

Mr. McLARTY: I do not know, but I think that is a sound proposition. The loans could be paid back. A stipulation could be made that the students who accepted them must remain in Western Australia for some definite period. I think such money would be wisely provided, and the Government would get it back.

Progress reported.

House adjourned at 10.47 p.m.

Legislative Council.

Thursday, 1st November, 1945.

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

BILL—TROTTING CONTROL.

Introduced by the Chief Secretary and read a first time.

BILLS (2)—THIRD READING.

1, Builders' Registration Act Amendment.
Returned to the Assembly with an amendment.

1, Supreme Court Act Amendment (No. 1).
Passed.

BILL—NATIONAL FITNESS.

Report of Committee adopted.

BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

In Committee.

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

Clause 1—agreed to.

Clause 2—Amendment of Section 2:

Hon. C. F. BAXTER: Notwithstanding what the Honorary Minister has said, this Bill has gone beyond what the road boards

are asking for. It has gone to the extent of open trading with the State Insurance Office by individual road boards, and that was never intended by the road boards nor by the conference. To bring it into line with what is required, I move an amendment—

That in line 4 of proposed new paragraph (b2) the words "one or more" be struck out.

THE HONORARY MINISTER: I oppose the amendment. The series of amendments indicated by Mr. Baxter would preclude road boards from insuring with the State office except through a pool. This would be grossly unfair to the boards, because anyone knows how tedious is the process of getting country road boards to agree upon anything. The first pool could be formed under the measure, but other boards would be cut out. It might be necessary later on to form another pool. Meanwhile the road boards, which are governing authorities doing work on behalf of the people, should be able to avail themselves of the cheaper insurance if it is obtainable from the State office pending the formation of a second pool. I have no doubt that the scheme will be a great success and that other boards will desire to form a second pool. If some of the boards are not prepared to join the first pool, it would be a grave injustice to deprive them of the advantage of cheaper rates from the State office.

Hon. J. A. Dimmitt: Who said the rates would be cheaper?

The HONORARY MINISTER: I am saying they would be. The State office has not to bear the tremendous expenses of private companies in running the business.

Hon. L. B. Bolton: But private companies pay taxation.

The HONORARY MINISTER: If the State office cannot offer cheaper rates, the road boards will not be interested. The scheme will not be compulsory. The boards deserve to be given this assistance. Every endeavour should be made to meet the complex problems that lie ahead, and administrative costs should be kept as low as possible in order that every penny may be available for reproductive work. Here is an opportunity for the road boards to save money and spend it on road making and other work. If the amendment were passed, it would have the effect of emasculating the Bill. Many of the local authorities might

want to hold back to see how the pool works. Meanwhile, the State Insurance Office might be able to offer attractive rates of insurance to individual boards and the local authorities should be permitted to take advantage of them.

Hon. L. CRAIG: I support the amendment. At present no road board is insuring with the State office.

Hon. Sir Hal Colebatch: Could any board do so?

Hon. L. CRAIG: No, but if the Bill be passed as printed, they will be able to insure with the State office. I am satisfied that the road boards do not understand the advantages of a complete pool scheme, but when they do, I believe they will be ready to participate. The State office will undoubtedly offer a lower rate to individual boards for ordinary risks as against the rate that it will charge the pool. The State office has not yet determined the premiums to be charged to the boards in the pool, so there will be an attraction for other boards to insure with the State office as against joining the pool. The amendment would allow the boards which are joining the pool to go on with it and meanwhile other boards might consider the matter, and if they are inclined in future to join a large pool they should be permitted to do so. The amendment will leave things as they were, each board insuring with the office it prefers, while those who wish to join the pool may do so.

Hon. C. F. BAXTER: The Honorary Minister's statement about the premium rate of the State office being cheaper is mere assumption. There is no evidence to back it up. The road boards have asked for a pool and nothing else and apparently do not desire anything else. I have a letter from the secretary of the Merredin Road Board, which was responsible for the inauguration of this scheme, and the concluding paragraph makes the position clear. It reads—

It is urged that boards insist with the Minister that we must have a road board pool in every sense of the word—

That is contrary to what the Minister said.

—entirely operated and controlled by the boards themselves, except, of course, to come under the scrutiny from time to time of Government auditors or inspectors when the Government acts as the representative of the ratepayers of the State as a whole.

The resolution of the conference moved by the secretary of the Merredin Road Board read—

That an amendment to the State Insurance Act be sought to enable the State Insurance Office to do the whole of the business for any group of road boards on the basis of an insurance pool.

