

when it has passed through all its stages it will represent a great advance on existing legislation. I have pleasure in supporting the second reading.

On motion by Hon. H. Stewart, debate adjourned.

House adjourned at 10.43 p.m.

Legislative Council,

Thursday, 13th November, 1924.

	PAGE
Bills: Treasury Bills Act Amendment, 3R. ...	1807
Bunbury Electric Lighting Act Amendment, 3R. ...	1807
Carnarvon Electric Lighting, 3R. ...	1807
Roads Closure, 2R., Com., report ...	1807
Permanent Reserves, 2R., Com., report ...	1808
Land and Income Tax Assessment Act Amendment, 2R. ...	1811
Dividend Duties Act Amendment, 2R. ...	1813
Reserves (Sale Authorisation) 2R., Com., report ...	1814

survey has been effected and there is no departmental objection. It is merely a matter of convenience and all the parties concerned have agreed. By the Road Closure Act (No. 2), 1923, portion of Patterson-street, Collie, was closed to enable it to be granted as a Trades Hall site. It has since been pointed out by Mr. A. A. Wilson, M.L.A., that the truncation of the corner allows a very limited frontage to Throssell-street. It is therefore proposed to make the intersection an angle by closing the portion (coloured blue) and thus provide a greater frontage to Throssell-street. All parties concerned have agreed to the alteration. At a conference between the Mayor of Perth, the Chairman of the State Gardens Board, the City Engineer and the Vice-Chancellor of the University, it was agreed that the Government be asked to deviate the Perth-Fremantle-road in the vicinity of Crawley to provide a better contour for the road, round off a dangerously sharp corner and provide a better curve for the tramline. The land for the deviation will have to be taken from the University area, and after closure of the present road as provided in the Bill, it is proposed to grant certain land north of the new line (coloured blue) to the University in exchange for that taken (coloured green). The area to be taken from the University lands totals 3 acres 14 perches, and the area in the closed portion of the road to be granted to the University is one acre and nine-tenths perches. A survey has been made and there are no departmental objections. In the subdivision of Swan Location 1,227 certain streets are shown as Angus, Flora and Jessie streets on the deposited plans in the Titles Office. Those streets do not agree with the subdivision on the ground, nor with the litho. from which the lots were sold by the vendors. The streets are in different positions, and those shown on the plan have been disposed of as lots. In order to issue the titles, it is necessary to close the streets. The road board has agreed to the closure, provided that Wodonga-road is extended to Vincent-street. This arrangement will suit all parties. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. W. Kirwan in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—agreed to.

Clause 2—Closure of portions of Fitzgerald-terrace, Fremantle:

Hon. J. J. HOLMES: I want to know whether the local authorities have in all instances approved of these alterations. I make a point of asking this question upon

The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

BILLS (3)—THIRD READING.

1, Treasury Bills Act Amendment.
Returned to the Assembly with an amendment.

2, Bunbury Electric Lighting Act Amendment.

3, Carnarvon Electric Lighting.
Passed.

BILL—ROADS CLOSURE.

Second Reading.

The HONORARY MINISTER (Hon. J. W. Hickey—Central) [4.37] in moving the second reading said: In 1884 the holders of lots 5 and 6 of location 390 and Fremantle lots 159-161 were allowed to erect their fences along a certain alignment, shown on the accompanying litho, thereby including portion of Fitzgerald-terrace. The Fremantle council desires this alignment to be permanently adopted and those portions of the street (coloured blue) to be closed and submitted to auction as town lots to enable the adjoining holders to acquire them. The necessary

every Bill of this kind. On one occasion this House agreed to an alteration regarding certain streets, and afterwards ascertained that the local authorities had not been consulted.

The HONORARY MINISTER: The Fremantle Council have asked for this, and the same thing applies to the other portions of the Bill.

Clause put and passed.

Clause 3—Closure of portion of Patterson-street, Collie:

Hon. J. EWING: Is this clause in accordance with the Bill that we passed last session? Has everything connected with that measure been carried out? It concerned the Trades Hall, Collie.

The Honorary Minister: Yes.

Clause put and passed.

Clauses 4 and 5—agreed to.

Schedule, Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—PERMANENT RESERVES.

Second Reading.

