates.

To exempt specific assets from duty is basically unsound, because of the inequities it produces between individual taxpayers. The exemption of a home from duty could result in deductions varying from as low as $1,000, where the equity in the home is minimal, to well over $100,000 in cases of a few large estates with expensive, unencumbered homes.

The difference in duty arising from this type of exemption could range from $160 in a modest estate of $50,000 to $28,400 in an estate with a net value of $170,000. It would, as I have mentioned, be even higher in larger estates.

In addition to the foregoing, large differences could arise in the extent of relief to taxpayers who have exactly the same net value estate.

To illustrate this, we will assume there are three estates of varying asset composition with a net taxable value of $50,000 each, apart from a matrimonial home deduction—in each case the widow being a sole beneficiary. We will also assume that in each of these three cases the home, which is occupied by the widow, is valued at $30,000.

The results produced, if a specific exemption for the home is given, would be as follows—

Where the home is owned by the deceased, there would be a net value of $50,000. From this we would deduct the value of the home, leaving $20,000 to be assessed, and the duty payable on $20,000 would be $450.

In the second case we will assume, as is quite general these days, that the home is owned jointly with the widow. In this case there would be again a net estate of $50,000 as a datum, but the deductible value of the home would only be half of $30,000—namely, $15,000. When this is deducted from

$50,000, then $35,000 remains to be assessed. This amount would attract duty of $2,200.

In the last case we will assume that the widow owns the home. In this situation the net estate would again be $50,000 but with no deduction for the home, and the duty payable on this amount of $50,000 is $4,150.

Another aspect of exempting the matrimonial home in the manner originally proposed, is that it would create a further reduction in revenue by reducing the final balance and, therefore, the rate of duty upon which other and possibly unrelated beneficiaries would be assessed.

Another important factor in considering this type of exemption is that in many estates in the farming community there would be no eligibility for this exemption because, in a great number of cases, the homes are owned by a partnership or family company, as the home has been erected on farmland owned in this way.

Equally important is the fact that many persons, such as school teachers, bank officers, and policemen, do not own homes because their employment requires them continually to change location during their working life and generally they are living in rented accommodation, or accommodation provided by their employers. Therefore, they tend to accumulate assets in other forms, such as shares and investments. These, of course, would be taxable under any proposal to exempt only the matrimonial home. Apart from the inequities created, there are serious difficulties in attempting to exempt homes.

I am sure that previous Administrations have found this to be so. Experience and research show that there are drafting and administrative problems in attempting to define clearly what could be meant by a matrimonial home, and apply concessions to it.

Difficulties were encountered in administering earlier legislation exempting limited ownerships, in determining the amount of land involved. For example, generally in the metropolitan area, homes are on suburban blocks of approximately 1012 square metres in area, but in other cases we find homes erected on blocks of 4, 20, or 2,000 hectares in area. In addition, there are all sorts of complications where a home is erected on land owned by someone else, such as a partner or a son. Also cases have been encountered where the home has been used to finance business operations by way of a loan raised by a mortgage taken over the home.

Other problems involve persons who are separated, or where the home is combined with a business or used partly for business purposes.

For the reasons I have given, it is obvious that it is undesirable literally to attempt to exempt a matrimonial home, but as a result of the research carried out we have, in the proposals now contained in this legislation, succeeded in exempting most homes and their contents.

For example, where we assume a widow and two dependent children as beneficiaries, then, under the proposed concessions in this Bill, probate duty will not be imposed on estates with a net value of less than $56,500.

A study has shown that in the majority of estates, the average equity in a house does not exceed $15,000. The amount of $56,000 would more than cover the equity in all but a few houses, whether owned solely or jointly.

I will now refer to the other original proposal to exempt life assurance. This, too, has been carefully studied and estimates of the current situation have been taken out. Again this proposal to exempt a specific asset from duty has proved to be unsatisfactory, because it produces inequities between some taxpayers who are not able to assure themselves and some who prefer other types of investment, be it in the form of Commonwealth bonds, deposits with building societies, shares, or possibly funds utilised in their own business. These various forms of investment are a matter of individual choice.

To be disadvantaged, when it comes to a matter of taxation because an assurance policy cannot be taken out or because the taxpayer chooses an investment in some other form of security for himself and his wife, makes the payment of duty both unfair and inequitable.

The investigation to which I referred, revealed that the average level of policies held in deceased estates is less than $6,000. Therefore, doubling of the deductions for the spouse, and dependent and orphan children, which are to be applied to all estates, will have the effect of increasing substantially the exemptions available to all, irrespective of whether or not they own their homes and whether their investments are in life assurance policies or otherwise.

Under these arrangements there is sufficient scope to exempt all of the average equities in matrimonial homes and also leave sufficient exemption to more than cover the average level of life assurance policies.

Another increase in concessions which is contained in the Bill relates to the exemption of bequests made to various worthwhile bodies.

Currently exemption is given to bequests broadly for hospital and educational purposes, together with those for charitable activities. However, these exemptions are now limited to institutions which are incorporated in Western Australia. This has meant that in a number of cases funds which benefit institutions in this State, but are incorporated in other States, are, in effect, denied the exemption.

This restriction has been removed by the Bill which proposes that bequests to this type of organisation which is carried on in Australia, will receive the benefit of the exemption.

In addition, it is proposed that bequests made to local government organisations be exempt from duty where those bequests are for public or charitable purposes. Also to ensure that all worthy organisations are eligible the Treasurer is to be given discretion to exempt any worthy case which is not covered by these proposals.

The section currently dealing with deferment of death duties, which is generally used in the cases of pensioners or people similarly financially placed, is to be updated in line with the increased values and the higher exemptions proposed for a surviving spouse.

This section now permits the Treasurer to defer, at no interest charge, the collection of death duties where these cases attract a certain payment.

The section dealing with the special concessions for deceased servicemen has been rewritten to eliminate the anomalies created by earlier legislation. The period in which the special concessions apply will also be extended by an additional period of 12 months.

I now turn to the proposals to simplify the existing provisions and procedures. Quite a number of sections which were difficult to understand have been written in clear and more precise language so as to remove difficulties of interpretation.

In addition to the foregoing, arrangements have been made to improve the provisions in relation to withdrawals from the deceased's banking accounts by beneficiaries without requiring them to go through the formalities of obtaining a grant and a duty certificate from the commissioner.

It is proposed to insert a new section in the law to allow banks to release a half share in a joint account to authorise the current practice. The reason for this provision is to give authority under the law so that a bank is cleared of any possible liability in making these payments.

Much has been made, from time to time, of the inability of people to obtain access to assets after the death of the owner of those assets because of the necessity to obtain probate or a clearance from the commissioner. This section should permit access to funds necessary for carrying on.

I might add, of course, that currently the commissioner is able to release assets by means of a certificate, subject of course to satisfactory security being available to protect revenue in the form of any duty which may ultimately be found to be payable.

This he does very promptly, usually within 24 hours of receiving the application, where the circumstances fairly warrant this action, and this procedure will be continued under authority to be given in the proposed legislation.

Other proposals in the Bill are for the purpose of improving equity between taxpayers, and for the protection of revenue. Many of these inequities have developed because of certain loopholes which exist in our current laws. Provisions have been inserted in the Bill for the purpose of overcoming these difficulties and ensuring that all who contribute do so rateably and equitably as a consequence of the death duty legislation.

The first of these is a new section which has been inserted to overcome an increasing loss of revenue arising from the practice of related persons or organisations "selling" assets interest free which enables the debt to be heavily discounted when that debt forms part of a deceased estate. This is a fairly common and indeed a growing method of avoidance. Its effect may be illustrated in an example I will give.

Take the case of a farmer who decides to make over his property valued $200,000 to his son. This property is "sold" under contract of sale to his son for full value, that is $200,000.

The terms of the sale are that it is interest free repayable over twenty years after the date of death. When an asset of this kind, being a debt due to the deceased, forms part of the estate, the debt is discounted because, if it were sold, it attracts no interest and the purchaser has to wait 20 years to obtain his money.

To illustrate the effect of this type of transaction, in the example I have given, the discounted value of $200,000 over 20 years, on actuarial valuation, gives a figure of approximately only $15,000 for the assessment of duty.

I emphasise that members should note that this type of procedure avoids any gift rates of stamp duty, and substantially reduces the amount on which death duties are levied.

The Bill contains a provision which will require "debts" of this kind to be included in the estate at the face value of the amount outstanding at the date of death.

Another device which is receiving increasing use is what is commonly known as the "life governor" share. These particular shares totally control the affairs, assets, and policy of a company during a holder's lifetime but generally revert to face value on his death.

The use of this technique enables a person to carry on his business as though he were, in fact, the sole owner during his lifetime, making all of the decisions in respect of the sale, control, profits disposal policy, and general running of the business,

but when he dies—and here comes the sting—the share then reverts to the face value of an ordinary share.

The Hon. A. F. Griffith: Those words, "here comes the sting", are they in the speech notes?

The Hon. J. DOLAN: Yes.

The Hon. J. Heitman: The sting is there, all right.

The Hon. J. DOLAN: Has the Leader of the Opposition a copy of the notes?

The Hon. A. F. Griffith: Yes, but I do not read the speech notes for the purpose of correcting them.

The Hon. J. DOLAN: I did not think along those lines; I thought the Leader of the Opposition might have been following them. To continue: An example of this type of avoidance of death duty obligation is the case of a company which has 1,000 shares, all of which with the exception of one, are designated as "B" class or ordinary shares, and are issued to various members of the family. The remaining one share is called the "life governor" share and this share controls completely the operation of the whole business.

The effect of this arrangement is to make only a minimal proportion of the value of the assets subject to duty when the owner dies. There are, of course, a variety of variations and shades of this type of arrangement. A provision has been inserted in the Bill accordingly, the purpose of which is to make the value gained by the other shareholders on the death of the holder of the "life governor" share, subject to duty.

Sitting suspended from 3.45 to 4.03 p.m.

The Hon. J. DOLAN: This provision will also apply to other avoidance schemes which result in a reduction of the value of the deceased's shareholdings on death. However, in order to allow persons to make any adjustments to their arrangements, should they so desire, this provision will not apply for 12 months after the changes in the law become operative.

We are touching some very delicate situations here and this provision is designed to discourage that type of avoidance.

Another method which is employed to avoid duty, although not so frequently as the two preceding devices which I have outlined, is disposition by means of "settlements". Under an arrangement by using settlements in certain ways, duty can be completely avoided.