No reference was made to individual boards insuring with the State office, and so far as I am aware, no individual board has any wish to do so. Most of the boards are quite satisfied with the present arrangements.

Hon. T. Moore: Then why do they want the Bill?

Hon. C. F. BAXTER: Other boards will be at liberty to arrange a pool with an outside company or the State. I hope the amendment will be accepted in order that we may make clear the desire that pools and not individual boards may insure with the State office.

Hon. W. R. HALL: The local authority with which I am associated pays insurance in the vicinity of £400 a year, and the insurance company allows a 50 per cent. reduction in the premium, which is very good. However, if the State office could see it in any way clear to give more than a 50 per cent. reduction, why should the board not take advantage of it? Surely ratepayers are entitled to the cheapest premium they can obtain. Some rates are fairly high. So long as local authorities are getting fair treatment from the private companies, I do not see why they will want to leave those companies; but if the State office can offer a cheaper premium, by all means let the local authorities have it. The Bill only proposes to do something which is in the interest of the ratepayers.

The HONORARY MINISTER: I should not imagine that the 23 road boards which are anxious for the pool to be formed will get busy when the measure becomes law. A pool may be formed for a definite period of two years, three years or longer, which means that if the other road boards want to come in, there will be a waiting period while a subsidiary pool is formed. In the meantime they may wish to transfer their insurance, pending the formation of a second pool.

Hon. L. Craig: Why a second pool?

The HONORARY MINISTER: This pooling must be done on sound insurance lines and I should imagine there would be a fixed time to assess the profit and allow them to get their part of it. While this is being done and the pool is being formed

there are over 100 other road boards which may gradually decide it would be a good idea to enter the scheme. Their policies may lapse; and while they are waiting to enter the pool, they will be able to transfer their insurance to the State office in the ordinary way, if it is attractive; and I am positive it will be. I cannot imagine that the pool price will be higher than the ordinary premium. I should imagine that any insurance office would charge the same premium and the State office would seek to demonstrate that even with the cheaper premium it made a fair amount of profit and was able to declare a dividend to be returned to the local authorities.

Hon. L. Craig: I contend that the ordinary premium would be lower than that of the pool.

The HONORARY MINISTER: I do not think so.

Hon. L. Craig: Actuarially it should be.

The HONORARY MINISTER: I do not know about actuarial calculations. I think it would be bad business. In common justice, I think that road boards which are waiting should not be penalised but given an opportunity to transfer their policies and take advantage of any cheaper rates available from the State office.

Hon. C. F. BAXTER: The Minister has repeated a statement which he laboured yesterday and on which I want more definite information. I refer to the rebate of profits to the local governing bodies. After he had made that statement, I investigated the position with a view to having that ratified by an amendment; but it is not possible. This Bill amends Sections 2 and 4 of the Act only, and I would have to amend the title. But even if the Committee agreed to that, the position would be that it would involve the Government in expenditure and it is not permissible for us to move along those lines. The Minister should give the Committee some assurance that the Government proposes to introduce an amendment to provide for that. I could find no section making any provision for the rebate of this money.

The CHAIRMAN: I hope members will confine their remarks to the question of why a local authority or a friendly society as an individual body cannot come under this proposal. That is the amendment. Members seem to be arguing a point which has very little to do with that.

The HONORARY MINISTER: If, Sir, you will allow me to digress a little like Mr. Baxter, I would like to say that it is no good forming a pool if the people comprising it do not get any advantage out of it. I can give the assurance that after fair and reasonable charges have been made in connection with the scheme the Bill will give the road boards the advantage of receiving profits out of the pool.

Hon. C. F. Baxter: There is no provision in the Bill for that.

The HONORARY MINISTER: That is the idea. That is the basic reason for the Bill; it is why the road boards want it.

Hon. C. F. Baxter: Show me where it can be done in this Bill. It is only mere talk.

The HONORARY MINISTER: Not so far as I am concerned.

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

Ayes	11
Noes	7
Majority for .. .	4

AYES.	
Hon. C. F. Baxter	Hon. E. H. H. Hall
Hon. L. B. Bolton	Hon. V. Hamersley
Hon. Sir Hal Colebatch	Hon. A. Thomson
Hon. L. Craig	Hon. F. R. Welsh
Hon. J. A. Dimmilt	Hon. H. S. W. Parker.
Hon. F. E. Gibson.	(Teller.)
NOES.	
Hon. C. R. Cornish.	Hon. G. W. Milles
Hon. J. M. Drew	Hon. T. Moore
Hon. E. H. Gray	Hon. W. R. Hall
Hon. W. H. Kitson	(Teller.)

