Mr. Taylor: And after New South Wales has voted for it at a referendum.

Mr. W. A. MANNING: That is right; there are many reasons why the referendum should not be held earlier than next July. I think the proposed new clause of the Deputy Leader of the Opposition is an excellent one.

Clause put and a division taken with the following result—

Ayes—22

Mr. Bateman	Mr. T. D. Evans
Mr. Bertram	Mr. Fletcher
Mr. Bickerton	Mr. Harman
Mr. Brady	Mr. Hartrey
Mr. Brown	Mr. Lapham
Mr. Bryce	Mr. May
Mr. B. T. Burke	Mr. Norton
Mr. T. J. Burke	Mr. Sewell
Mr. Cook	Mr. Taylor
Mr. Davies	Mr. J. T. Tonkin
Mr. H. D. Evans	Mr. Moller
	(Teller)

Noes—22

Sir Charles Court	Mr. O'Connor
Mr. Coyne	Mr. O'Neil
Dr. Dadour	Mr. Ridge
Mr. Gayfer	Mr. Runciman
Mr. Grayden	Mr. Rushton
Mr. Hutchinson	Mr. Sibson
Mr. A. A. Lewis	Mr. Stephens
Mr. E. H. M. Lewis	Mr. Thompson
Mr. W. A. Manning	Mr. R. L. Young
Mr. McPharlin	Mr. W. G. Young
Mr. Mensaros	Mr. I. W. Manning
	(Teller)

Pairs

Ayes	Noes
Mr. Jamieson	Sir David Brand
Mr. McIver	Mr. Nalder
Mr. Jones	Mr. Blaikie

The DEPUTY CHAIRMAN: The voting being equal, I give my casting vote with the Ayes.

Clause thus passed.

Clauses 11 to 18 put and passed.

Schedule put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Mr. Harman (Minister for Labour), and transmitted to the Council.

MENTAL HEALTH ACT AMENDMENT BILL

Council's Message

Message from the Council notifying that it insisted on its amendment No. 2 to which the Assembly had disagreed now considered.

In Committee

The Deputy Chairman of Committees (Mr. A. R. Tonkin) in the Chair; Mr. Davies (Minister for Health) in charge of the Bill.

The amendment on which the Council insisted was as follows—

No. 2.

Clause 5, page 3, line 19—Add the following after the word "prescribed"—

> provided however that the Director shall not take any action to dispose of any such article or thing unless he shall have given not less than one month's notice in writing to such person of his intention in that behalf.

Mr. DAVIES: The amendment made by the Council relates to the way in which goods left in the charge of the Mental Health Services by patients whose whereabouts are no longer known shall be disposed of. It was the Government's intention to promulgate regulations to prescribe the manner in which the goods should be disposed of. We advised the Council on a previous occasion that we believed its amendment was unnecessary and redundant, because the matter would be covered in the regulations.

I indicated previously that I would let the member for Cottesloe know when the regulations are promulgated so that he could check them. I believe that would fully cover the position. In fact, the regulations probably would say just what the Council's amendment says. At first I was of a mind to take this matter to a conference of managers; however, I was told by a member of the Legislative Council that the Law Society requested this amendment amongst a number of amendments presented to the Attorney-General. The Attorney-General cannot recall seeing this particular amendment; but I will not argue that point. I do not believe the amendment is necessary, but I am prepared to agree to it to save time. I move—

> That amendment No. 2 insisted on by the Council be no longer disagreed to.

Question put and passed.

Report

Resolution reported, the report adopted, and a message accordingly returned to the Council.

House adjourned at 11.11 p.m.

Legislative Council

Thursday, the 6th December, 1973

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

BILLS (5): ASSENT

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

1. Metric Conversion (Grain and Seeds Marketing) Bill.
2. Electoral Act Amendment Bill (No. 2).
3. Railway (Bunbury to Boyanup) Discontinuance, Revestment and Construction Bill.
4. Perth Medical Centre Act Amendment Bill.
5. Auction Sales Bill.