The HONORARY MINISTER (Hon. J. W. Hickey—Central) [4.48] in moving the second reading said: This is a short Bill dealing with several lots in various localities. At Narrogin the Presbyterian church people desire to obtain Lot 343, upon which to erect a church at an early date. The same people already hold Lot 80, which is unsuitable as a church site, to which all concerned agree. The municipal council at Narrogin consider that the business portion of the town—Federal Street—is likely to extend to and beyond Lot 80, and that the other lot applied for is more suitable as a church site. They therefore recommend the change, to which there is no departmental objection. The road board at Broome desire to set apart an area of land and subdivide it as a residential quarter for the local coloured people. Lot 585 is recommended for the purpose, but this is a class "A" reserve for educational endowment purposes. The endowment trustees, however, have agreed to surrender the block if a similar area is granted to them in the vicinity. To this the department have no objection.

Hon. J. Ewing: Have you a plan here?

The HONORARY MINISTER: Yes. The third matter referred to in the Bill is a small reserve in the vicinity of the Old Men's Home, and forming part of that institution's reserve. It contains steps leading from Birdwood Parade down to the flat below the water supply. For some time past it has been under the control of the Public Gardens Board, and a great portion of it has been let by the board from time

to time as camping grounds. It is now considered desirable that it should be brought under the permanent control of that board. The land is not now required for the Old Men's Home. All concerned have agreed to the proposal, and there is no departmental objection to it. In connection with Crawley reserve A17375, it is desired to make an adjustment so as to remove a dangerous angle in the road at that spot. The area involved is not more than two-tenths of a perch, and the road deviation cuts it off from the other portion of the reserve. Under the Permanent Reserves Act the Bunbury municipal council were granted power to lease one acre of park lands, A4991, for the purpose of public refreshment rooms. Mr. Power, who desires to erect a substantial building on the land, wishes to obtain a lease for the purpose of building a hostel on it, but before he can do this it is necessary to change the purpose of the land as fixed under the Act. The hostel would be a convenience to visitors to the beach. The purpose for which it is now required cannot be said to be inconsistent with the general purpose of the reserve. I understand the people of Bunbury are in accord with this arrangement.

Hon. J. J. Holmes: What do you mean by a hostel?

The HONORARY MINISTER: That would be a hostel without a license.

Hon. A. Lovekin: With a license.

Hon. J. Duffell: An eating-house license.

The HONORARY MINISTER: Mr. Power is anxious to put up a better structure than has yet been erected in the vicinity of the beach.

Hon. J. Ewing: What title will he get?

Hon. J. J. Holmes: He would have to apply for a license in the usual way?

The HONORARY MINISTER: Yes.

Hon. J. Ewing: It is only a boarding house or a refreshment room, but what about the title?

The HONORARY MINISTER: He would have no further title than a lease.

Hon. J. Ewing: He never had a title, but I suppose this will give him a 99 years' lease.

The HONORARY MINISTER: I am not sure about the extent of the lease, but it will be leasehold. The other matter in the Bill deals with Subiaco, reserve 5,183. This is fronting on Bagot-road, between the police quarters and the school. It is set apart for public buildings. It is not now considered necessary to retain the reserve for this purpose. It is now proposed that this should be reserved for recreation purposes. I understand from those who know the locality that it is necessary to place this area under the control of some authority, and to that end the Bill provides that it should be placed under the control of the municipal council. In this way it will be kept clean and will be used as a breathing

space for the people. If, however, it be required later on for school grounds the control of the local authority over it would cease. I am assured that all those concerned in these changes have agreed to them and regard them as necessary. I move—

That the Bill be now read a second time.

Hon. J. J. HOLMES (North) [4.58]: I notice that Clause 6 amends the Act. It will, therefore, not apply only to land at Bunbury, but to all other land of that description.

Hon. A. Lovekin: The original Act applies only to Bunbury.

The Honorary Minister: That is so.

Hon. J. J. HOLMES: Have all these matters been brought before the local authorities concerned and approved by them?

The Honorary Minister: Yes.

Hon. J. DUFFELL (Metropolitan-Suburban) [4.59]: I support the remarks of the Honorary Minister with regard to Clause 7. The reserve in Subiaco is situated in Hamersley-road, being bounded on the south by that road, on the north by Bagot-road, and on the west by Heusman-road. Since Subiaco has been a municipality this reserve has been set aside for public buildings. It is realised that it will not be required for that purpose for the next generation or so. The Subiaco Council have constructed a footpath across it, erected electric lights, and laid down cricket grounds, etc. There was, however, always a danger that it might be called up for some other purpose. For this reason the municipality have not expended the money they would otherwise have done upon it, in order to keep the children off the streets. They have been asking for this change for many years. The Government are wise to agree to it, and I am sure the people concerned will derive much benefit from it.