One of the reasons for this is that, under current legislation although a settlement has to be registered with the commissioner at the date of death of the settlor, no duty is payable until the settlement vests.

It is therefore, possible to create a settlement and after the death of the settlor, ensure that it never vests, by arrangements being made with the trustees.

It is proposed in the Bill to bring settlements in as part of the assets of the estate and, therefore, they will be assessed for death duty at the date of death, as are other assets and gifts.

However, it is important we realise that these will be treated in the same way as gifts, and that those made more than three years prior to death will not be subject to any duty.

These three major methods of avoidance have resulted in inequities developing between taxpayers who are in a favoured position and able to obtain the necessary legal and other professional advice to arrange their affairs so as to take advantage of those loopholes, and those who are not in the same favoured position.

The present position is that in order to maintain revenue at a given level, those who are not in a position to take advantage of these loopholes are required to pay more because other persons are escaping by not making their right and proper contribution to revenue as was originally intended when the existing legislation was passed.

It is for this reason that it is proposed to amend the law for the purpose of discouraging the use of avoidance devices of these kinds.

Another aspect of death duties which it is proposed to change is that relating to what are commonly known as "other non-testamentary dispositions" of property. Under this heading come a series of assurance policies.

These are policies which have been taken out by the deceased on his own life and assigned to somebody else and on which he continues to pay the premiums; or policies that have been taken out by a close relative of the deceased on his life and on which the deceased paid the premiums; or those that have been taken out by the deceased on his own life and are payable to a nominated beneficiary.

In each of these cases, under the current law, the proceeds of the policies are assessed separately from the main estate.

In the past, when there were no general concessions of the nature which it is now proposed to double, this proved to be of an advantage, because the policies were taxed at a lower rate.

However, since the spouse and dependant's deductions have been introduced a very unsatisfactory position has developed in that, because of the nature of the concessions now in the law which it is proposed to increase by no less than 100 per cent., many modest estates would not

be subject to any duty if it were not for the current non-testamentary dispositions provisions.

At present, where the non-testamentary dispositions provisions apply to policies, the widows find that they often have to pay on the policies because they are assessed under these provisions. If these policies had been simply on the deceased husbands' lives and willed to the widows, thus forming part of the normal estates, they would have escaped duty because of the current level of deductions.

Therefore, for this reason a provision has been inserted in the Bill to provide that other non-testamentary dispositions of property shall form part of the main estate.

Another matter which has caused a great deal of difficulty in recent years is that dealing with transfers of assets between relatives for annuities or periodical payments at what are claimed to be actuarially assessed adequate considerations and these often prove to be totally inadequate when applied to persons who do not have a normal life expectancy. This is because life expectancy for the calculation is based on average experience and not on specific cases.

It is proposed that in these cases the asset will be valued at the date of transfer and any payments of annuity up to three years before death will be deducted from this face value before inclusion in the estate.

This will avoid any unnecessary and difficult argument and place the provision on a clear and definite basis.

Of course, if the sale or transfer takes place three years or more before death, the assets will not be assessed for any duty. This is similar to the provisions relating to gifts which, if made outside the statutory period, are not brought into the assessment. It is not proposed to change this period in this legislation. It is also proposed to clear up problems surrounding the description of a "bona fide superannuation scheme".

In the past this has not been clearly expressed in the law and it is now proposed to describe a superannuation scheme which pays benefits to the spouse, dependent children or dependent parents, or any other person financially dependent on the deceased, as a bona fide scheme for purposes of exemption from duty. The definition of "spouse" is to be extended to cover common law relationships.

I now turn to provisions which are designed to improve the administrative procedures and reduce the work load on taxpayers with assets in more than one State. Under current procedure, where a Western Australian dies, owning assets in other States, his executor is required to pay duty on both the assets held in this State and those held in other States. The executor then is required to pay duty to the commissioners in other States and then seek a proportionate refund from the Western Australian commissioner. All of this procedure is not only annoying to the taxpayers but is time consuming both for the taxpayers and our own State Taxation Department. In addition to this, of course, the executor has to outlay money and then wait for some considerable time for a refund, to say nothing of the expense incurred.

Therefore, it is proposed to insert a provision in our legislation which will provide that the taxpayer merely has to return the value of the ex-Western Australian assets to the commissioner so that he may determine the full net value of the total estate and thus determine the rate of duty applicable, but then the taxpayer is to be required only to pay at that rate on the Western Australian assets.

The effect of this provision will mean that the executor will not have to outlay money in Western Australia and then subsequently go through an exhaustive and expensive procedure in seeking a refund.

It is also proposed, in the case of non-domiciled taxpayers, that where they own assets in this State, they are to be required to lodge a return with the Western Australian commissioner in respect of those assets only and pay duty on them.

Obviously, under such an arrangement, unless a special scale of duty is imposed, they will be paying considerably less than they do now under the existing scheme. Therefore, a special rate of duty is to be levied on these assets which broadly will yield the amount which is generally collected on these types of assets at the present time.

The foregoing arrangements will not only protect revenue but will give a great administrative advantage to both the Western Australian Taxation Department, in that it is dealing with only one set of local assets and also to the taxpayer who will only be required to pay to the commissioner duty levied on assets held in this State.

I should add that under these arrangements for non-domiciled taxpayers, there will be no need for them to file with the Western Australian commissioner wills, death certificates, or certificates from other commissioners, all of which have often taken over 12 months to obtain, nor will details of all of the other ex-Western Australian assets be required.

As I have stated, this procedure will be far simpler than that which now obtains under the existing legislation and much more economical for both taxpayers and the department.

As it takes time for concessions to become effective, there will be little impact on the Consolidated Revenue Fund in this financial year. It has been estimated from past statistics that the net cost to revenue, on current assessing levels, will rise to approximately $1,000,000 per annum in three years as a result of the changes proposed in this death duties legislation and now contained in the present Bill.

Finally, members will have received with a copy of the Bill—I trust—a booklet which explains every clause in the legislation and provides a large number of examples of the operation of the proposals. This has been prepared by the commissioner and many of the examples are based on actual fact. It does not, of course, cover the amendments made to the legislation since it was introduced. Reference to the booklet will provide further detailed explanations of the proposals now before the House.

This concludes my summary of the proposed death duty legislation contained in the Bill. Considerable research has gone into producing it. I am sure it will be easier to follow, be more equitable, and provide very substantial additional relief to taxpayers generally from the current levels of this tax. I commend the Bill to the House.

Debate adjourned until Wednesday, the 19th December, on motion by The Hon. I. G. Medcalf.

DEATH DUTY BILL

Receipt and First Reading

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

AUCTION SALES BILL

Assembly's Message

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

BILLS (2): RECEIPT AND FIRST READING

1. Tourist Bill.

   Bill received from the Assembly; and, on motion by The Hon. R. Thompson (Minister for Tourism), read a first time.

2. Liquor Act Amendment Bill.

   Bill received from the Assembly; and, on motion by The Hon. R. Thompson (Minister for Police), read a first time.

SPECIAL HOLIDAYS BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. R. Thompson (Minister for Police), read a first time.

Second Reading

THE HON. R. THOMPSON (South Metropolitan—Minister for Police) [4.20 p.m.]: I move—

> That the Bill be now read a second time.

This is a Bill to provide for two additional paid holidays for the following purposes—

> (a) on the 31st December, 1973, so that workers throughout the State will receive the benefit of an extended holiday break at the New Year; and
>
> (b) to enable workers to celebrate the visit to Western Australia of the reigning sovereign, Her Majesty Queen Elizabeth the Second, in the early months of 1974. It may be recalled that when the Queen visited Western Australia in 1954 a special holiday was granted under a special Act passed by Parliament on that occasion.

In deciding on the inclusion of a one-day additional holiday on New Year's eve in Western Australia, the Government has been to some degree influenced by the action taken in several other States to grant workers a slightly extended holiday break either at Christmas or New Year. The fact that business could be detrimentally effected by fewer trading days has also been considered and for this reason shops will continue to be allowed to open on Monday, the 24th December, which is recognised as a busy trading day, and the following Monday, the 31st December, will be utilised for holiday purposes.

In New South Wales and South Australia, workers in banks, commerce, and industry will be granted an additional paid holiday on the 31st December. In Victoria and Tasmania, banks will be closed on two additional days, but workers in private industry in those States will not get additional holidays. In Queensland neither banks nor workers in private industry will get any extra holidays. Queensland, of course, granted one additional holiday to all workers in that State last Easter.

The Public and Bank Holidays Act already allows these two days to be proclaimed as both public and bank holidays, but that Act does not cover the payment of wages to the worker on holidays.

A standard clause in industrial awards permits the employer to avoid making payment of wages on the two special holidays above mentioned because the clause states "that on any public holiday not prescribed as a holiday under the particular award"—and the two days concerned are not award holidays—"the employers' establishment or place of business may be closed in which case a worker need not present himself for duty and payment of wages may be deducted, but if work is done the ordinary rates of pay shall apply".

This clause has been included in awards for some years, but in the short time possible since the proclamation of the Public and Bank Holidays Act there has been no opportunity to approach the Western Australian Industrial Commission to change the clause to provide for payment on additional holidays which the Government may proclaim in special circumstances under section 7 of the Public and Bank Holidays Act.

This latter Act, of course, is of modern origin and was proclaimed to take effect only on the 22nd June, 1973. Time would not permit at present for the Industrial Commission to receive, hear, and determine the many applications which could be lodged by unions for amendment to particular awards.

The Special Holidays Bill, therefore, in clause 5, makes specific provision for workers to be paid wages for the two special holidays. The scope of the Bill is confined to those two days and will have no force or effect once these two holidays have been taken.

A proclamation of the two days as public and bank holidays under the Public and Bank Holidays Act will cause banks to be closed, and similarly, by flow on to the Factories and Shops Act, shops will be required to close, except exempted shops, privileged shops, and small shops.

Section 9 of the Public and Bank Holidays Act prevails over an industrial award or agreement to the extent of any inconsistency in respect of the holidays. The Special Holidays Bill on the other hand is intended to ensure that workers are paid for the two special holidays. It is desirable to determine this Bill as expeditiously as possible to allow the public to be aware of the holiday arrangements, particularly for the 31st December, 1973.

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

QUESTIONS (5): ON NOTICE

1. *This question was postponed.*

2. DEVELOPMENT

Manjimup Canning Co-operative: Decision

The Hon. F. D. WILLMOTT, to the Leader of the House:

(1) Has a decision been made in respect to the future of the Manjimup Canning Co-operative?