TOURIST 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): ASSEMBLY'S MESSAGES

Messages from the Assembly received and read notifying that it had disagreed to the amendments made by the Council to the following Bills—

1. Special Holidays Bill.
2. Long Service Leave Act Amendment Bill.

COMMONWEALTH POWERS (AIR TRANSPORT) BILL

Second Reading: Defeated

Debate resumed from the 29th November.

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [2.40 p.m.]: Sometimes the Opposition complains that the Ministers' second reading speeches are too long, and at other times the Opposition complains that the speeches are too short. The speech on this particular Bill was criticised as being too short. Of course, Ministers have to decide beforehand what is a fair thing, and that decision is made without the knowledge of members' requirements which come to the surface only during the debate. If you, Mr. President, could see the volume of notes I have before me, which has been necessitated by the inquiries of members about various aspects, you would appreciate that had I had prior knowledge of these my second reading speech would have been very voluminous.

Last Thursday, being confronted with all this material which was sought, I passed some of the more telling matters to my Whip and requested that he deal with them. My purpose in desiring to make the material available to members at that juncture was to allow favourable thought to be given to it in the Chamber before I closed the second reading debate. Indeed, in the light of the strong arguments in support of the Bill which were contained in those papers, I envisaged a sufficient change of heart on the Opposition benches to prompt a request for personal discussion with one or more of my officers; but the idea was not permitted to get off the ground and I am now in the position of having to go back to first base, as it were.

With the indulgence of the House, I propose to provide the information for which the many speakers to the Bill have asked. It would be humanly impossible for me to do this under the conditions imposed by a strict interpretation of Standing Order 72 as required by the Deputy President on Thursday last. Consequently, I seek the concurrence of the House in commencing in this manner and in permitting me to continue to the conclusion of the remarks which I believe it is necessary for me to make. However, it would be very offhand of me if I did not mention my appreciation of the co-operation shown and the stand taken by the Leader of the Opposition last Thursday when the question of a member reading a speech was raised.

The Hon. A. F. Griffith: I say, not egotistically, that I have had a lot of experience of the situation you are in, and one cannot be expected, particularly in a second reading reply, to remember all the points one wishes to make.

The Hon. J. DOLAN: I appreciate what the Leader of the Opposition did and I made official recognition of it.

The Hon. A. F. Griffith: The point I made the other day was that a member was delivering somebody else's material. That was very obvious, and you have admitted it.

The Hon. J. DOLAN: The way he presented it was entirely in his own hands. I am sure that the material used by the Leader of the Opposition and other members on various Bills has often been the work of somebody else.

The Hon. A. F. Griffith: No. I do my own work.

The Hon. J. DOLAN: I am not naive enough to think that members have not received information from somewhere else.

I propose in my speech to answer in full every question and point raised by the Opposition during the debate on the Bill. In doing so, I will make out what I consider to be an undeniable case for a two-airline operation on the Perth-Darwin route. I will demonstrate precisely how the degree of competition between TAA and ATI will be controlled for the public good and how the State and the public will benefit.

I may be anticipating, but I think when I have concluded members will give the Bill a second reading in order that they

may review—and I use the word advisedly —my remarks before making a final decision on the Bill.

I begin on this note: quite a number of members referred to the fact that this was not the time for TAA to come in on the two-airline operation between Perth and Darwin. I refer members to a report of the annual meeting of Ansett Transport Industries Limited, which was held in Melbourne only last Friday and at which the chairman of this big enterprise summed up just what the company's prospects were at present. I ask members to listen to them very carefully because I think everything they had to say in criticism about this not being the right time can be answered in a couple of lines. These were Sir Reginald Ansett's words—

> I've been sitting here for 37½ years and we've never been in better shape.

He then went on to tell shareholders—

> During the first few months of the current financial year the company experienced buoyant trading conditions. It was operating well ahead of budget and substantially up on the equivalent period of last year.

At the meeting Sir Reginald disclosed some information which does not suggest that the company might be having trouble of any kind, but on the contrary suggests that things have never been so bright as far as ATI is concerned.

For example, the company intends to establish a $14,000,000 centre in Melbourne. Anybody who knows the Ansett headquarters at the end of Swanston Street in Melbourne will know the area where this development is to take place. It is to be a 28-storey building containing almost everything, including provision for a large number of people who will occupy suites and rooms.