Hon. J. EWING (South-West) [5.1]: The Act relating to the Bunbury reserve erroneously sets out that a refreshment room, instead of a hostel, may be opened. Because of this, the person who leased portion of the reserve from the Bunbury municipality has not been permitted to erect a hotel. The amendment proposed by the Bill is intended to meet that difficulty. The opening of the hostel will be of great advantage to the Bunbury people.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. W. Kirwan in the Chair; the Honorary Minister in charge of the Bill.

Clauses 1 to 5—agreed to.

Clause 6—Amendment of Permanent Reserves Act, 1921:

Hon. A. LOVEKIN: I desire more information on this clause than has yet been given. The Permanent Reserves Act of 1921 provides that it shall be lawful for the Bunbury Municipal Council to lease a portion or portions of reserve No. 4991 not exceeding in the aggregate one acre for the purpose of a public refreshment room. This clause proposes to strike out the words "public refreshment room" and insert "hostel" in lieu. Now, a hostel under the Licensing Act would, I take it, be entitled to an eating house license or an hotel license. Here in Perth is the King Edward Hostel, which was able to get a license, and which I believe holds a license to this day. Therefore, I presume the proposed hostel at Bunbury would be able to get a license. Is not that so? Further do the Bunbury Municipal Council intend to erect the hostel and to carry on the business of a hostel or do they propose to lease the acre of land in question for that purpose?

Hon. J. Ewing: They have leased it.

Hon. A. LOVEKIN: For how long?

Hon. J. Ewing: For a long term.

Hon. A. LOVEKIN: Have the municipality power under the Municipalities Act to lease the land?

Hon. J. Ewing: It is vested in them.

Hon. A. LOVEKIN: But have they power to lease it?

Hon. J. Duffell: I think 25 years is the limit.

Hon. A. LOVEKIN: cursorily looking through the Municipal Corporations Act I can see no power to these outside municipalities to lease land except land which has been seized for non-payment of rates. I do not see any power to lease a reserve for a lengthened period.

Hon. A. J. H. Saw: A hostel merely has a license to sell to boarders.

Hon. A. Lovekin: That is so.

THE HONORARY MINISTER: I have no idea what is the intention in that respect. A hostel, I take it, carries with it a license, always providing the licensing bench grant a license. Certainly the Bunbury Municipal Council have power to lease the land.

Hon. A. Lovekin: Under what Act?

THE HONORARY MINISTER: According to my information, under the Permanent Reserves Act of 1921.

Hon. J. J. HOLMES: I think it would be wise for the Minister to report progress, so that the matter may be looked into. If we amend the special Act so as to allow of the erection of a hostel, the lessee of the land would have a strong authority to go before the licensing court, even in defiance of the local residents. He would come before the bench with an Act of Parliament specially amended so that he might obtain a license. In the circumstance his application would carry considerable weights. So there

might be a conflict between what the Parliament of the country wanted and what the people of Bunbury wanted.

Hon. J. DUFFELL: The matter of the lease need not exercise the minds of hon. members, since all reserves vested in local governing bodies are vested in them under certain conditions set out in the vesting order, and any subletting by the local governing bodies would necessarily be subject to those conditions. This applies particularly to industrial blocks in Subiaco. Some years ago a lease was granted to Metters Ltd. for a long term.

Hon. J. Nicholson: For 99 years.

Hon. J. DUFFELL: Yes, subject to reappraisal after 15 years, 25 years, and so on. Doubtless this Bunbury area is leased under similar conditions. The local authority would not be able to sublet except under the conditions set forth in the Act. I would be sorry if the Bill were held up at this late stage of the session on the score of the hostel, seeing that the Act governing licenses affords sufficient protection.

Hon. A. LOVEKIN: There is a principle underlying the Bill. Assuming the correctness of the Minister's statement that the Permanent Reserves Act gives the Bunbury Municipal Council power to lease, yet that Act does not state for what term the land may be leased; nor do I find in the Municipal Corporations Act anything dealing with the terms on which reserves may be leased.

Hon. J. Nicholson: Possibly the Settled Lands Act applies, but I am not sure.

Hon. A. LOVEKIN: I consider it undesirable to let local authorities lease land on reserves for all time to anyone. A council in power to-day might give a long lease to some particular friend, with great detriment to the people of the municipality. Irreparable injury may be done to the people of Bunbury if this land is leased for a long term at a low rental. So far as I am able to ascertain, the Bunbury Municipal Council have no power to lease at all. I see no harm in adjourning the further consideration of the clause to permit of the matter being looked into. The lease of an acre of a reserve for 99 years wants thinking about.

Hon. J. EWING: It would be a pity to delay the Bill. I am satisfied the lease is properly drawn up. The solicitors to the Bunbury Municipal Council would see that everything was done in order. The people who have the land under lease, leased it with the idea of putting up a hostel. As I explained on the second reading, the Act contains wrong words.