PAIR.	
AYES.	NOES.
Hon. H. Seddon	Hon. E. M. Heenan
Hon. W. J. Mann	Hon. G. Fraser.

Amendment thus passed.

On motions by Hon. C. F. Baxter, clause consequentially amended by striking out in lines 4 and 5 of paragraph (b) (2) the words "one or more," by striking out in lines 2 and 3 of subparagraph (i) the words "a local authority or," by striking out in line 4 of the same subparagraph the words "a friendly society or," and by inserting in line 1 of subparagraph (ii) after the word "undertaken" the word "only."

Hon. C. F. BAXTER: I move an amendment—

That in subparagraph (ii) the words "local authorities separately or with friendly societies separately or with any number of local authorities or with any" be struck out and the words "a number of local authorities or a" inserted in lieu.

Amendment put and passed; the clause, as amended, agreed to.

Clauses 3 and 4, Title—agreed to.

Bill reported with amendments.

BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [5.5] in moving the second reading said: The object of this small Bill, which seeks to amend the Land and Income Tax Assessment Act, is to accord to persons receiving widows' and service pensions a similar privilege to that enjoyed by invalid and old-age pensioners, in regard to relief from the responsibility of paying land tax on property which they own. It will be agreed that the slender resources of those persons whom this Bill is designed to assist entitle them to any financial concession that can be conveniently allowed to them. Before they can be considered eligible for pensions they undergo a means test identical with that applied to claimants for old-age or invalid pensions. In common with old-age and invalid pensioners they are already exempted under the provisions of the Pensioners (Rates Exemption) Act, 1922-1943, from the payment of rates, and it is considered that they should share a similar privilege in regard to land tax.

The qualifications for a widow's pension are obvious and need no explanation. Service pensions are paid by the Commonwealth Government to ex-servicemen suffering from pulmonary tuberculosis, and to their wives and children; to men who have served in a theatre of war and are permanently unemployable, and to their dependants; and to ex-servicemen who have attained the age of 60 years and who have served in a theatre of war. The loss of revenue to the Government as a result of this exemption will not be considerable. The concession will be of distinct value to pensioners and will be one less claim upon their small incomes. The exemption, if approved by Parliament, will take effect as from the 30th June, 1944, and will be retrospective to that extent. I feel that members will approve of this measure, which is designed to give some financial benefit to a less fortunate section of the community. I move:—

That the Bill be read a second time.

HON. J. CORNELL (South) [5.7]: have no desire to oppose the second reading of this Bill, but I certainly think there should be a review of the whole situation. Although the Chief Secretary has not said so I understand that the estate will carry the rates for the beneficiary. Today the beneficiary has to pay accrued rates. Will he have to pay the land tax that is exempted? The rates of an old age or invalid pensioner are not paid by him. They accumulate and the beneficiary pays it, it being charged against the estate. Will that happen here? This is the situation we have arrived at in our social legislation.

I know of cases that have occurred under the Commonwealth Superannuation Act—I do not know whether they occur under the State Superannuation Act—where the beneficiaries, a man and his wife, who have contributed for years, draw less than the man and his wife under the old age pensioners provisions. That is one of the situations we have arrived at. Another of those situations is where elderly people have down the years endeavoured to make some provision for their old age, say by investing a little money in property or in first mortgages. They draw less than the old age or invalid pensioner because of these securities, and in addition they are charged a higher rate of taxation.

Hon. L. Craig: The property rate. Quite right!

Hon. J. CORNELL: Whilst we laud ourselves on our social legislation and declare that the State should carry old age pensioners, invalid pensioners, war service beneficiaries, widow-pensioners, and give all this relief we deny that relief—indeed we place impositions on them—to the people who have made some provision for their old age or their invalidity. That is a set of circumstances that no intelligent and democratic community should tolerate. I am getting an old man now. All down the years I have tolerated the giving of all these amenities to people who have made no provision whatsoever, and never attempted to do so, for the future. It is a case of 50 per cent. for them and 50 per cent. for vote catchers. There is no argument about that.