It surprised me—I nearly used the word "astounded"—when a member of the Opposition referred to the fact that there was no talk of compensation if TAA came here. I wonder whether ATI has ever given thought to compensation for the business it takes away from hotelkeepers, motel operators, and the people who run shops.

The Hon. L. A. Logan: That is a straightout business deal. Do not be so silly. It is competition.

The Hon. J. DOLAN: The honourable member is talking to himself, I take it. The second thing I refer to is that in Adelaide the new Ansett centre will be a $9,000,000 project. Members will recall that on leaving Adelaide station one would find a landmark—the South Australian Hotel, which was not a meeting place for the hoi polloi of Adelaide. That hotel will go, and that is where Ansett's headquarters will be. It will be only a 22-storey building—not quite so high as the building in Melbourne.

So I commence my remarks by referring to what Sir Reginald Ansett had to say to his shareholders at the annual meeting. In his 37½ years in this operation, things had never been better.

The Hon. A. F. Griffith: Did he mention the situation of his subsidiary, MMA?

The Hon. J. DOLAN: Not in the newspaper report.

The Hon. V. J. Ferry: And what is the situation with TAA?

The Hon. J. DOLAN: I would think had he been greatly perturbed he would have made some reference to the way it would be affected and to the fact that it would send the company to the poorhouse. Now, let us see what is the reason for a two-airline operation.

The Hon. V. J. Ferry: Tell us the situation with TAA.

The Hon. J. DOLAN: If the honourable member will keep quiet, as I did when he spoke, and listen to what I am saying, I will answer all the queries that he and other members of the Opposition raised.

The Hon. V. J. Ferry: Tell us about TAA.

The PRESIDENT: Order!

The Hon. J. DOLAN: Many Opposition members have asked why we need to have two airlines. I could give no better answer than that given by the then Director-General of Civil Aviation (Sir Donald Andetrson) when, as chairman of the rationalisation committee, he heard ATI'S application to operate on the Mt. Isa-Darwin route which was being flown solely by TAA. Sir Donald said—

> The point to which I must have regard is that provided waste does not result, the public is entitled to the advantages flowing from some form of competition. Further, I believe that it may not suffice for an operator opposing competition on a route to establish that a measure of competition would be uneconomical for that route in isolation, since it is more conceivable that operations on such a route would contribute usefully to total operations even with a measure of competition.

He further said—

> In my view, however, the adequacy of a monopoly situation is no argument against competition and consequently the only aspect of the traffic question requiring consideration is the diversion from the original operator.

In relation to the Perth-Darwin route, it is not reasonable when looking at the proposal to isolate the economics of the route and ignore the national ramifications, particularly on-carriage. The foregoing is a direct rebuttal of Mr. Withers' contention that a two-airline system would be excellent, but only at a time when it

is economical to have two airlines operating. Quite simply, the State Government —like the former Liberal-Country Party Government in Canberra—believes that controlled competition between two airlines would be in the public interest, but, as I will demonstrate, would not now or in the future be significantly detrimental to ATI which, after all, owns MMA in its entirety.

I can assure Mr. Withers that this legislation is in the best interests of Western Australia, and particularly of the people in his electorate. I was in his electorate only a week ago, and everyone to whom I spoke held the opinion that I am propounding now; that is, that the time is ripe for TAA to operate in this State. These are some of the advantages—and this is how the people of the north are looking at it. I suppose Mr. Withers is considering what his position will be. The people in the north will be able to travel in larger, more comfortable aircraft. They will benefit from a fare reduction if they choose to fly economy class. Their airfields will be upgraded at no capital cost to themselves. There will be no reduction in frequencies or places served. There will be balanced and well-managed competition between the two airlines—something which the Opposition steadfastly maintains is beneficial to the public.