Hon. J. J. Holmes: What is your definition of a hostel?

Hon. J. EWING: A sort of private hotel. The building has already been erected. It was erected under a misapprehension. The lessee found that he could not open the building as a hostel. With a hostel business he could do exceedingly well, because the

situation is on the sea-coast where many people go to bathe. The site is well out of the town, and at a considerable distance from other licensed premises.

Hon. A. Lovekin: How long is the lease for?

Hon. J. EWING: I am not sure, but it would not be for a term exceeding that permitted by the Act.

Hon. T. Moore: Is the building already erected?

Hon. J. EWING: Yes.

Hon. T. Moore: Then he must be satisfied with his lease.

Hon. J. EWING: I am sure he is. The amendment is required in order that the building this man has erected shall be of value to him and of great convenience to the people of Bunbury.

Hon. A. Lovekin: My point is, not whether the lessee is satisfied, but how the rights of the people are protected.

Hon. J. EWING: I am sure the public are satisfied. It is only an acre of land, and it is in good position for the purpose.

Hon. J. M. Macfarlane: He is in possession of the lease?

Hon. J. EWING: Yes, and has erected a very nice building. But as a refreshment room the building is useless to him, whereas as a hostel it will be very satisfactory.

Hon. A. J. H. SAW: I hope the Committee will agree to the clause. As I understand it, the man already has the right to conduct a refreshment room, but he wants to conduct a hostel. I do not think there is any likelihood of irreparable damage being done to the neighbourhood by allowing him to use the place as a hostel. Indeed, there is a probability that he will lose his license in a short time as the result of the carrying of prohibition by a simple majority. On the whole I think he is to be congratulated on taking his courage in both hands and going ahead with his enterprise.

Hon. J. J. HOLMES: This man appears to be a simple sort of individual. First he comes along and erects a building as a public refreshment room and now, discovering that he has made a mistake, he wants to convert it into a hostel. He is either a very simple individual, or else he knew exactly what he intended to do when he built the place as a refreshment room. At times we have had stunts put up on us, and on the face of it, this proposition looks—well, not quite right. Apparently the Bunbury Municipal Council have given their approval to the proposal, but I do not know what the police might have to say about the licensing of this place.

Hon. T. MOORE: It seems to me this place is absolutely necessary. More than once when in Bunbury in the holiday season have I had to sleep in a passage way. On my last visit to Bunbury I had to sleep on a lounge chair every night for a week. Therefore I am glad to learn of the building of this hostel. The lessee will have to

make out a wonderfully good case before the licensing bench will grant him a license for the sale of alcoholic liquors. Still, I want the man to be allowed to use the place as an accommodation house in time for the Christmas season. At present there is altogether insufficient accommodation in Bunbury.

Clause put and passed.

Clause 7—agreed to.

Schedules 1 and 2 and Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [5.24] in moving the second reading said: This is a machinery Bill, and I have come to the conclusion that the best way to deal with it is to explain the provisions clause by clause, and in some instances paragraph by paragraph. Clause 2, Subclause (1): No definition of "dividends" appears in the Land and Income Tax Assessment Act. This was an oversight in the drafting, and it is considered the omission should be remedied in the Bill. Dividends paid under the Dividend Duties Act are taxable under the Land and Income Tax Assessment Act, and the absence of a definition in the last-named Act is apt to create difficulty. Under the Bill it will be possible to tax undistributed profits. To-day those profits very often take the form of bonus or other shares to members of companies and so escape taxation. I think the justice of the amendment will be recognised. It would not be fair to allow those profits to be protected against the tax collector simply because they are to be used for special purposes. They remain profits all the same. Clause 2, Subclause (2): There is in the Bill an amendment respecting the word "dependant." At present any number of taxpayers who each contribute £26 or more per annum towards the maintenance of another person may claim that person as a dependant and get a statutory allowance up to £40, notwithstanding that the person claimed as a dependant may be in receipt of an annual income of any amount. For example: A mother is in receipt of income of, say, £300 or more. She might be claimed as a dependant by several sons or daughters and, provided they each contribute £26 or more towards their mother's maintenance, they would each be allowed £40 as a deduction from taxable income, in addition to the general exemption of £200. The Bill restricts a dependant to a person whose annual income, including any payment or allowance for

assistance, is less than £100 and who resides in the State.

Hon. J. J. Holmes: Do you not think a son or daughter should be encouraged to support his or her father or mother?