(2) If so—

(a) what is the decision;

(b) has the result of that decision been conveyed to the directors of the co-operative;

(c) when will a copy of the report be tabled as indicated by the answer to question 3 asked by The Hon. V. J. Ferry on the 14th November, 1973?

(3) When will a copy of the report and information in respect of any decision based on that report be made available to the members of Parliament mentioned in reply to a question without notice asked by The Hon. V. J. Ferry on the 15th November, 1973?

The Hon. J. DOLAN replied:

(1) Yes.

(2) (a) A guarantee for a long term loan of $500,000 is to be made available to the canning co-operative immediately to allow it to clear current debts and to provide working capital for the 1974 programme. In July, 1974, the company will be paid a subsidy of $150,000 as a contribution to its administration and finance expenses. Consideration will be given in each subsequent year up to 1977 and perhaps beyond, to the issue of further subsidies until the company is able to meet its own outgoings. However, the total of all subsidies will be limited to $600,000. The $1,100,000 assistance has been offered over an extended period to allow firm forward planning which is necessary if the directors of the co-operative are to achieve a profitable operation by 1979-80.

(b) Yes.

(c) I hereby table the report.

(3) Answered by (2) (c).

The report was tabled (see paper No. 444).

3. HEALTH

Pharmaceutical Chemists

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

(1) Further to question 7 on the 20th November, 1973, regarding pharmaceutical chemists—

(a) what are the names of the businesses referred to; and

(b) who are their present proprietors?

(2) Are these businesses still permitted to dispense pharmaceutical goods?

The Hon. J. DOLAN replied:

(1) and (2) There were no such businesses when the 1964 Act was passed.

4. HEALTH

Pharmaceutical Chemists

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

As required by the Pharmacy Act, 1964, was a list of pharmaceutical chemists published in the *Government Gazette* during January of this year?

The Hon. J. DOLAN replied:

The list was published in the *Government Gazette* No. 16, 13th February, 1973.

5. FRIENDLY SOCIETIES PHARMACIES

Registration

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

(1) Are friendly society pharmacies required to be registered by the Pharmaceutical Council?

(2) Is the council authorised to refuse registration?

The Hon. J. DOLAN replied:

(1) Yes.

(2) Yes, but there is a right of appeal to a Judge of the Supreme Court.

STATE FORESTS

Revocation of Dedication: Assembly's Resolution—Motion to Concur

Debate resumed, from the 28th November, on the following motion by The Hon. J. Dolan (Leader of the House)—

That this House concurs with the resolution contained in message No. 107 from the Legislative Assembly for the partial revocation of State Forests Nos. 23, 25, 28, 30, 37, 41, 51 and 53.

THE HON. C. R. ABBEY (West) [4.29 p.m.]: This is the motion we usually discuss at this time of the session for the revocation of small areas of forest. It appears from the information supplied by the Leader of the House that in general there has been an amicable exchange of areas of forest with local landholders. I note there is a disturbing feature inasmuch as there is dieback disease, and severe dieback disease, in two of the areas so exchanged.

I made inquiries of Mr. Willmott, and members of this House are well aware that he has studied the matter of forestry very extensively for many years. It appears it is a continuing and disturbing feature of forest husbandry that we have in this State a certain amount of dieback occurring and also extending. My advice is that frequently these occurrences take place on low-lying land where excessive moisture appears to feed and carry the fungus involved. I have observed in various experimental areas the low-lying parts of cleared tracts of land that have been planted, by officers of the Forests Department, with *pinus radiata*. I am not aware of the implications of this planting, but it would appear that in such areas *pinus radiata* is not so susceptible to dieback as are other varieties of timber. If this is so, obviously the steps taken by the Forests Department is the correct way to solve the problem.

From the Minister's notes it becomes obvious that in the main these exchanges of land are to the advantage of the Forests Department, in some instances the Public Works Department, and also to adjoining landholders.

In the first instance the motion seeks to exchange an area of land adjacent to the Dwellingup townsite, the timber on which has been affected by dieback. It is not a large area, but nevertheless it is one that will be useful to the Public Works Department and it is to be exchanged for a private property in the district which will enable the Public Works Department to provide an area for the dam site and a water catchment for the Dwellingup townsite.

The second area proposed to be exchanged is a small one of about .04 hectares. This will remedy a mistake made by a previous landholder who incorrectly erected a shed and a fence, and planted fruit trees on the land, the boundary of which apparently was not easy to find. In this instance the Forests Department has shown considerable forbearance in making available a small area of land in order to solve this problem.

The third item involves a large area of about 535 hectares, which is severely affected by dieback. The useable timber has been extracted and this land will be exchanged for an area that is suitable for the planting of *pinus radiata* and on which there is some good millable timber. This exchange, once again, could benefit the Forests Department and the landholders concerned.

I hope that in regard to these exchanges of land—where the areas are to be used for the planting of *pinus radiata*—we will not see occurring what I observed in Tasmania some years ago where, from the air, it was possible to see large dry areas within the pine forests which, I was informed at a later date, had been attacked by the sirex wasp. My inquiries at that time indicated there was no possibility of an outbreak of sirex wasp in this State because our laws are very stringent concerning the import of timber into Western Australia; and therefore we are protected. It is fortunate that we are able to say this, because it is so easy for small timber consignments to slip through without inspection and to find later that they are infested with the sirex wasp, which could

become a great menace to our timber industry. The fact that this menace is not prevalent in the State indicates that we have a very efficient inspection system which over the years the sirex wasp has been in existence—I believe it is also prevalent in Victoria—has prevented its outbreak in Western Australia.

I therefore compliment those officers who have the responsibility to ensure that the sirex wasp does not enter this State because they have indeed shown great vigilance in the past.

The fourth item in the Minister's notes relates to an exchange of land which has been almost completely worked out for gravel over the last 20 years. This is an area of about 17 hectares and it is to be exchanged for other land so that it can be used for recreation purposes by the Shire of Bridgetown-Greenbushes. I have observed the rehabilitation of gravel pits in various districts and where this is properly carried out it is very effective. In this instance the area will be screened by some existing timber which will be retained.

Area No. 5 is only a small one of little consequence. Area No. 6 is a small area which was damaged by fire and it will be absorbed by the adjoining landholder. Area No. 7 is in a similar position.

I see no objection to the motion before us. It is similar to that which is brought before us every year and to my recollection there have never been objections raised on any occasion to the exchange of these areas. Perhaps I could say that on occasions a member has queried the exchange of a certain piece of land, but following an explanation by the Minister any doubts the honourable member may have had have been cleared up and it has been found that the exchange of land is a wise procedure. I support the motion.

THE HON. F. D. WILLMOTT (South-West) [4.37 p.m.]: It is not my intention to delay the House for any length of time, but five of the proposed revocations involved in the motion will occur in the province represented by Mr. Ferry and myself and, of course, it is incumbent upon me to inspect those areas. I have done so and I find no objection to the revocation of any of them.

There is one area which interests me particularly; it involves a revocation from State Forest No. 30. In the motion it is referred to as area No. 4. The land in question is to be used to add to the adjoining recreation reserve. The Shire of Bridgetown-Greenbushes has been asking for this exchange of land for some time.

The Hon. J. Dolan: We are very obliging.

The Hon. F. D. WILLMOTT: On this occasion I will agree with the Minister, but I am not sure that this has always applied. I think the Minister might forgive me for making that remark. I can well recall when the original revocation from this State forest took place for the purpose of establishing the recreation reserve. There was a good deal of argument and opposition to it at the time. However, an excellent recreation and sports ground is now established on the area and I am glad the Forests Department has agreed to a further revocation in order that it may be extended. I support the motion.

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [4.39 p.m.]: I thank both Mr. Abbey and Mr. Willmott not only for their support of the motion but also for the comments they have made because I am sure they are of interest to members. Mr. Abbey referred to the problem of dieback and the hope that the planting of *pinus radiata* would solve it.

As Mr. Abbey has said, I think we have to ensure that there is no possibility of any danger existing on the wharves when ships from other countries bring timber which could be infested with the sirex wasp. Mr. Abbey has applauded the fact that every precaution is exercised to ensure that this menace is not introduced into the State.

I will convey his comments and his congratulations to the officers of the department and draw their attention to the fact that members appreciate the work they perform. They are most watchful and I know on many occasions when there has been a scare, the whole of the timber cargo carried by the particular ship has been sprayed to ensure that there is no possibility of the sirex wasp being brought into this State.

In regard to the comment made by Mr. Willmott concerning the oval at Bridgetown I can only say that anything that is done to improve the sporting facilities and the recreation grounds in any area has my complete support. I again thank the two honourable members for their comments and commend the motion to the House.

Question put and passed, and a message accordingly returned to the Assembly.

SUPERANNUATION AND FAMILY BENEFITS ACT AMENDMENT BILL (No. 2)

Second Reading

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House [4.42 p.m.]: I move—

That the Bill be now read a second time.

For some time the Government has been conscious of important developments in other Government Superannuation Schemes throughout Australia and we have also been aware of certain deficiencies in our own scheme.

We have received many representations from contributors' representatives and from pensioners, seeking improvements to the scheme.

Prior to the Government assuming office, the Premier undertook, if elected, to examine the possibilities of modernising the State Superannuation Scheme with a view to bringing it into line with several features of the Parliamentary Scheme. One improvement in particular that he proposed at the time, was the conversion of certain pensions or portions thereof, to lump sum payments at the option of the contributor.

Another aspect in which the scheme for Government employees suffers by comparison with the Parliamentary Scheme, is the progressive reduction of pension entitlement as a percentage of salary on retirement as salary levels increase.

Although the previous Government took steps to alleviate this problem, which is inherent in the present structure of the unit entitlement scale, the rapid escalation of salaries in recent years has made it a matter of concern to increasing numbers of employees.

It is clearly necessary to determine a reasonable relationship of pension to salary at retirement and to reconstruct the scale of unit entitlement to ensure that the relationship remains unchanged as wage levels rise over the years.

It has long been the Premier's view that improvement is also needed to the method currently used to update pensions to offset the continuing decline in their purchasing power. At present, only the State share of pension is updated annually and the Premier has, on more than one occasion, expressed the opinion that a way should be found to maintain the purchasing power of the whole pension.

Our leader has also been concerned at the length of time many pensioners have to wait under the present arrangements before becoming eligible to have their pension updated. At best, a pension must have been paid for a year before being adjusted to compensate for cost of living increases in the interval, and for many, the delay extends to two years.