The original initiative for TAA to enter Western Australia occurred in the time of the previous Federal Government. Perhaps I could interpolate here to say that over 12 months ago I met by appointment in my office in this building The Honourable Robert Cotton, who was then the Minister for Civil Aviation. He wanted to see me so that he could discuss on an informal and friendly basis the possibilities of TAA operating in Western Australia. We had a friendly talk, and that was the first official notice I received of any proposal for TAA to compete here in Western Australia. Senator Cotton returned to the east; and I suppose he immediately raised the question with his Government.

The Hon. A. F. Griffith: Could you tell us what he told you at that meeting?

The Hon. J. DOLAN: It was an informal discussion, and all he told me was that the Federal Government was considering that TAA should come in here. I did not go into details with him because at that stage I was not too well versed in the matter. If the honourable member saw the files that have built up since then, he would have some idea that had I had a discussion with Senator Cotton a few months ago, it would have been on an altogether different basis.

The Hon. A. F. Griffith: I am sorry; I did not want to interrupt you. However, you said you had an informal discussion.

The Hon. J. DOLAN: Well, he did most of the talking; I am one of the silent type.

The Hon. A. F. Griffith: But he didn't say very much?

The Hon. J. DOLAN: He said very little other than that this was one of the matters foremost in the mind of his department.

The Hon. A. F. Griffith: Did he tell you what aircraft would be involved?

The Hon. J. DOLAN: I have already told the honourable member we did not go into details; more particularly we did not go into technical details. These are matters which have developed since, and to which I will refer later in my speech. That is how it all started, and the Senator raised the matter with his Cabinet colleagues and eventually took the proposal to the Senate.

So when Mr. Withers refers to this matter as being a political matter, I would say he is right; but it did not start with me or with the present Commonwealth Government. It started with the previous Commonwealth Government. No matter what members may say, they cannot get away from that outstanding fact.

Mr. Withers remarked that Canberra's strong interest in the extension of its aviation powers in this State has been nakedly evident. He gets quite worked up in the use of hyperbole; and in those circumstances we can expect him to say almost anything.

The honourable member well knows, but refuses to acknowledge, that the original initiative for a two-airline operation came from the former Liberal-Country Party Government in Canberra. Curiously, it is now being opposed by the Liberal-Country Party Opposition in this Chamber.

The Hon. W. R. Withers: Because the conditions are different.

The Hon. J. DOLAN: Here we go again; the honourable member wants to make five or six speeches.

The Hon. W. R. Withers: Why don't you tell the truth?

The Hon. J. DOLAN: If the honourable member would only listen he would find I am telling the truth. My case is completely factual and has been documented by men who know what they are talking about.

The Hon. A. F. Griffith: You taunt him and then when he replies you tell him to keep quiet.

The Hon. J. DOLAN: Who made the first move?

The Hon. W. R. Withers: I told the truth.

The Hon. J. DOLAN: Of course, the honourable member always does; we had an example of that yesterday.

The Hon. A. F. Griffith: You said he is likely to say anything.

The PRESIDENT: Order!

The Hon. J. DOLAN: The Opposition's attitude is even more curious, bearing in mind that by speaking and perhaps proposing to vote against the Bill, Mr. Withers

is denying his own electors access to a better airline operation. I have no doubt his electors will deal with him in the proper way in due course.

With regard to the proclamation of the Bill, Mr. Ferry suggested that the Government is not satisfied that the introduction of TAA will be in the best interests of Western Australia because it will not proclaim the Bill if it is passed by Parliament. That is is absolute nonsense. The Government will proclaim the Bill just as soon as complete operational details of the total service pattern in the north have been worked out jointly by both airlines to the satisfaction of the Government.

The Hon. V. J. Ferry: In other words, you are not satisfied now.

The Hon. J. DOLAN: There he goes again! We attempted to bring ATI and TAA together to agree on a total service pattern before this Bill was presented; but, put in simple terms, ATI will not talk to TAA. If this Bill is passed ATI will have to talk to TAA, and we will see that it does.

Quite simply, I emphasise again that until we are completely happy with all aspects of TAA's entry and all aspects of ATI's operations after TAA's entry, we will make no change to the existing situation.

Mr. Withers referred to the delay between enactment of Commonwealth legislation and the introduction of this Bill. The Government needed time to formulate the terms and obtain the assurances it requires from TAA and the Australian Government.