The COLONIAL SECRETARY: Yes, but I do not consider that each of many should receive that extraordinary deduction. Clause 3, Subclause (4) is an exact copy of the provision in the Federal Income Tax Act that was found necessary for the protection of taxpayers' interests and to prevent as far as possible any ex-departmental officer from disclosing any information that came within his knowledge during the course of his employment in the department. Clause 4 repeals Section 2 of the principal Act, which exempts from assessment for taxation purposes blocks of land the unimproved value of which does not exceed £50. It also repeals the section that permits a deduction of £250 in respect of agricultural, horticultural and pastoral lands. Neither the loss of the exemption nor the loss of the deduction will prove a burden on the landholder. This deduction of £250 was some help in the early days of land settlement, when almost every settler was struggling for a livelihood. However, conditions have changed, and the continuance of that exemption can no longer be justified. On that point I shall be able to furnish further argument when the Bill is in Committee. Clause 4 also exempts lands granted to religious bodies for the purposes of churches or schools. These blocks are generally allocated when a township is surveyed, and some years may elapse before the population of the township justifies the creation of a church. Clause 5, Subclause 1 deals with the second proviso to Section 16 of the principal Act. When that was added to the amending Act of 1922, the intention was to place an unmarried person who had a dependant in a similar position to a married person. A married person with a dependant is allowed an exemption of £200, but it was never contemplated that several other unmarried persons who were contributing towards the maintenance of the same dependant should also get the benefit of the exemption of £200. As the law now stands any number of persons liable to taxation who are relatives by blood of a person whom they claim is a dependant, may each receive the exemption of £200, provided they prove that such person is a dependant and that each contributes £26 or more towards his or her maintenance. Under Clause 5, Subclause 2 any male person over 65 years of age or a female person over 60 years in receipt of an income not exceeding £250, irrespective of the nature or source of such income will be exempt from taxation. Subclause 3 deals with Section 16 of the existing Act which allows a married person or a person with a dependant a deduction

of £200. It is provided in the Bill that if this deduction has been claimed and allowed to any unmarried person who has a dependant, the deduction shall not be allowed to any other person in the same connection, otherwise perhaps a dozen taxpayers will come forward and claim the £200 exemption on the ground that they too, were helping to maintain the particular dependant. Subclause 4 places an absentee taxpayer who is unmarried in a similar position to the absentee who is married and has a dependant. As the law now stands such a person gets no allowance for the statutory deduction of £200, nor for any other concessional deduction, whereas a single person who is an absentee gets the benefit of a general deduction of £100. Subclauses 5, 6 and 7 are consequential upon the definition of dividend in Clause 2 of the Bill. Subclause 8 exempts from taxation dividends paid out of the profits of a mining company, and is consequential to the exemption of the profits of a mining company under the proposed amendment of the Dividend Duties Act which I shall introduce later. The proposed amendment is in accordance with the decision of Cabinet to exempt from taxation, dividends paid by mining companies until the paid-up capital on the share has been returned.

Hon. J. W. Kirwan: Why not copy the clause from the Commonwealth Act, which goes further?

The COLONIAL SECRETARY: I am aware of that, but this goes a long way.

Hon. J. W. Kirwan: Why not go as far as the Commonwealth have gone? A State like Western Australia should do so.

The COLONIAL SECRETARY: In accordance with the proviso the amount of dividends exempted from taxation will be taken into account in fixing the rate of the tax. Subclause 9 of the same clause is necessary in order to bring about uniformity in the assessment of pastoralists and mixed farmers who deal in live stock, to cause them to bring to account in their income returns, their live stock, including the natural increase at the commencement and end of each financial year. It legalises what the State Commissioner has done since the inception of taxation in this State with the consent and approval of the pastoralists.

Members: Oh, no!

The COLONIAL SECRETARY: Subclause 10 repeals Subsection 5 of Section 16 of the original Act, which regards profits from the sale of any mining tenement as income, unless the tenement belonged to a bona-fide prospector. Under this amendment the proceeds of the sale of any mining tenement will not be treated as income by the Taxation Department.

Hon. A. Lovekin: Or increase the tax rate on his other income.

The COLONIAL SECRETARY: Clause 6 repeals Section 17 of the principal Act which allows an abatement of so much on

the amount payable for income tax on profits from land equalling the amount paid for land tax in respect of the same parcel or land. The law as it stands confers on a class of taxpayer a rebate on income that should carry a much higher rate of tax. For instance, under the Federal and State taxes in the other States, income from property carries a much higher rate of tax than income from personal exertion, but there is no discrimination in Western Australia between income from property and income from personal exertion. Moreover, the section creates considerable work in the department. Clause 7 amends Subsection 3 of Section 29 of the existing Act, which reads—

No tax shall be payable in respect of income earned outside the State of Western Australia.