The scheme is also sadly out of date in its provisions for female contributors. It was conceived in a day when only single women could be appointed to the permanent staff and qualify for superannuation benefits.

Today, married women are taking up career positions in the teaching service, and the Public Service generally, in increasing numbers and they are entitled to receive superannuation benefits consistent with their contributions to the fund and their needs on retirement.

These and other matters have been the subject of a detailed and wide-ranging study by the Superannuation Board and senior officers of the Treasury. The Government has also had regard to proposals submitted by the Joint Superannuation Committee representing employee associations.

We have also looked carefully at developments and trends in other State schemes most of which have been overhauled and brought up to date in recent years. In particular, proposals put forward by a committee set up by the Australian Government to review the Commonwealth scheme will, if adopted, have far-reaching effects on Government Superannuation Schemes in this country.

I shall say more about possible future developments later. For the moment, I wish to emphasise that we are conscious of moves to effect radical changes in Government Superannuation Schemes in Australia and we have been at pains to ensure that the changes we now propose to our own scheme will not inhibit its reconstruction in the future should developments elsewhere show that to be desirable.

The Bill now before members proposes to amend the Superannuation and Family Benefits Act in order to—

(1) Reduce the initial delay in applying cost-of-living increases to the State share of pension.

(2) Apply cost-of-living increases to the total pension.

(3) Allow contributors, on retirement, the option of taking part of their pensions in a lump sum.

(4) Distribute the surplus in the fund as at the 30th June, 1969. The method to be used is the same as that applied to the surplus at the 30th June, 1964.

(5) Provide for allowances to dependants of deceased female contributors and retired female pensioners.

(6) Provide for a retired married female contributor whose husband is also a pensioner in his own right, to receive her own pension as well as the widow's benefit derived from her husband should he predecease her. This is consistent with the Parliamentary Superannuation Scheme.

(7) Provide for payment of a widow's pension to the widow of a pensioner who married her after his retirement, if she is over the age of 55 when he dies, or from the date she attains the age of 55 after his death.

(8) Provide for continuation of a widow's pension to the widow of a contributor or pensioner, if she re-marries at the age of 55 or over.

(9) Provide for an entitlement of one unit for each $130 of salary throughout the scale, in lieu of reducing this entitlement to one unit for each $163 of salary in excess of $7,800 per annum. The effect will be to provide for a State share of pension of approximately 50 per cent. of salary on retirement. The present scale has the effect of progressively reducing this percentage as salary increases beyond $7,800, which is inconsistent with developments in other Government schemes.

(10) Remove a double penalty on contributors with relatively short periods of service where a contributor, by not taking up all his units, is already paid a reduced State share of pension.

(11) Admit staff of the Civil Service Association to the State scheme subject to the association concluding a satisfactory agreement with the Government whereby it will meet the employer share of pensions.

(12) Correct a number of minor deficiencies in the scheme.

Members will see from the summary I have just given that the proposed improvements to the scheme are both substantial and wide ranging. Each improvement warrants some explanation and I shall endeavour to explain what are often complex matters as clearly as I am able.

Updating of Pensions: Under the present method of updating, the State share of pension is increased annually by the percentage increase in the consumer price index for Perth where the pension has been paid for a period of at least 12 months.

For example, the State share of pension paid to former contributors who retired on or before the 31st December, 1972, will be increased in January, 1974, by the percentage increase in the consumer price index during 1973.

As the Act now stands, a person who retired in January, 1973, will not qualify for pension updating until January, 1975, an interval of two years. This is far too long a delay in granting cost-of-living adjustments, more especially if we take into consideration the rapidity of inflation which has been occurring in Australia during the last few years.

It is proposed, therefore, to reduce the period for which pensions have to be paid before becoming eligible for updating, by granting one-quarter of the percentage increase in the previous year's consumer price index for each full three months that the pension has been in force during that year.

A result would be to grant from January, 1974, 75 per cent. of the 1973 increase in the consumer price index to persons who retired during the quarter ended the 31st March, 1973, and 50 per cent. and 25 per cent. respectively to persons who retired during the quarters ended the 30th June, 1973 and the 30th September, 1973.

Pensions that have been in force for the full year will, of course, receive the benefit of the whole increase in the consumer price index over the intervening year as at present.

Under these proposals, the maximum period that any pensioner will have to wait after retirement before receiving an adjustment to his pension will be one year and three months compared with two years as at present.

Although the scheme provides for a single pension to be paid according to the number of units for which an employee was contributing on retirement, the pension is in fact composed of two parts; that is, the share paid from the fund according to the contributions paid by the contributor into the fund and a supplementation paid by the Government. The State share constitutes the greater part of the pension.

As I remarked earlier, only the State share of pension is updated at present and the value of the fund share of existing pensions is declining rapidly with the steep rise in living costs in recent years. This has meant that very many pensioners are experiencing increasing hardship as the purchasing power of their total pension declines year by year.

Accordingly, it is proposed that, from the first pension date in 1974, the whole pension will be updated by making an appropriate adjustment to the State share.

It is relevant to note that the recent decision of the Australian Government to update the Government share of Commonwealth pensions by 1.4 times the increase in the consumer price index is arithmetically equivalent to updating the full pension as we now propose.

Cash Options: There have been numerous requests to allow contributors to take some part of their pension entitlement in a lump sum on retirement, in line with the practice in most other States.

The availability of a lump sum could, in many cases, provide a greater benefit to a retired person than the receipt at regular intervals of a very much smaller amount in the form of a pension. As an example, such a lump sum could be used to redeem a mortgage over the family home. It could be used to help finance the purchase of a home unit or other dwelling, particularly in the case of a

former employee whose conditions of service made it difficult for him to acquire a permanent home during his working life.

Members of the Police Force and the teaching service are examples of this category of employee. To these employees, the availability of a lump sum obtained from the commutation of part of their pension, could be of considerable advantage in the purchase of a home on retirement.

It is therefore proposed to give contributors the right to commute that part of their pensions which is provided by the fund from their contributions. The State share of pension will not be subject to commutation as the State Superannuation Scheme is one under which the Government defers its contribution until the pension emerges.

There is a restriction contained in the Bill which is designed to prevent the misuse of the cash option scheme. Broadly speaking, the restriction is designed to prevent contributors using the proceeds of cash commutation to purchase on the eve of retirement, units which they have not sought to take up earlier in their careers.

The opportunity to use cash commutation for this purpose would otherwise exist, because the State Superannuation Scheme is essentially a voluntary one under which contributors are not obliged to take any more than two units. In these circumstances many contributors approach retirement having contributed for much less than their ordinary entitlement. It is not intended that the cash commutation scheme be used to provide them with funds to take up neglected units on the eve of retirement.

Unless such a restriction were imposed there could well be an increase in the tendency to defer taking units during a contributor's working life until shortly before retirement. Such a practice is undesirable, not only because it represents a use of the fund which was never intended, but—moreover—it automatically creates the situation where the employee's wife and dependants are denied during his working career, the protection of the invalidity and death benefits which the fund is designed to produce.

Accordingly, the restriction proposed is one which will prevent a contributor from commuting to cash the fund share of any unit for which he has not contributed for a period of five years unless the unit is one taken up by him at the time of a salary increase or other increase in unit entitlement which took place within the period of five years immediately preceding his retirement.

It is also proposed that a contributor will not be eligible to commute any of his pension to cash unless he completes the full contributions on any unit which he has not availed of earlier in his career, but takes up within the last five years prior to his retirement.

I would stress that the proposed restrictions apply only to the exercise of the new right to convert part of a pension to a lump sum. It will not, in any way, interfere with or restrict the existing rights of contributors who do not choose to take up the lump-sum option.

The amount of the lump sum is to be calculated by multiplying the amount payable annually in respect of the fund share of pension by an actuarially-determined factor which takes into account average life expectancy.

If a contributor retires before the elected retiring age on which his contributions have been based, the pension payable in respect of each unit held is currently reduced below the norm of $26 a year because he will have paid a reduced amount into the fund and because he will receive the pension on average for a longer time. In such cases the lump sum payable will be proportionally less also.

The factor appropriate to the experience of our fund is still to be calculated by the consulting actuary, but, using other funds as a guide, it may be assumed that it will be in the order of nine to 10 for males depending on age at retirement.

Members may be interested in some examples of the estimated lump-sum payment that could be drawn by contributors for age 65 retirement who retire at that age. If the fund component of 10 units is cashed, the lump-sum payment is expected to be about $2,350. For 20 units it will be $4,700; for 30 units, $7,050; for 40 units, $9,400; and for 50 units, $11,750.

These sums do not represent the full value of the fund share of each unit as the exercise of the option to take a lump sum will not deprive a pensioner's wife, if subsequently widowed, of the right to her reversionary pension in respect of any units for which her husband elected to take cash. That is, the widow's benefit of a pensioner who elects to take his cash option is unaffected by that action and it is proposed that, on the death of the pensioner, his widow should also have the right to convert the fund share of her pension to a lump sum.

Distribution of Surplus: A report of the state and sufficiency of the Superannuation Fund by the consulting actuary in July, 1972, disclosed a surplus of $5,345,000 as at the 30th June, 1969.

The surplus is very close to 10 per cent. of the liability for existing and future pensions as at the 30th June, 1969, and therefore allows the addition to those pensions of 10c a fortnight for each unit held at that date. This is precisely the way the surplus in the fund in June, 1964, was distributed and it is proposed to distribute the 1969 surplus in the same manner.

The effect of this proposal may be seen from the example of an employee who was contributing for 30 units of pension at the 30th June, 1969, and subsequently retired at his elected retiring age. From the first pension date next year he will receive a supplement to the fund share of his pension of $3 a fortnight. A corresponding entitlement will be credited to serving employees who were contributors to the fund at the 30th June, 1969, which they will receive on retirement.

Female Contributors: When the State Superannuation Scheme was devised in 1938, only unmarried female contributors were ever likely to derive a pension. Now that married female employees can be appointed or attain permanent employment, the benefits payable to female contributors and pensioners need review.

It is proposed that children of deceased female contributors or of retired female pensioners should be paid the same allowances as the children of deceased male contributors and retired male pensioners, subject to the usual tests of dependency and age. At the moment, no children's allowances are payable to the children of deceased female contributors.

It is proposed to continue the existing provision—in common with the Parliamentary Superannuation Scheme—that a female employee who retires may receive her own pension notwithstanding that her husband may also be a pensioner in his own right. Similarly, it is proposed that she be entitled to receive her own pension in full and the 22/35ths widow's pension derived from her husband, if he predeceases her. This, too, is consistent with the Parliamentary Superannuation Scheme.