Today we have an aggregation of beneficiaries who never made any endeavour to provide for the future, but who are in a position to be the deciding factors as to what

form of government should rule Australia. We have got down to that. They can determine who shall rule. I am not speaking with any disregard for these beneficiaries. What I want to make clear, and what I think every public man should make manifest, is that it is a one-sided affair. Relief or consideration should be given to those people who have made some provision and stinted themselves over the years for either their old age or their invalidity. Today they get it where the chicken got the axe. They receive no sympathy because of what they have endeavoured to do for themselves. It is time we called a halt and looked at the other side of the picture. If we find there is justification for easement to be given to beneficiaries under the social service scheme there is still more justification for it to be given to those who have provided for their own future. At least they should be brought on to a level with those others to whom I have referred, and while the means test prevails that should be an easy matter. It appears, however, that they represent a lost legion. No one gives them any consideration. Probably it may happen later on when the tide turns, and beneficiaries think they may get further consideration from a change of Government, that Government may advocate what I am now saying. I support the second reading.

HON. E. H. H. HALL (Central) [5.15]: I support the second reading of the Bill. I am glad Mr. Cornell brought the matter he dealt with before the notice of the House and statements such as he made require to be before the public. His long Parliamentary experience gives added weight to assertions such as he made. We frequently come across cases similar to those he mentioned. We know of people who throughout their lifetime have endeavoured to save and have been thrifty, so as to make some provision for themselves in their old age. They have denied themselves and have gone without pleasures from time to time in order to attain that position and now, as Mr. Cornell pointed out, they are penalised. I realise that this is a Commonwealth matter, but it is up to public men to deal with the subject in the manner adopted by Mr. Cornell. I congratulate him on his action and cordially endorse the sentiments he expressed.

HON. A. THOMSON (South-East) [5.16]: We can heartily congratulate Mr. Cornell on voicing the feelings of a large section of the community. We have been led to believe that the remission of taxation to those in receipt of old age and other pensions represented a measure of assistance, and it is so to a certain extent. On the other hand, one is surprised to find that the rates accumulate and are chargeable against their estates. In many instances, sons and daughters have sacrificed themselves in order to contribute towards the purchase of a home for their aged parents, or have made contributions with a similar object in view, and they very often find that it is no easy matter to provide the help that they would desire to render. However, they have contributed and have been hopeful of deriving some little benefit from the ownership of the home when the old people had passed on. Yet we find those people who have made sacrifices in order to ensure their aged parents' comfort are faced with the accumulation of rates and taxes that are chargeable against their estates.

Hon. L. Craig: But in this instance the tax does not go on.

Hon. A. THOMSON: Well, I will deal with the other phases. I am not opposing the Bill but I would like to be satisfied that in this instance the taxes will not accumulate. Perhaps the Chief Secretary will be able to inform us whether what is proposed under the Bill will represent an absolute rebate. While I appreciate that this is a Federal matter, I think it should receive some attention.

In view of the high taxation that is now imposed on the people and also because under the new system from every pound contributed the Commonwealth takes 1s. 6d. which is earmarked for social benefits and amenities, it is time that the Commonwealth Government gave due consideration to the interests of the people referred to by Mr. Cornell, people who have been thrifty and have endeavoured to save a little money in order to retain their independence. While old age and other pensions are of great benefit, it seems to me that if a national insurance scheme were established to which everyone would contribute and from which later on, when they attained a certain age and quite irrespective of their financial position, they would be able to draw the prescribed payments, it would be much better. As it

is, very many people are taxed in order to provide the funds for the provision of pensions and so on, and yet they derive no benefit at all in consequence.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [5.20]: I do not propose to deal with any Commonwealth matters at all. Section 10 of the Land and Income Tax Assessment Act commences as follows:—

The lands and classes of lands hereinafter specified are exempted from assessment for taxation under this Act, viz:—

Paragraph (f) of Subsection (1) reads—

Land held by any pensioner under the Invalid and Old Age Pensions Act, 1908.

The Government is desirous of extending that exemption to those people who receive widows' and war service pensions. Therefore this matter is in quite a different category from the instances quoted by Mr. Cornell and other members. This provides for an absolute exemption from assessment. Land and property can only be assessed under this measure.

Hon. L. Craig: Mr. Cornell did not say that these taxes would accumulate.

The **CHIEF SECRETARY**: That is so, but I think it could be inferred from the discussion that, while this may be of value to the people concerned, their beneficiaries will suffer; and that is not so.

Hon. J. Cornell: I suggested that 6s. would be the maximum anyone would pay. I pay 8s. in the heart of Claremont.