This section has been held to override another section which was intended to compel civil servants residing outside Western Australia to pay taxation on their salaries. Such exemption was never contemplated by Parliament. The amendment in the Bill makes the position clear, and in future the Agent General and his staff, drawing their salaries from the State, will have to pay taxation to the State as if they were residing in Western Australia.

Hon. G. W. Miles: Shame!

Hon. J. Ewing: The Agent General is not getting too much salary as it is.

The COLONIAL SECRETARY: Clause 8, Subclause 1, restricts the provisions of Section 30, Subsection 4, of the original Act in regard to "Sums expended by a taxpayer for repairs to his dwelling-house" to an expenditure not exceeding £50. No matter what the expenditure may be, only £50 will be allowed. But the restricted allowance for repairs under this amendment applies only to private residences of taxpayers. Repairs to freehold property producing income in the shape of rent, are allowed in full each year. Subclause 2 of Clause 8, which provides for the substitution of the words "income chargeable" for the words "taxable income" in the Act, and the income chargeable means the balance remaining on which the tax is calculated after all deductions including concessional deductions have been allowed. The alteration in the figures "£250" to "£350" gives an additional benefit to taxpayers. It increases the deduction for medical expenses on taxable income from £250 to £350. The next subclause relates to the travelling expenses of members of Parliament. Last session an amendment was passed providing for an allowance to members up to £50 and £100 respectively in certain electoral districts. That amendment conflicts with Section 30, Subsection 5, of the original Act, which should have been repealed at the time. That is the object of this amendment. The next subclause repeals Subsection (5a) of the Act. The deletion of this is neces-

sary seeing that dividends received by shareholders from mining companies are to be exempt from taxation until the paid-up value of shares in those companies has been returned to the shareholders. Subclause 5 of Clause 8 repeals Subsection 9 of Section 30 of the principal Act, which reads—

Where a taxpayer employs his sons or daughters over the age of 16 years in his trade or occupation such sum may be deducted for their services as may be prescribed by any Arbitration award or as to the Commissioner may seem reasonable.

This provision is unworkable, and is neither fair nor equitable in its incidence. For instance, a farmer who employs his sons and daughters on his farm, but pays them no wages, would be entitled to claim as a deduction the amount payable under an arbitration award. The proposed amendment restricts the deduction to the sum actually and reasonably expended by the taxpayer during the year in which his income was derived. The amendment has been taken from the Federal Act, which is equitable in its application. Subclause 6 of the same clause increases the allowance for children from £40 to £62. Subclause 7 of Clause 8 of the Bill relates to dependants. At the present time an unmarried person who has a dependant is allowed the statutory exemption or deduction, as the case may be, of £200, and £40 allowance for children. This was never intended, that is to say, that an unmarried taxpayer should get a deduction of £200, plus £40, or a total of £240, as against a married person who gets £200 only. The amendment will allow £200 to an unmarried person for the first dependant, and if he has more than one dependant, then he gets the allowance of £40 in respect to each in excess of one. The next subclause exempts from taxation the profits of a taxpayer whose income is derived from the working of a mining tenement, lease, etc., until he has made profits equal to the total amount of his cash capital expenditure incurred in producing his income. This provision is in keeping with the exemption proposed to be granted to mining companies under the Dividend Duties Act.

Hon. G. W. Miles: What about the labour put into a mine?

The COLONIAL SECRETARY: I do not think any Government have attempted to go so far as we propose, and this is the full extent to which we are prepared to go. Subsection 13 of Section 30 allows all rates and taxes, including State and Federal land taxes and Federal income tax paid in Western Australia, as a deduction from a taxpayer's income before it is assessed for income tax. It often happens that taxpayers get large rebates of Federal income tax, which they do not bring to account as income in their State return in the following year. Under the Federal Income Tax Act such rebates must be treated as