The Bill, therefore, proposes to remove a provision under which, at the present time, a female pensioner must choose between continuing to receive her own pension but forgoing her widow's pension, or accepting the 22/35ths widow's pension and surrendering her own.

It is also proposed that if a female pensioner or contributor dies, a 22/35ths reversionary pension may be paid to her husband, but only if it is established that he is wholly or substantially dependent upon her. This provision is intended to cover the case where the husband is an invalid or is under some substantial disability and is therefore dependent upon his wife's income.

Widows: Many representations have been received dealing with widow's pensions. One of the most common is for an amendment which would provide that the widow of a pensioner should receive the standard widow's benefit even though she married the pensioner after he had retired. Such a benefit is generally denied in Government schemes here and elsewhere, apparently for the reason that it is felt that ailing pensioners might marry women many years younger than themselves in order to bestow a valuable pension upon them. It would not require many such cases for a considerable burden to be placed on the fund at the expense of other contributors.

While those fears may be real, it nevertheless seems harsh that the wife of a retired pensioner is never entitled to receive a widow's pension if she married him after retirement, nothwithstanding that their ages may not be markedly different.

The Hon. A. F. Griffith: Many a good tune is played on an old fiddle.

The Hon. J. DOLAN: The Leader of the Opposition is, of course, speaking for himself.

It is therefore proposed that a widow's pension at the standard rate be paid to the widow of a pensioner who married her after his retirement and that the pension shall be paid—

(a) immediately from the death of the pensioner if the widow is then over the age of 55; or

(b) after the widow attains the age of 55, if at the date of her husband's death she was not yet 55.

It is considered that the second of these conditions should be sufficient to cope with any problem of pensioners marrying very much younger women in order to bestow upon them a pension.

Representations have also been made for an alteration of the Act to provide that the widow of a contributor or pensioner should retain her reversionary pension even though she remarries. The Government adheres to the view that in ordinary cases it is to be expected that her second husband will support her but it is acknowledged that if she remarries at an older age, she may well be marrying another pensioner or retired person. Accordingly, the Bill proposes that where a widow in receipt of a widow's pension remarries at the age of 55 years or more, her widow's pension will continue to be paid.

I would point out that it is not intended to disturb the present fund rules providing for continuation of any widow's pension upon remarriage if hardship can be shown, nor is it intended to alter the rule that a widow's pension lost by remarriage is automatically restored on the termination of the second marriage.

Removal of taper in the scale of Unit Entitlements: The general trend in Government pension schemes is to provide for a Government share of pension equal to 50 per cent. of retirement salary. This proportion, or better, applies in the State scheme up to salaries of $7,800 per annum.

Thereafter the percentage declines progressively as follows—

$10,140—47.8 per cent.
$14,300—45.0 per cent.
$18,200—44.0 per cent.
$22,100—43.3 per cent.

The reason for the decline after $7,800 per annum is a break in the scale of unit entitlement from one unit for each $130 of salary up to $7,800, to one unit for each $163 of salary thereafter.

A result is, that a person now on a salary of $7,800 per annum with an anticipated retirement benefit from the Government of 50.7 per cent. of salary, suffers a decline in this benefit simply as a result of future general increases in salaries which, I think members will agree, is completely illogical.

I give full credit to the previous Government for the steps it took in 1970 to reduce the effect of the taper. However, the escalation of general wage levels has been far more rapid than could have been anticipated when the Act was last amended and it has become clear that the problem will constantly recur unless the taper is removed entirely.

It is proposed to follow this course and to provide for an entitlement of one unit for each $130 of salary right throughout the scale, including noncontributory unit entitlement. The new entitlement scale will differ from the present scale only in that it will provide for one contributory unit and one noncontributory unit for each $260 of salary above $7,800 per annum, instead of one contributory and one noncontributory unit for each $326 of salary above that point as at present.

The effect of this change will be that all employees contributing for their full primary unit entitlement will be assured of a Government share of pension closely approximating 50 per cent. of their retirement salary.

Contributors with short periods of service: The Act limits pensions otherwise payable, for persons with short periods of service. A contributor with less than 10 years' service receives only a refund of his contributions and a contributor with 10 or more but less than 20 years of service has the State share of his pension reduced by one-twentieth for each year by which his service is less than 20 years. The object of the provision is to reduce the Government component of pension for persons rendering less than the average period of service.

This provision can, however, operate harshly in instances where the contributor with short service has never sought the maximum pension and has in fact elected only to take up part of his primary unit entitlement. A contributor who does this has, by electing not to take up all his units, already reduced the pension payable to him and to further reduce the State pension on each of the units that he did subscribe for is, in effect, to apply a double penalty. It is proposed that the Act be amended to avoid the double penalty in these circumstances.

The Government has considered representations from the Civil Service Association requesting that staff of the association be permitted to join the State Superannuation Scheme under an arrangement whereby the association will meet the cost of the employer's share of the pension.

Over the years, the staff of the association has often come from within the Government service and it is not unusual for an association officer to be appointed to a position in the Public Service later in his career.

Membership of the State scheme would give association staff a greater degree of security and it is proposed therefore, that the Act be amended to empower the Government to admit association staff to the scheme subject to the association concluding an agreement to meet the employer's share of the pension.

Several other amendments of a more minor nature are proposed to correct minor deficiencies in the scheme and to enable easier administration of the Act.

I shall deal with each of them briefly.

Retrenchment benefits: The present provisions dealing with the calculation of retrenchment benefits require an extremely complex calculation of the Government's potential deferred liability in respect of contributions made by the retrenched contributor. It is proposed that the provisions be simplified so that a retrenched contributor receives three and one half times his own contributions by way of retrenchment benefit. Such a sum very closely approximates the retrenchment benefits presently payable.

Elections made out of time: It is proposed that the board be given the power to accept elections made out of time by contributors and to vary elections made by contributors in certain circumstances.

It is intended that the board would have such a discretionary power only on application being made by the contributor or pensioner concerned and where it is satisfied that there are circumstances warranting the exercise of the power.

Similar powers are granted to boards administering other Government superannuation schemes and such a power is particularly needed where a contributor has been misled as to his rights by wrong advice.

Reduction of unit holding: It is proposed to modify the rights of contributors who reduce their unit holdings more than once by withholding in the fund until retirement, any refund arising from a second or subsequent reduction in unit holding.

It is felt necessary to so provide, because the taxation deductibility of all contributors may be in jeopardy while these provisions remain as they are. A similar

right to reduce and withdraw was an important element in the recent decision of the taxation authorities to refuse deductibility for some provident account payments.

Transfer from other funds: Because of changes in contribution rates between the States and other divergences, it is no longer practicable to continue the present practice of allowing a contributor to another fund, on joining the service of this State, to continue paying for his units as though they had been taken out under our scheme.

It is proposed to amend the Act to provide that a person joining from another Government fund may subscribe for his full unit entitlement without having to pass a medical examination provided he uses his refund of contributions from the previous scheme to fully pay as many units as possible. Credit will be given for service with his previous employer.

Student children: On the death of a contributor or a former contributor who was in receipt of a pension under the Act, an allowance is payable in respect of any student child of his who is under the age of 21 years and who was wholly or substantially dependent upon him. It is proposed to extend this benefit from student children under the age of 21 years to student children under the age of 25 years. In this respect, it is to be noted that for income tax purposes a deduction is allowed for student children under 25 years of age.

Other proposed amendments are designed to—

(a) remove the requirement that a contributor must pay 12 months contributions on each unit held by him before an invalidity pension is payable;

(b) enable pensioners to take further units after retirement where entitlement arises from retrospective salary increases dating from before his retirement date;

(c) allow past service to be credited where a previously retrenched employee rejoins the service; and

(d) permit employees whose salaries are reduced for other than disciplinary reasons to retain their existing primary unit entitlement.

In each of these cases the amendments are designed to remove an anomaly which presently operates against the interests of contributors.

With one exception, the proposals I have outlined will have little or no impact on the Consolidated Revenue Fund. The exception is the proposal for updating pensions, which is expected to cost in the order of $50,000 this financial year and $100,000 in a full year. Expenditure on cash options and the distribution of surplus will of course be met from the Superannuation Fund.

That completes my outline of the proposals. I am sure members will agree that they represent very desirable improvements to the scheme and are wide-ranging in their effects. Nevertheless, although much has been done in recent years to alleviate the problem, a serious deficiency remains in our scheme—a deficiency which is common to all unit-based schemes.

As I remarked earlier in this speech, contribution rates for units are designed to ensure that each unit taken out is fully paid on completion of service. Consequently the older an employee is when a unit is taken up, the higher the fortnightly cost.

It is not unusual for the cost of taking up additional units to exceed the increase in salary that gives rise to the entitlement. When higher taxation is taken into account, older employees often face the unpalatable choice of seeing their take-home pay decrease, or forgoing units and having to settle for a reduced pension on retirement. Employees at all levels of remuneration are equally affected by this feature of the scheme which has been accentuated by the rapid rise in salary levels and therefore unit entitlements in recent years.

The Government is aware of moves in other Government superannuation schemes to change to a system under which contribution rates are determined as a fixed percentage of salary, and it is paying close attention to these developments. We propose that a careful study be made of the practicability of changing to a percentage-of-salary basis within the next two or three years.

Finally, I add that this Bill is in complete conformity with a deliberate undertaking given by Mr. J. T. Tonkin in his policy speech at the last State general election. He said that the existing system would be carefully reviewed for the purpose of having it brought into line with the Parliamentary Superannuation Scheme. This Bill will achieve that objective if it becomes an Act, so it can be truthfully claimed that it is in complete fulfilment of one of the promises upon which the Government was elected. I commend the Bill to the House.

Debate adjourned, on motion by The Hon. V. J. Ferry.

LOCAL GOVERNMENT ACT AMENDMENT BILL (No. 4)

In Committee

Resumed from the 27th November. The Deputy Chairman of Committees (The Hon. F. D. Willmott) in the Chair; The Hon. R. H. C. Stubbs (Minister for Local Government) in charge of the Bill.

Postponed clause 11: Section 17 amended—

The Hon. R. H. C. STUBBS: I have consulted with the Parliamentary Counsel about this clause. He advises me there is now ample power in subsection (2) of section 217 to regulate the hours for hawkers. A council may make by-laws to regulate or prohibit hawking in a district. I am further advised that "regulating" means regulating the hours. I think that would cover one of the objections raised by Mr. Withers, who pointed out that different conditions prevail in the north-west and the south-west. I think it will also meet the wishes of other members. I therefore ask the Committee to vote against this clause.