The Hon. W. R. Withers: Why were they not presented?

The Hon. J. DOLAN: They were; it has them, and they are—

> Assurances as to who will pay for airfield upgrading.
>
> Assurances as to TAA's ability to restore any services eliminated by MMA as a result of TAA's entry.
>
> Assurances as to TAA's compliance with the terms of the Transport Commission Act.
>
> Assurances as to TAA's ability to offer an economy fare.

The Hon. W. R. Withers: That is only in the first part.

The Hon. J. DOLAN: There he goes again! We also took the time to impress on TAA that we would not proclaim the Bill and allow it access to intrastate trade until we had seen and approved the detailed operational arrangements of both TAA and MMA.

I would now like to refer to the State rights and the State control of TAA. There has been much play by the Opposition on the question of surrendering our State rights—in fact there were some first-class soap box type orations on the subject.

In order to comprehend what follows, members should read the Bill carefully and then listen carefully to what I have to say.

As I explained in my second reading speech, this Bill does not refer to the Commonwealth the State's power over air transport. It adopts that part of the Commonwealth law contained in section 19A of the Australian National Airlines Act making it applicable to the State of Western Australia as it is also applicable to other States.

The Hon. W. R. Withers: What is the title of the Bill?

The Hon. J. DOLAN: I know the honourable member is lacking in intelligence but I thought he would at least be able to read the title of the Bill and, having read it, that he would inwardly digest it.

The Hon. W. R. Withers: I would like to hear you say it.

The Hon. J. DOLAN: As I pointed out the State, by virtue of the provisions of the Bill and section 19A, retains a two-fold power over TAA's operations—

> Firstly, the Act ceases to have force on a date which may be proclaimed by the Governor at any time, so that the authority for TAA to operate in Western Australia can be rescinded in total.
>
> Secondly, before TAA can commence any air service in Western Australia, the Premier must notify the Prime Minister in writing of his consent to that particular service. If the Premier at any time withdraws this consent TAA has no further rights to operate the service in question. Thus individual air routes come under direct State Government control.

The Hon. W. R. Withers: Do you think that would ever happen?

The Hon. J. DOLAN: I wish I had as much confidence in the honourable member as I have in my colleagues. As I see it the State will have exactly the same control over TAA as it has now and will have in the future over MMA by virtue of the State Transport Commission Act. Put simply, TAA will not get the Premier's consent to operate any services until all State requirements have been met.

The Hon. W. R. Withers: He will do as he is told from Canberra, and you know it.

The Hon. D. K. Dans: We do not know it.

The Hon. J. DOLAN: In referring to the assurances given to the Government of Western Australia by the Australian Government, I would point out that the Australian Minister for Transport has, in writing, assured the Minister for Transport —that is myself—that no unilateral action will be taken in relation to Western Australian intrastate air services and full consultation will be maintained with the Western Australian Government.

TAA has given the Western Australian Minister for Transport a number of undertakings in regard to its operations in Western Australia. These undertakings, which are all enforceable under the Bill before the House, are—

(1) All projected TAA operations in Western Australia would be subject to discussion with ATI and subject to review under the terms of the various Commonwealth legislative acts governing the operation of the two airline policy. Also, TAA would consult with and seek the views of the Western Australian Government on all the physical aspects of TAA's operation in Western Australia—both initially and on an on-going basis.

(2) TAA guarantees that if MMA relinquishes or reduces services demonstrably because of financial stringencies imposed through TAA entry as requested, TAA will operate or arrange to have those services operated to serve the interest of Western Australia.

The Hon. L. A. Logan: By what type of aircraft?

The Hon. J. DOLAN: The honourable member will learn if he will only listen.

The Hon. A. F. Griffith: Why do not you tell him?

The Hon. J. DOLAN: I will tell him at the appropriate time. The other undertakings that are enforceable are as follows—

(3) TAA accepts that it is undesirable that an aircraft of a lesser standard than the F28 should be employed on any replacement service which might have to be operated under this guarantee. In the event that TAA is required to provide a replacement service, which could not be operated with DC9 aircraft by reason of aerodrome suitability, TAA would seek the hire of F28 aircraft for this purpose. This hire would be sought from ATI in the first instance.