income and brought to account in the year in which they are received. The proposed amendment provides for such rebates being brought to account for State income tax purposes, and is therefore in keeping with the Federal provision. The second proviso deals with rates and taxes, which are paid in respect of land held or acquired for sale and which form part of the capital cost of the land. In such cases the rates and taxes are not to be allowed as a deduction from the other income of the taxpayer, but the taxpayer gets the benefit of the rates and taxes that have been capitalised when he disposes of the land. Clause 8, Subclause 10, merely incorporates the provisions of Section 8, Subsections (3) and (4) of the Land Tax and Income Tax Act, 1923. Clause 9 repeals Section 34 of the principal Act. The provisions of this section are already contained in Section 62 of the principal Act and there is no necessity for the repetition. Clause 10 repeals Sections 8, 49 and 50 of the principal Act, and in lieu thereof seeks to insert Clauses 49, 50, 51 and 51a. These clauses are necessary in order to bring the State provisions respecting appeals into line with the Federal law, the main object being to facilitate appeals and to save cost as far as possible to the taxpayers. Clause 11 provides for penalties being imposed where income has been omitted from an income return or from a land return. The provision has been taken from the Federal Act, and it has been found necessary on account of the number of incorrect returns submitted to the department. Under the State law as it now stands, if a person is late in sending in a return, or fails to furnish a return, or if his return is found to be incorrect on account of omitted income, he can be penalised for only one offence. It may be he has sent in a late return and he is penalised to the extent of 10 per cent.

Hon. G. W. Miles: Ten per cent. per annum.

Hon. A. Lovekin: No, 10 per cent. straight out.

The COLONIAL SECRETARY: Under the Federal law he could be penalised for one or all of the three offences, namely the late return, the omitted income and the incorrect deductions. I move—

That the Bill be now read a second time.

On motion by Hon. A. Lovekin, debate adjourned.

BILL—DIVIDEND DUTIES ACT AMENDMENT.

Second Reading.

The COLONIAL SECRETARY (Hon. J. M. Drew—Central) [5.50] in moving the second reading said: This Bill provides for two short amendments. Clause 2 seeks to

amend Section 6 of the principal Act by exempting from taxation the profits of mining companies other than coal mining companies, until profits have been made in excess of the share capital paid up in cash.

Hon. J. Ewing: Why not exempt coal mining companies?

The COLONIAL SECRETARY: This amendment is to take effect as from the 1st July, 1924, and will give relief to mining companies incorporated after that date or to existing companies that call up fresh share capital in cash to carry on operations. Suppose an existing company has an authorised share capital of £250,000, and of this sum £200,000 had been called up prior to the 30th June, 1924, and the balance of £50,000 was called up after that date, such a company would not be liable to taxation under the proposed amendment until it had made profits in excess of the share capital called up after the 1st July, 1924, namely, £50,000, and the company would be liable for duty only on the profits in excess of that amount. A new company incorporated after the 1st July, 1924, would not be liable to taxation until it had made profits in excess of its share cash capital, and would pay duty only on the profits in excess of such share capital. Clause 3 amends Section 30 of the principal Act, which provides for the full amount of duty being paid in the case of appeal. Under the proposed amendment only one-fourth of the duty is payable when an appeal is being lodged. It should be noted that the exemption applies only to profits that do not exceed the share capital of the company paid up in cash. Many companies issue large shares for valid and in some instances for fictitious consideration. For instance, a company acquiring a mining tenement from prospectors would, in all probability, pay so much in cash and so much in shares for the mining tenement. The shares paid in this manner would not be taken into account in determining whether the company was liable for taxation or not. The principle underlying the proposed amendments is to give relief only to cash that has been subscribed by the public to develop mining. If the relief were not confined to cash, many companies would be exempt from duty on shares that were issued for fictitious purposes and without valid consideration. I move—

That the Bill be now read a second time.

On motion by Hon. F. H. Harris, debate adjourned.

BILL.—RESERVES (SALE AUTHORISATION).

Second Reading.

The HONORARY MINISTER (Hon. J. W. Hickey—Central) [5.56] in moving the second reading said: This short Bill deals with various reserves. Reserve 848,

Plantagenet Location S39, is held under a 999 years lease by the trustees of the Albany Turf Club for a racecourse, and only one of the trustees, Mr. John Moir, survives. The club desires permission to sell the racecourse and hand over the proceeds, together with some funds held by Mr. Moir, to the Albany Municipal Council for the purpose of improving the combined racecourse and recreation ground which the council has acquired. At Quairading lots 15 and 16 are reserved for agricultural hall and road board office respectively. The road board does not consider these lots suitable for such purposes and is desirous of selling them, together with a small building thereon, and applying the proceeds towards the erection, in the corner of the park lands, of new premises at a cost of £2,000. The trustees of the Dalwallinu hall site, Lot 13, are anxious for the road board to take over the responsibility of providing a new building suitable for the needs of this growing town. The board has agreed to do so and has let a contract for the erection on Lot 154 of a combined hall and road board office at a cost of £2,300, and desires permission to sell the present site and building and devote the proceeds towards the cost of the new buildings. At Bencubbin Lot 50 is held by trustees on a 999 years lease for an agricultural hall site. The trustees desire to hand the land and buildings over to the Mt. Marshall Road Board so that they can be sold by the board and the proceeds devoted towards the erection of a suitable building on Lot 82 or Lot 76. Mr. Lindsay, M.L.A., has interested himself in this matter and I am assured that all sections concerned are anxious that the arrangements be made as early as possible. The education endowment trustees desire to grant the northern moiety of Albany Lots 515 and 363 to Mr. M. J. Brady in exchange for the southern moiety of Lots 516 and 362. As the trustees have no power to dispose of endowment land, Parliamentary sanction is necessary. The trustees of the Geraldton Trades Hall hold Lot 959. It is desired by them to surrender this to the Crown in exchange for another lot with a frontage to Eleanor-street. I have a knowledge of that particular site. It is only a question of transfer from one site to the other. The same thing applies to many other of these propositions. The Government have brought in this Bill in order to fulfil the wishes of the various parties interested in these transfers. Seeing that all parties are agreeable, and that the department, as well as the Government, desire that these changes should be effected, I move—