The Hon. A. F. GRIFFITH: If I understand the Minister correctly, he is saying the clause is not really necessary because the Act already provides power to regulate the trading hours of hawkers. Is that the situation?

The Hon. R. H. C. STUBBS: Members will recall that a dispute arose about the hours—the 9.00 to 5.00 business. I asked the Parliamentary Counsel to look at it, and he said if we eliminated the whole clause, section 217 (2) of the Act would allow councils to regulate hours.

The Hon. CLIVE GRIFFITHS: It was I who brought it to the attention of the Minister that this was an unsatisfactory clause and that we intended to oppose it on the basis that section 217 of the principal Act already covered the matter. I read out subsection (2) of that section. I think the Minister should have said that because of the points made by the Opposition in the Committee stage he had had further thoughts on the matter and had decided to take the action suggested by us; namely, to defeat the clause.

The Hon. A. F. GRIFFITH: Bearing in mind what Mr. Clive Griffiths has said, the position apparently now is that the local authorities can achieve without any amendment of the Act what the Minister set out to achieve.

The Hon. R. H. C. Stubbs: The local authorities asked for this in the first place, and the clause was included for that reason. Objections were raised in the Chamber and I decided to have another look at it.

The Hon. A. F. GRIFFITH: I am still concerned that a local authority has the power to tell a man during which hours he may work. However, I will not do anything to prevent the Minister making his move. In fact, he has invited the Committee to vote against a clause in his own Bill for the reasons he has given.

I am prompted to say that the Bill originated in this Chamber, and for the edification of Mr. Dans, who made a speech on another Bill earlier this afternoon during which he said this Chamber was assuming the role of Government, I suggest he can now see that we do not assume the role of Government but deal with a Bill which originates in the Legislative Council. Members here have a responsibility to deal with a Bill which originates in this Chamber. The honourable member will recall the remarks to which I am referring.

The Hon. D. K. Dans: I recall them.

Postponed clause put and negatived.

Postponed clause 12: Section 18 amended and section 244A added—

The Hon. R. H. C STUBBS: Mr. Heitman inquired about the cost of the tribunal which is provided for in this clause. It is impossible to assess the cost because it depends upon the number of appeals lodged. However, it is not anticipated that there will be many appeals, and payments to the members of the tribunal will be similar to the payments made to members of appeal committees which have already been established under the Local Government Act. The amount paid by the department under this heading is quite small, and the proposal does not involve the local authorities.

Mr. McNeill expressed concern that the provisions of the Main Roads Act could conflict with the by-laws under the Local Government Act. The department can see no basis for the fear and believes it is in the interests of road safety that the provision in the Main Roads Act be retained.

Mr. Withers inquired about a particular type of sign. Until the by-laws are framed it is difficult to know whether or not that type of sign would be the subject of a license, but the provisions of the proposed new section 244A (2) will ensure that the right of appeal is available.

Postponed clause put and passed.

Postponed clause 23: Section 669A amended—

The Hon. R. H. C. STUBBS: There seems to be a conflict between the parking provisions in the Local Government Act and the Road Traffic Code. Regulation 1108 of the Road Traffic Code reads—

> Where, in any particular case, the parking or standing of a vehicle constitutes an offence against By-laws in force in a Municipal District, under the provisions of Section 231 of the Local Government Act, 1960, the parking or standing of that vehicle shall not constitute an offence against this code.

The Parliamentary Draftsman advises that regulation 1108 of the Road Traffic Code contains no reference to any obligation upon the police to assist in the enforcement of matters under section 231. The information I have received is that the police will not be obliged to assist local authorities under the road safety code.

The Hon. J. HEITMAN: This clause amends section 669A of the principal Act, which states that the Commissioner of

Police and the council shall jointly and severally regulate and control this matter. The Bill states that, notwithstanding the provisions of section 688, the council has the sole responsibility for regulating and controlling traffic. This means that the police are opting out of that section in areas where the council has complete control of parking.

The Hon. R. H. C. Stubbs: According to my information the code says the police do not have to do anything.

The Hon. J. HEITMAN: No, they do not because the local authority has parking inspectors to police this matter. As far as I am concerned, I am quite happy with what is in the Bill.

Postponed clause put and passed.

Title put and passed.

Bill reported with amendments.

Recommittal

Bill recommitted, on motion by The Hon. Clive Griffiths, for the further consideration of clause 19.

In Committee

The Deputy Chairman of Committees (The Hon. F. D. Willmott) in the Chair; The Hon. R. H. C. Stubbs (Minister for Local Government) in charge of the Bill.

Clause 19: Section 516A added—

The Hon. CLIVE GRIFFITHS: When we discussed this clause previously I moved an amendment which was designed to provide an exemption to certain people, who qualify under section 561, to enable trees to be removed from their properties by the council and the cost held against their properties. When speaking to the amendment the Minister said—

> Whilst the intentions of Mr. Clive Griffiths are laudable I think the local authorities should indicate whether they are prepared to carry this additional burden. On the 9th November I wrote to the Secretary of the Country Shire Councils' Association as follows—

After reading the letter the Minister went on to say—

> I also wrote a letter to the Local Government Association in similar terms, but to date I have not received a reply from either of those bodies. However, in fairness to them I do not think the Committee should agree to this amendment because if this new subsection were added it would impose an additional burden on local government.

Mr. Dellar then spoke to the amendment and said—

> Mr. Clive Griffiths might be astounded at the attitude adopted by the Minister, but I am astounded at his attitude. How often in debate have we heard that a Minister has referred some matter to interested parties, and how often have we been criticised for doing so? In this instance the Minister has written to the interested parties to obtain their opinion on the question.

Then Mr. Claughton spoke and said—

> I think the Minister would be quite happy to agree to the amendment moved by Mr. Clive Griffiths provided he obtained an expression of opinion from the local authority.

Mr. Claughton spoke again later and amongst other things he said—

> I hope the Committee will accept the offer the Minister has made. He will attempt to obtain an answer from the associations and if a favourable reply is received during the passage of the Bill in another place, he is prepared to have the amendment made there.

I approached the Secretary of the Country Shire Councils' Association and the Secretary of the Local Government Association. I was informed that the Local Government Association fully supported the proposal and that as the Country Shire Councils' Association was not meeting when it was approached by the Minister on the 16th November, a letter was sent to all delegates. Subsequently, on the 23rd November the Secretary of the Local Government Association contacted the Minister and told him that both associations supported the proposal.

When I moved my amendment previously the Minister said that if the two associations contacted him and said the amendment was acceptable, he would see that the amendment was made. The Bill has not yet left this Chamber, and I have now informed the Committee that Mr. White has told me that both associations have given their full support to the proposal.

The Hon. A. F. Griffith: In a letter?

The Hon. CLIVE GRIFFITHS: Yes, by a notification dated the 23rd November. We debated the clause on the 27th November. I suggest that the Minister or his office has received the notification. I know that mail sometimes may be mislaid. However, I have now given the Minister the information that the associations have indicated their complete approval of the amendment. Therefore, I move an amendment—

> Page 16—Add after subsection (4) of proposed new section 516A a new subsection to stand as subsection (5) as follows—
>
> > (5) A person who is entitled to claim under the provisions of section five hundred and sixty-one to be exempt from liability for the payment of rates or charges under this Act in respect of land of which he is in actual occupation as owner may claim to be entitled to exemption from the liability to

pay a charge otherwise payable under this section in relation to that land and thereupon the provisions of section five hundred and sixty-one shall apply to the payment of that charge.

The Hon. R. H. C. STUBBS: I have not seen the letter. It may have been received because there is a stack of files in my office, and I have been unable to be in the office much this week. However, I resent this move because the fact remains that I have given my word that I would have the Bill amended in another place if necessary. Let us remember that the Treasurer must come into this, and I have not consulted him. I said if the associations sent me a letter saying they supported the amendment I would consult with the Treasurer to see if he could make the funds available to pay the interest on this money and, if so, I would have the Bill amended in another place. I resent this very much because I have given my word and I keep my word. As far as I am concerned the Bill can stay on the notice paper until the end of the session if this amendment is agreed to. I will not send it on to another place because I have given my word and I am very jealous of my word. Members can please themselves.

The Hon. A. F. GRIFFITH: I am sure the Minister's word is not in doubt, nor is his integrity. I am speaking for myself, and Mr. Clive Griffiths can speak for himself later. I personally cannot see any reason for the Minister to get upset.

The Hon. R. H. C. Stubbs: I am not upset; I am saying what will happen. I resent this very much.

The Hon. A. F. GRIFFITH: The Minister is obviously displeased.

The Hon. R. H. C. Stubbs: Of course I am; it looks as though I am telling lies.

The Hon. A. F. GRIFFITH: On the contrary. The Minister's displeasure should be directed at his staff because if he has piles of files on his desk, then correspondence relating to legislation should be brought to his notice immediately. With due respect, if the letter is already in his office—and let us not make that charge until he finds out—then the officer who did not draw it to his attention deserves to be severely dealt with, because the consequences of this could be very important.

Mr. Clive Griffiths has ascertained information which the Minister said he did not have—and of course I would accept the Minister's statement in that respect—and that information is contained in a letter sent to the Minister on the 23rd November. That was six days ago, and four days after the debate took place. I think the Minister should get in touch with his office and ask for the letter.

The Hon. R. H. C. Stubbs: The Minister wants this to go to a vote if you cannot take his word for it.

The Hon. A. F. GRIFFITH: Is that how the Minister feels?

The Hon. R. H. C. Stubbs: Yes.

The Hon. A. F. GRIFFITH: That is an extraordinary attitude.

The Hon. R. H. C. Stubbs: It is not; the matter can go to the vote. I have given my word and if you are not prepared to take my word that is the end of it. I have not seen the Treasurer, and I said if I saw the letters I would consult the Treasurer.

The Hon. A. F. GRIFFITH: What would have been the Minister's attitude if he had the letter from Mr. White when the Bill was discussed last night?

The Hon. R. H. C. Stubbs: I would have gone to the Treasurer and asked if he would finance it.

The Hon. A. F. GRIFFITH: All right; the Minister now knows that the letter exists.

The Hon. R. H. C. Stubbs: No I don't.

The Hon. A. F. GRIFFITH: The Minister does know. He has been told.

The Hon. R. H. C. Stubbs: Mr. Clive Griffiths told me.

The Hon. A. F. GRIFFITH: Surely you do not believe that Mr. White will say something that is not correct.