The Hon. W. R. Withers: What a deal!

The Hon. J. DOLAN: That is one of the matters that TAA referred to me: that if it did not have an additional aircraft it would be only too happy to lease one. We are not talking of the type of organisation about which Mr. Withers knows; we are talking about the magnificent companies which have served the country well.

The Hon. W. R. Withers: Explain that implication.

The Hon. J. DOLAN: Let me say that I am not here to rubbish MMA.

The Hon. W. R. Withers: You are here to rubbish the people in this House.

The PRESIDENT: Order! Will the honourable member please cease his interjections.

The Hon. J. DOLAN: Thank you. Mr. President.

The Hon. A. F. Griffith: If the Minister will stop baiting it might be a bit better.

The Hon. J. DOLAN: They hate to hear the truth.

The Hon. A. F. Griffith: I do not mind the truth.

The Hon. J. DOLAN: To continue—

In the circumstances where an unduly high hire rate for F28 aircraft was requested by ATI, TAA in consultation with the Western Australian Government would seek alternative means of providing the service, including access to additional flying, which would support the use of an additional TAA fleet unit of F28 or similar type aircraft.

(4) A frequency of three DC9 services weekly has been proposed by TAA, because this level of DC9 services equates in terms of capacity with the four F28 services that would remain on the route if three MMA F28 services were withdrawn in favour of TAAs DC9 services.

TAA would be prepared to share a daily frequency of DC9 services with ATI, with each airline operating 3½ services weekly or for TAA to operate four DC9 services weekly, in the event that ATI wished to operate only three services weekly.

(5) TAA wishes to move progressively to an equal access position within Western Australia and would expect to undertake an equal share in the task of operating the less profitable routes. TAA does not wish to acquire jet aircraft smaller than the DC9 for this purpose and believes that the needs of the industry would be best served by TAA hiring F28 equipment to operate services to those airports which are not suitable for DC9s.

(6) TAA undertakes to introduce a two-class fare structure on any DC9 service it operates over the Perth-Darwin and intrastate Western Australian air routes. The economy class fare on DC9 services would be set at a level 20 per cent. below the existing MMA fares.

(7) TAA confirms that it will discuss timetables with ATI, with the aim of avoiding parallel timetabling of air services and will use its good offices to ensure the best possible spread of services is achieved on

any route which TAA may operate. I would add to this assurance that the Government will simply not aprove parallel timetabling.

(8) TAA accepts and supports the aim of developing a viable network of third-level services in the Pilbara area. TAA offers full co-operation with the operator chosen to perform these services and confirms that TAA would not enter this type of operation in Western Australia, if this was against the wishes of the Western Australian Government.

All the undertakings given by TAA are fully enforceable by the State by virtue of the provisions in this Bill, either in respect of their total operation or their operation on any particular route, and in fine detail by the undertakings given in writing by TAA and the Australian Minister for Transport.

How will the two-airline system operate in Western Australia?

Initially it will operate on the Perth-Darwin route only with stops at Port Hedland, Broome, Derby, and Kununurra.

There are at the moment, seven MMA services a week on the Perth-Darwin route. These services earn about 25 per cent. of MMA's total revenue.

If TAA gains access to the route it will operate three services per week. If MMA retains F28s or introduces DC9s, MMA will presumably wish to operate four services a week. If, however, MMA wishes to operate only three, TAA has indicated it will operate three plus one jointly with MMA, or alternatively if the Government wishes, four.

Thus the frequency on the route will be maintained and there is no reason why MMA's load factor should be any different from TAA's.

It will be obvious under this arrangement that TAA would gain access to only 4/7th of the 25 per cent. of MMA's total revenue.

In the long term TAA has assured us that it will seek equal access to other routes, both profitable and unprofitable. But this will not be allowed until the Government is certain that equal access will result in public benefit, nor will it be possible until all airfields are up-graded to allow DC9 operation, or until TAA acquires jets of equivalent size to the F28.

What we are proposing here is a very careful phasing-in of the second airline, accomplished as far as possible at a rate equivalent to the rate of traffic growth.