The **CHIEF SECRETARY**: The amount involved is not very great but no doubt it will mean quite a lot to some of the pensioners if they have a few extra shillings per year, for there are a good many uses to which they could put them. I feel sure there will be no objection to the Bill. The other matters that have been dealt with relate purely to Commonwealth functions, with which I shall not deal at this stage.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—TOWN PLANNING AND DEVELOPMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. L. CRAIG (South-West) [5.25]: support the second reading of the Bill, but I intend to vote in favour of the amendment which Mr. Dimmitt has placed on the notice paper. It is certainly desirable that people within an irrigation area, if they subdivide their properties and that necessitates works being carried out by the Irrigation Commission, should pay for and contribute towards the cost of such works. On the other hand, there is a danger again which we should safeguard. I live in an irrigation area. There are many works which it is the function and duty of the commission to construct without any subdivisions being made but which works have not yet been undertaken.

In respect of the small farm I possess, I pay something like £24 a year in drainage rates and the nearest work constructed by the commission is a drain that is more than a mile away from my property. I derive no benefit whatever from the drain, yet I have an annual payment, if capitalised, would represent many hundreds of pounds. Most decidedly it is desirable that necessary works, and there are such at present, should be constructed before any imposition is decided upon respecting those who subdivide their properties. It may be that a man will subdivide his place and there are works that should have been carried out by the Irrigation Commission irrespective of that subdivision, and that man will be expected to pay at least some of the cost involved in the work when it is carried out. The Bill is quite all right, but it is necessary to embody the amendment suggested by Mr. Dimmitt, so that any of the works that may become essential will be necessary only because a property has been subdivided.

HON. J. A. DIMMITT (Metropolitan Suburban) [5.28]: The Bill provides for the submission of plans for works within drainage or irrigation area, which plans have to be submitted to the board concerned, which, in turn, has to report on the works that will be required in the district and, a proposed subdivision is to be carried out

to state the estimated cost involved. In that respect the Bill is desirable and the inclusion of the amendment of which I have given notice will have the effect of placing the charges where they should lie. If the subdivision of a property does not create any need for drainage works, then that land should not be subject to any payment for any additional work. It is reasonable that the owner of land should not be required to pay for work that has not been occasioned by any subdivision of it. I hope members will agree to the amendment; in fact, I think the Government should be perfectly agreeable to the insertion of the words suggested. They will clarify a position which otherwise would be confused.

HON. W. J. MANN (South-West) [5.30]: I merely wish to say that I support the Bill. I had the opportunity recently to discuss it with the members of the Harvey Board and was given to understand that the board desired it to be passed in its entirety. I think it unlikely that it will inflict hardship on anyone; the land to be subdivided would be land that would be rated in any case now. Any question of subdivision would therefore not increase the rate.

Hon. L. Craig: It would increase the price for the construction of works.

Hon. W. J. MANN: That was the explanation given to me, and for that reason I support the Bill.

Question put and passed.

Bill read a second time.

In Committee.

Hon. V. Hamersley in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—agreed to.

Clause 2—New section:

Hon. J. A. DIMMITT: I move an amendment—

That in line 7 of paragraph (c) of proposed new Section 22A before the word "if" the words "by reason of such subdivision of land" be inserted.

I have already explained the amendment and I hope the Committee will agree to it.

The **HONORARY MINISTER**: I have no objection to the amendment, but I consider the words to be redundant.

Amendment put and passed; the clause, as amended, agreed to.

Clause 3, Title—agreed to.
Bill reported with an amendment.

House adjourned at 5.35 p.m.

Legislative Assembly.

Thursday, 1st November, 1945.

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

QUESTIONS.

MOUNT BARKER SCHOOL.

As to Renovations and Additions.

Mr. WATTS asked the Minister for Education:

1, What progress has been made with the plans for renovations to the manual training room at the Mt. Barker school?

2, Can a start be made with the work in the very near future?

3, Is he aware that in its present condition the room is badly lit, draughty and ill ventilated, and that complaints have been received from a number of parents and children as to the unsuitability of the premises for use at the present time?

4, What progress is being made with the plans for additions to the Mt. Barker school to overcome the present overcrowding at that school, and when is it likely that action can be taken to put this work in hand?

The **MINISTER** replied:

1, The renovation of the manual training room at the Mt. Barker School is receiving the attention of the P.W.D.

2, It is hoped that a commencement will be made with the work in the near future.

3, Yes.