That the Bill be now read a second time.

Hon. C. F. BAXTER (East) [6.2]: I have a personal knowledge of most of

these matters. I know that the blocks in question are generally unsuitable for the purpose for which they have been allocated. It is now proposed to dispose of these lands, and use the proceeds of the sales to improve the new lands that have been allocated to the different governing bodies. I trust the Bill will be passed.

Question put and passed.

Bill read a second time.

In Committee.

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

House adjourned at 6.3 p.m.

Legislative Council.

Tuesday, 18th November, 1924.

	PAGE
Question: Licensing Magistrate's Report ...	1815
Bills: Roads Closure, 3A. ...	1815
Permanent Reserves, 3B. ...	1815
Reserves (Sale Authorisation), 3C. ...	1815
Albany Loan Validation, 1A. ...	1815
Workers' Compensation Act Amendment, 2A. ...	1815
Private Savings Bank, Assembly's Message ...	1829
Industrial Arbitration Act Amendment, 2B. ...	1829
Inspection of Scaffolding, recomittal ...	1834

The PRESIDENT took the Chair at 4.30 p.m. and read prayers.

QUESTION—LICENSING MAGISTRATES' REPORT.

Hon. J. EWING asked the Colonial Secretary: 1, Have the licensing magistrates drawn up a report of their proceedings up to 30th June last? 2, If so, will the Minister lay it on the Table of the House?

The COLONIAL SECRETARY replied: 1, Yes. 2, Yes.

BILLS (3)—THIRD READING.

- 1, Roads Closure,
- 2, Permanent Reserves,
- 3, Reserves (Sale Authorisation),
Passed.

BILL—ALBANY LOAN VALIDATION.

Received from the Assembly and read a first time.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 11th November.

Hon. A. J. H. SAW (Metropolitan-Suburban) [4.37]: It has been stated, I think, by the Leader of the House, and also by the Minister for Works, who, I understand, is the sponsor for the Bill, that whereas formerly Western Australia led the way in workers' compensation, it now lags behind the other Australian States and every other part of the world. I have taken the trouble to go through the Acts of some other parts of the world, and do not think the statement is strictly correct. It is not correct with reference to the Old Country except insofar as it concerns industrial diseases, nor is it strictly true with reference to the Acts of the other States. There are other States that have more liberal provisions than Western Australia has in the 1912 Act and the various amendments that have since been passed. I could say, so far as the other States are concerned, Western Australia stands somewhat higher than midway with reference to legislation affecting workers' compensation. This Bill is supposed to be due to the wide knowledge possessed by the Minister for Works on industrial matters, and to this reason is due its wide application. I understand he has looked through the Acts and taken into account the legislation of many other parts of the world, in order that Western Australia may benefit thereby. I am reminded of the familiar bee, which is observed in the garden going about gathering honey from every flower. The Minister for Works has brought all countries within his purview. In the words of Dr. Johnson:

"Let observation with extensive view
Survey mankind from China to Peru."

His attitude reminds me very much of those very interesting inter-secondary school sports that we witnessed only a few weeks ago: a most delightful sight it was. There the young athletes set out and created four records. Not content with this, they tied, I think, with seven other records. A similar performance has been put up by the Minister for Works. He has not only tied in every respect, I fancy, with other countries, but he has in some instances created new records. His ambition has been portrayed by one of our poets who says—

My night shall be remembered for the
star

That outshone all the suns of all men's
days.

That is a very laudable ambition. But I am not sure that there is anything in the financial situation either of the people of Western Australia, or of the Government of the State, to warrant such a roseate