I shall now demonstrate that this can be accomplished on the Perth-Darwin route.

What is the impact on MMA of the two-airline operation on the Perth-Darwin route? First of all, what is the impact on revenue?

It will be apparent that MMA could lose up to 4/7th of 25 per cent. of its total revenue from all operations; that is, 14-15 per cent. of the total.

But it will be able to compete with TAA for that 14-15 per cent. Parallel operation, which is simply absurd competition, will not be allowed and the airlines will be required to operate on alternate days. Passengers will be able to make a conscious choice as to whether they fly today with MMA or tomorrow with TAA. No doubt the quality of service generated by each operator will be a major determinant in that choice.

If MMA is as good as it claims and turns on a much better service than TAA, the likelihood is that it will lose much less than 14 or 15 per cent. of revenue.

Members have also conveniently forgotten elasticity of demand in air transport. World-wide experience is that a fare reduction on any mode of transport results in more people travelling by that mode. Particularly is this evident in aviation where members will recall how Qantas increased its earnings dramatically and immediately by major fare reductions.

If, as we expect, both airlines introduce DC9s and economy fares, we have good grounds to expect that a whole new travel market will be opened up. If this occurs, the ATI loss of revenue may be well below the figure quoted.

Mr. Withers made great play of an error claimed by ATI to exist in the TAA submission. He did not however, mention significant errors in the ATI submission.

Also he didn't say that because ATI does not publish, for public scrutiny, individual airline subsidiaries' accounts, TAA had to estimate certain figures based on industry experience.

Point of Order

The Hon. W. R. WITHERS: Under Standing Order 91, I would like the words used by the Minister to be taken down by the clerk. The Minister said that I had made great play of an error yet he had neglected significant errors presented in the case of MMA. If the Minister is to make this claim I would like him to produce the evidence and also mention the great play I made of an error to show I made a play; and also to bring out the points where there were significant errors, and I want them listed to qualify his statement that I made a significant play of an error.

The PRESIDENT: The words will be taken down by the clerk and the Minister may continue his speech.

The Hon. J. DOLAN: At the appropriate time I will give Mr. Withers all the information he wants.

The Hon. W. R. WITHERS: Under Standing Order 91, could the Minister give this information now in his speech because

otherwise what he has said previously will be recorded in *Hansard* and people will lose the point I am making. If he is to say I neglected errors to suit my convenience for the case of MMA I would like them illustrated here and now from his speech notes.

The Hon. J. Dolan: They are in your own speech.

The PRESIDENT: If I am to allow points of order like this to take place and become a precedent in the House, I do not know how the debates will ever continue. I therefore call on the Minister.

Debate Resumed

The Hon. J. DOLAN: Thank you Mr. President. Because ATI did not publish, for public scrutiny, individual airline subsidiaries' accounts, TAA had to estimate certain figures based on industry experience.

The Ansett originated error claim was based on the MMA revenue decline of 1971-72 continuing through 1972-73.

But in fact what TAA had predicted did occur. There was a dramatic upturn in MMA's traffic in December 1972 and this has continued to the point where the present level is of record proportions—higher than the big year of 1971.

We have only Ansett's word for the MMA revenue figures; there is no public document available to substantiate the claim.

Secondly, what is the impact of the two-airline operation on MMA aircraft?

D.C.A. estimates that MMA's current timetable requires an annual average utilisation of about 3,100 hours from each of its five F28s. The maximum that MMA can expect out of an F28 is about 3,500 hours per annum having in mind that they may not operate into or out of Perth between 12 midnight and 6.00 a.m. Thus, MMAs aircraft are being utilised to within around 89 per cent. of their maximum.

For the six months ended the 30th September, 1973, MMA experienced an average passenger growth rate of 14.3 per cent.—a very high figure indeed. For the six months ended June 1973—the figures for the end of September 1973 are unavailable—MMA had an average seat load factor of 62.36 per cent.

It is generally reckoned in the airline industry that when average seat load factors are in the range 65-70 per cent. and the trend appears to be increasing, consideration needs to be given to acquiring additional aircraft.