The Hon. R. H. C. Stubbs: I have not been talking to Mr. White.

The Hon. A. F. GRIFFITH: But Mr. Clive Griffiths has.

The Hon. R. H. C. Stubbs: If Mr. Clive Griffiths wants to reconstitute the clause, he can let the amendment go to the vote.

The Hon. A. F. GRIFFITH: I think the Minister is adopting an attitude that is nothing short of being pernickety.

The Hon. R. H. C. Stubbs: You can call it what you like, but that is how the position is.

The Hon. A. F. GRIFFITH: I would have thought that under the circumstances the Minister would have done the reasonable thing and said, "I have not seen the letters. They may be in my office. I would like a little time to ascertain whether they are there."

The Hon. R. H. C. Stubbs: All you can say in these circumstances is that I am unreasonable.

The Hon. A. F. GRIFFITH: The Minister certainly is. If that is his attitude the amendment will go to the vote.

The Hon. CLIVE GRIFFITHS: I made it absolutely clear that I was not casting any doubt on the Minister's word. I pointed out that as he had given an undertaking

that he would be favourably disposed to the point I was making it was only right that the members of this Chamber should hear that the local authorities were in agreement.

The Bill is still before the Chamber. Mr. White of the Local Government Association spoke to me, as a result of a call I made to him; and he has supplied me with this information. Whilst I have the greatest respect for the word of the Minister, I have also the same respect for the word of Mr. White. The latter made no qualification about what he told me. He produced a file and said that on the 23rd November he notified the office of the Minister of the acceptance by both organisations of the proposal.

I have already mentioned that members who spoke against the measure said the reason for the objection was that they considered it was reasonable to wait for word from Mr. White. In those circumstances I cannot see any area of conflict.

The Hon. A. F. GRIFFITH: I appeal to the Minister to report progress on the Bill.

The Hon. R. H. C. Stubbs: I have no intention of doing that. I want to see the amendment go to a vote. The attendance of members in the Chamber is pretty sparse at the moment. This point should have been brought up at some other time.

The Hon. A. F. GRIFFITH: The only time Mr. Clive Griffiths or any other member can bring this matter up is when the Bill is before the Chamber. The notice paper is arranged and then rearranged according to the Minister's will. Today this item of business was called on. I am amazed that the Minister refuses to accept a plea from me that he should report progress to enable him to ascertain whether the letters in question are there.

The Hon. R. H. C. Stubbs: I will be making inquiries.

The Hon. A. F. GRIFFITH: But the Minister is not prepared in his own interests to report progress. Is not the Leader of the House surprised at his attitude?

The Hon. J. DOLAN: On the previous occasion when the vote was taken on this matter the Minister said he would give an undertaking that if he saw the letters and they were favourable he would make arrangements for the amendment of Mr. Clive Griffiths to be effected in another place. This was a fair enough offer. The Minister also said that he would have to find out from the Treasurer whether he would be prepared to come to the party.

If the position had remained as it was and the Minister found that the letters were in existence and he went to the Treasurer, he would have done exactly what he said he would do; that is, effect the amendment in another place.

This is an instance of a conflict between two personalities. Mr. Clive Griffiths wants to have the matter dealt with in one way, and the Minister wants to have it dealt with in another way. The Minister feels that reliance should be placed on the undertaking he has given; and he has adopted a firm attitude. Personally I might have adopted a completely different attitude. If the circumstances turn out to be as outlined by Mr. Clive Griffiths then the matter will be adjusted in another place. This is a Bill introduced by the Minister for Local Government and I agree with the stand he has taken.

The Hon. J. HEITMAN: The other day when the measure was under consideration I supported the viewpoint of Mr. Clive Griffiths. For a long time I was closely associated with the Country Shire Councils' Association, and I am aware of the attitude of the members of the executive. I have attended many meetings of the association. In this debate one Government member sarcastically said that I was speaking on behalf of the association. I was not, but what I forecast the association would do has been done by it.

I realise the Minister gave an undertaking the other evening, but I feel sure if the boot were on the other foot a Labor member would do exactly the same as Mr. Clive Griffiths is now doing. He moved his amendment in good faith. Mr. Clive Griffiths has close contact with the metropolitan association of local authorities, and he speaks for them; whereas I am closely connected with the country shires. We both think that the amendment has the support of the two organisations, and I am pleased that the amendment has that support.

There are two courses open to us. We could agree to the Bill and have the amendment before us made in another place, or we could make it here. If we were the Government and introduced this measure I am sure that a Labor member would have rung up the two associations to find out their views.

These organisations operate under a set of rules, and are always out to help the people. It is possible for a pensioner to have a driveway built to his property and to have the payment therefor deferred for years. The same thing can be done in respect of rates. In the case of the cost involved in the removal of trees which are hazardous, if payment can be similarly deferred until the property is sold, or the pensioner dies it would help.

There was no need for the Minister to say that he would not be prepared to go further with the Bill. Surely these people are entitled to all the help we can give them. The Minister should realise that mistakes are made every day, and he should be prepared to face up to the situation. He is prepared to adopt one course, but is not prepared to agree to another course. The amendment could be made in this Chamber, or in another place.

The Hon. J. Dolan: Either way will achieve the same result, but the Minister wants it his way.

The Hon. J. HEITMAN: He wants the amendment to be put to the vote.

The Hon. R. H. C. Stubbs: That is exactly what the Minister will do.

The Hon. L. A. LOGAN: Previously I voted the way I did because the Minister gave members an undertaking that if he received an indication from the two organisations that they were in favour of the proposal in the amendment, and if after discussion with the Treasurer the Treasurer was also agreeable, he would have the amendment made in another place. However, the Minister has not seen the correspondence, nor has he referred the matter to the Treasurer.

I appreciate the fact that if a vote on the amendment is taken now it could be defeated. However, if the Bill is transmitted to another place and the amendment is effected there, Mr. Clive Griffiths will not get the credit for having the amendment inserted. The Minister should be prepared to report progress.

The Hon. R. H. C. STUBBS: I have not seen any of the letters, but they could be in my office. I have been out of my office a great deal in the last week, because Parliament has been sitting long hours. What little time I have had has been spent on deputations and on paper work. Until I see the letters I cannot say they are in my office. I have given my word to do something under certain circumstances and I shall keep it. In any case, I have to see the Treasurer. If I am defeated in my course of action then that would be the finish of the matter as far as I am concerned. When I dig my heels in I dig them in deeply. I move—

That the question be now put.

Motion put and negatived.

The Hon. A. F. GRIFFITH: Certainly this is a most extraordinary attitude for a Minister to adopt in connection with his own Bill. I am deeply disappointed that the Minister is trying to short-circuit this discussion.

The Hon. R. H. C. Stubbs: You can talk until you are blue in the face; the result will be as I have forecast.

The Hon. A. F. GRIFFITH: The Minister for Local Government introduced this Bill to amend an Act which comes under a portfolio which he, himself, administers. The Committee decided, the other night, not to agree to the amendment moved by Mr. Clive Griffiths. The Minister was favourably disposed towards the amendment but he said he had not heard from the representatives of the local governing authorities or the country shires.

Let us assume that he had received the replies to his letters. I might say that somebody ought to have their knuckles rapped for not bringing correspondence to the attention of the Minister when it deals with current legislation.

The Hon. R. H. C. Stubbs: The Leader of the Opposition knows what happens; the information comes along in files.

The Hon. A. F. GRIFFITH: Yes, I am aware of that. But I also know that once a Minister presents a Bill it is incumbent upon his department to keep him informed, right up to the very minute, of correspondence and representations connected with that Bill. Unless the letters to which reference has been made are lost they are lying in the Minister's office and have not been drawn to his attention.

However, let us assume that they were brought to his attention and we were able to have them read to the Committee, and the Minister had been prepared to accept the amendment moved by Mr. Clive Griffiths. The amendment would have been subject to the consent of the Treasurer. The Bill would then go to the Legislative Assembly in the form which Mr. Clive Griffiths now moves. At that stage the Treasurer could advise the Minister in this House that the exercise would be too costly and that the Government could not go along with it, and that the Bill would have to be further amended.

The Bill would then be returned to the Legislative Council and the Minister would convey to this Committee what the Treasurer had said, and inform us that the Treasury could not afford the proposition because the money was needed for other purposes. For that reason the Minister would advise us that the Legislative Council should not insist, and should agree to the amendment made by the Legislative Assembly. That is the proper procedure in a case such as this. At that stage, on the merit of the message received from the other place, and the comments of the Minister, we would judge the situation.

We now find that Mr. Clive Griffiths has information to the effect that the letters, in fact, do exist and he has suggested to the Minister that he might now agree to the amendment which was moved the other night, and which has now been moved again.

I have literally pleaded with the Minister, as has Mr. Logan, that he should report progress so that between now and next Tuesday he can find out what went wrong with the letters. The Minister's reception of this suggestion, was nothing short of a pigheaded attitude of saying "I won't".

The Hon. R. H. C. Stubbs: The Leader of the Opposition is dead right; I will not.

The Hon. A. F. GRIFFITH: Well, the Minister is most unusual. It seems he has a liver this afternoon. All I want to say—

The Hon. R. H. C. Stubbs: I do not want to hear it.

The Hon. A. F. GRIFFITH: I can see I am wasting my time in attempting to overcome the pigheadedness on the part of the Minister. I do not intend to say what we should do; I must leave that to my colleague, Mr. Clive Griffiths. He feels strongly about the matter because of what he reads into the Bill. My word, if the boot were on the other foot I know how the point would be pressed!

The Hon. R. F. CLAUGHTON: I can just imagine the consternation felt by the Leader of the Opposition, because he knows very well the attitude he would adopt if he were on these benches. He would have adopted the same attitude as that adopted by the Minister, Mr. Stubbs. I suggest to members of this Committee that the Minister took the proper course. The Minister has given an assurance, several times, that if the proposal turns out as has been indicated he will see that the amendment is accepted in the other Chamber. I do not see that members of this Committee can demand any more than that from him at this time.

It is most improper for the Opposition to insist on the inclusion of the amendment. If the amendment is unacceptable to the Treasurer the onus will be placed on him to amend the Bill further.

The Hon. J. Heitman: We have requested the Minister to postpone further consideration until next Tuesday.

The Hon. R. F. CLAUGHTON: I am sure the Opposition would prefer to have it that way rather than adopt the correct course.

The Hon. J. Heitman: Our suggestion is the correct course.

The Hon. R. F. CLAUGHTON: The Committee should be prepared to take the Minister at his word and allow the Bill to go through in the form in which it was brought here. It is a serious reflection on the Minister for the Opposition to insist after he has committed himself to the Committee.

I find it rather odd that a member of the Opposition has managed to get hold of these letters. How has that come about?

The Hon. V. J. Ferry: Because he is a good member.

The Hon. A. F. Griffith: Mr. Claughton ought to put his head in a bag for saying that.

The Hon. Clive Griffiths: If he had been in the Chamber he would know what I said.

The Hon. R. F. CLAUGHTON: The information seems to have arrived in very quick time.

The Hon. A. F. Griffith: You want to bag your head.

The Hon. R. F. CLAUGHTON: That is the sort of expression we expect from the Opposition.

The Hon. A. F. Griffith: I ask the honourable member to tell me when Mr. Clive Griffiths said that he had the letter. He did not say that.

The Hon. R. F. CLAUGHTON: Then what did he have? The Leader of the Opposition is reflecting on Mr. Clive Griffiths.

The Hon. A. F. Griffith: He has 10 times more sense than you have.

The Hon. R. F. CLAUGHTON: He can keep it; it is something I would not want from him. I support the Minister in his stand. The amendment is a grave reflection on his integrity. The Minister has made a commitment that if the affirmation comes from the associations, as indicated, he will make certain that the amendment is included in another place. If we do not pass the Bill this evening it means that consideration of the Bill in another place will be delayed. Members in the other place will be deprived of an an opportunity to study the terms of the legislation, which will probably suit the whim of the members on the Opposition benches.

The Hon. Clive Griffiths: The whim?

The Hon. R. F. CLAUGHTON: Of course it is a whim; what else can it be? Perhaps it is a high degree of stubbornness. A great deal more credibility would be placed on the goodwill of the Opposition if the clause were allowed to pass in its present form, and the word of the Minister were accepted in good faith. The Minister has said that he would have the Bill amended in another place when he received some indication from the local authorities, and had an opportunity to consult with the Treasurer.

The Hon. A. F. GRIFFITH: Of course, for some time we have been accustomed to Mr. Claughton jumping to the defence of the Ministers. I am sure that quite often the Ministers would be grateful if he would not jump to their defence at all. I do not know what has stimulated him to the point of jumping to the defence of Mr. Stubbs this afternoon but he came rushing into the Chamber from somewhere outside—

The Hon. R. F. Claughton: The Leader of the Opposition wants a study done of his eyes.

The Hon. A. F. GRIFFITH: I cannot understand the honourable member's mouthing of words.

The Hon. R. F. Claughton: You do not wish to understand.

The Hon. A. F. GRIFFITH: Yes, I want to understand; Mr. Claughton wants me to study something.

The Hon. R. F. Claughton: Perhaps the Leader of the Opposition would continue to clarify what he was talking about.

The Hon. A. F. GRIFFITH: Mr. Claughton has attempted to indicate to the Committee that the word of the Minister is in doubt but, of course, he knows it is not in doubt.

The Hon. R. F. Claughton: Then, why do you not accept it?

The Hon. A. F. GRIFFITH: Having said that, Mr. Claughton finished up with some idiotic rigmarole about the other House being deprived of the right to consider this legislation. We have asked the Minister to report progress—which will be until next Tuesday—and in the intervening period he could inquire about the letters and then consider the matter. That is the suggestion which I have made, and which Mr. Logan has made.

The Hon. R. H. C. Stubbs: I might as well let you know that I have no such intention.

The Hon. A. F. GRIFFITH: I want to comment on the quite irrational remarks made by Mr. Claughton in this respect.

The Hon. R. F. Claughton: Explain how my remarks were irrational.

The DEPUTY CHAIRMAN (The Hon. F. D. Willmott): Order!

The Hon. A. F. GRIFFITH: I do not intend to explain. I cannot understand the member at all. I have asked the Minister to report progress until Tuesday. The other House will not be deprived of an opportunity to consider this Bill, because today is Thursday.

The Hon. R. F. Claughton: You did not listen to what I had to say.

The Hon. A. F. GRIFFITH: I did listen.

The Hon. R. F. Claughton: You obviously did not understand.

The Hon. A. F. GRIFFITH: As we proceed the situation becomes more laughable and gets more ridiculous. We have a member rushing in from outside and not having heard the debate at all he makes this extraordinary statement.

The Hon. R. F. Claughton: You are making an assumption.

The Hon. A. F. GRIFFITH: When I say something he sits there propped up in his seat and gesticulates to me with his hands. The situation is ridiculous. The member should get hold of himself.

The Hon. CLIVE GRIFFITHS: Acting perfectly within my right to do so, I asked for the recommittal of this Bill for further consideration of clause 19, based on the information which was made available today. We have to bear in mind that it was the lack of this information which was the basis for the rejection of the proposal by this Committee previously.

For the information of Mr. Claughton, when I took this action I explained that I had been endeavouring to discover the result of the request made by the Minister to the Local Government Association and the Country Shire Councils' Association. For that reason I contacted the local secretary of the association. He was away yesterday but he got in touch with me today and said that the Local Government Association considered the matter on the 16th November and submitted the proposals to the Country Shire Councils' Association. Because a meeting was not due to be held a letter was sent to each member requesting his approval, or otherwise, of the proposal. The secretary said that on the 23rd November—last Friday—the information was sent to the Minister pointing out that both the Local Government Association and the Country Shire Councils' Association had indicated their support for the proposal.

If Mr. Claughton had been in the Chamber he would not be asking me to produce letters. I did not say anything about receiving letters. Mr. Claughton thought it was strange that I should be in possession of information but he would have been in possession of the same information had he been here, in the Chamber. He made some hysterical contribution to the debate because he was not here to listen to the proposal.

The Minister is not prepared to report progress so that he can ascertain whether or not the notification which Mr. White sent on the 23rd November has reached his office, and whether that notification is favourable or otherwise. Mr. White has said that both organisations support the move. Therefore, I repeat what I said the other night: I am astounded at his attitude.

Amendment put and a division taken with the following result—

Ayes—11

Hon. C. R. Abbey	Hon. I. G. Medcalf
Hon. G. W. Berry	Hon. R. J. L. Williams
Hon. A. F. Griffith	Hon. W. R. Withers
Hon. Clive Griffiths	Hon. D. J. Wordsworth
Hon. J. Heitman	Hon. V. J. Ferry
Hon. N. McNeill	*(Teller)*

Noes—9

Hon. R. F. Claughton	Hon. R. H. C. Stubbs
Hon. D. K. Dans	Hon. R. Thompson
Hon. J. Dolan	Hon. W. F. Willesee
Hon. J. L. Hunt	Hon. L. D. Elliott
Hon. R. T. Leeson	*(Teller)*

Pair

Aye	No
Hon. G. C. MacKinnon	Hon. R. J. Dellar

Amendment thus passed.

Clause, as amended, put and passed.

Further Report

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

PYRAMID SALES SCHEMES BILL

Receipt and First Reading

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

House adjourned at 6.22 p.m.

Legislative Assembly

Thursday, the 29th November, 1973

The SPEAKER (Mr. Norton) took the Chair at 11.00 a.m., and read prayers.

ANNUAL LEAVE BILL

Introduction and First Reading

Bill introduced, on motion by Mr. Harman (Minister for Labour), and read a first time.

DEATH DUTY ASSESSMENT BILL

Third Reading

MR. T. D. EVANS (Kalgoorlie—Assistant to the Treasurer) [11.03 a.m.]: I move—

That the Bill be now read a third time.

MR. R. L. YOUNG (Wembley) [11.04 a.m.]: This Bill has been subjected to a very long debate and one which, for most members not connected with this type of legislation, was probably tedious.

Mr. T. D. Evans: Would you agree it has not been hastily rushed through this House?

Mr. R. L. YOUNG: I agree with that. The Bill covers an area which is so important to the people of the State that several years ago they elected a man to the Senate purely on the basis that he was standing for reform in this area.

When one is confronted with a technical Bill it is rather hard to work up enthusiasm, and I suppose it is rather hard for the Press to work up much enthusiasm for what goes on in this place in relation to a Bill of this nature. However, with due respect to the Press, I am afraid that the public will not be as aware of the fact that death duty amendments are before this Parliament as they would have been in the days when Senator Negus was elected to the Senate purely on this basis. I do not know whether people think this issue has now passed away with time and is of no great consequence, or whether it is because so many States have said they intend to do something about it.

I do know that this morning I received a letter from Senator Negus, and he pointed out a number of things about death duty legislation. For instance, in New South Wales the flat concessional deduction is in the vicinity of $50,000. I was not aware of that. This Bill proposes to increase the concessional deduction for a wife from what we thought at the time was a reasonable amount of $10,000, to $20,000. The deductions for children are also to be increased. As I pointed out to the Assistant to the Treasurer, that is good. However, I believe we could strongly describe the Bill as too late, and to some extent, too little.

When I use the term "too late" I want to point out—and the public should be made absolutely aware of this—that the adjustment of death duty was one of the policies upon which the present Government was elected. So often we hear the claim that the Government has the mandate to do anything set out in its policy speech. If we follow that philosophy, we must agree also that the Government has an obligation to do everything in its policy speech.

If we look at this Bill which is before us in the last few days of this particular Parliament, we see that it will come into effect on the 1st January, 1974. The first estates assessed under this legislation will be lodged for probate on or around the 1st July, 1974. So the Government has run its entire term, and it now wishes us to pass legislation which will not have cost it one cent if it does not remain in office after the next election. So the burden of its promise to the electorate prior to the last election will be borne by the incoming Government, of whatever particular colour it may be. It is not a bad lurk to introduce reforms like this when one may not have to pay for them. That is why the Bill is too late.

It is too little in some respects because some of the advantages given by the legislation will be taken away in certain circumstances by other provisions which I discussed in detail during the second reading and Committee stages of the Bill. Because those principles were espoused at such length on those occasions, I do not intend to go into them again. I do say that it is time Governments started to look at their absolute obligation to recognise they cannot have it both ways. They cannot continue to feed inflation and to feed on inflation by not amending income tax rates and death duty rates. As inflation proceeds, people are paying a higher proportion of the amount they earn in tax, and a higher proportion of the amount they leave in death duties. We cannot have it both ways—we cannot continue to tax people during their lifetime based on inflated incomes, and then turn around when they are dead and tax their estates at inflated values as well.

Governments must recognise that they cannot have it both ways. Governments create inflation by allowing it to continue. In fact, many a Government's