Thus, on the score of aircraft hours available, the growth in passengers carried and seat load factors on all routes MMA should at the very least be thinking about the purchase of its sixth F28. It is now thinking about a sixth F28 with a view to its introduction towards the end of 1974. As I will now demonstrate TAA's entry to one of MMA's routes on three days per week is unlikely to do more than delay its decision on the sixth F28.

Seven services per week on the Perth-Darwin route occupy about 77 hours of F28 time per week, or 4,004 hours per year. This calculation excludes operations by F28s from Darwin to Groot Island and Gove.

I have already mentioned that MMA is getting 3,100 hours per annum out of the F28s and on this basis the Darwin route accounts for 1.3 of MMA's five F28s. If MMA continues to operate an F28 four days a week it will have .55 of an F28 spare. If it operates a DC9 it will have 1.3 F28s spare.

It follows therefore that TAA's entry is in practice likely to do little more than delay the purchase of the sixth F28. From the figures presented what surplus hours do result from TAA's entry will be mostly absorbed by traffic growth by this time next year at the latest.

Staff: Mr. Ferry and Mr. Clive Griffiths referred to ground staff and pilot redundancy. The responsibility to protect its pilot employee interests belongs to ATI as it has belonged to TAA in past similar situations and which responsibility TAA has honoured. Similar situations were created for TAA when ATI gained access to the Adelaide-Darwin, Brisbane-Darwin, and Moresby-Bougainville routes.

However, redundancy agreements have been negotiated between the Pilots Federation and ATI. These agreements provide that offers of re-employment for vacancies in any of the ATI airline subsidiaries shall be made to retrenched pilots from any subsidiary in their relative seniority order determined by their length of service with that subsidiary.

Those retrenched MMA pilots—and there was a big number when ATI rationalised the MMA operation—who were covered by this redundancy agreement have been re-employed by ATI. Additionally 20 pilots previously flying for Ansett in Papua New Guinea have been employed in ATI subsidiaries and those remaining in New Guinea have three years to exercise an option for employment with ATI in Australia.

Ansett Airlines of Australia is recruiting right now and will be in the future, to crew additional aircraft on order. Therefore, if any pilot is declared redundant following TAA's entry, under the redundancy agreement he must be given employment in a vacancy in any ATI subsidiary.

However, we believe that with the current MMA growth pattern and the limited access requested by TAA there will be no redundancy.

The extent of TAA's proposed flying in Western Australia—1,500 hours per annum —would necessitate the use of not more

than three captains and three first officers. With the growth now occurring in the State, the cost penalty to carry such a small surplus until full services are again required would be minimal to the Ansett group as a whole. It would be more economic to do this, rather than recruit and train new pilots when the time came.

If these crews were declared surplus, the procedure to be followed by MMA would be to reduce temporarily the three most junior captains to first officers and the six most junior first officers in MMA would be engaged by other Ansett subsidiaries, as outlined above.

I will pause for a moment, Mr. President, to pass a copy of my speech notes to *Hansard*.

The Hon. A. F. Griffith: I was expecting to receive a copy, too.

The Hon. J. DOLAN: There is also a copy for the Leader of the Opposition. There has never been a more considerate Minister.

The Hon. A. F. Griffith: Even though you say it yourself!

The Hon. J. DOLAN: That is right, and even though I knew very well what the interjections in reply would be!

TAA has guaranteed that it will do its best to take on any ground staff made redundant by entry as suggested. However, with TAA asking to operate only three services a week against a current MMA total of 53 a week, it is expected that little staff adjustment will be required.

The Ansett group employs just on 9,000 staff—MMA employs only 450—and with a full employment situation as at present it would be imagined that any redundant staff would find jobs without problem within the ATI organisation.

Effect on other routes of this entry: I have demonstrated that in the worst situation MMA would have 1.3 F28s surplus at the present time and that on current growth rates this surplus should largely disappear by the end of next year.

I have demonstrated that we are talking in total about seven services per week through Port Hedland, Broome, Derby, and Kununurra, none of which will be eliminated. I fail to see how any other location such as Kalgoorlie, Carnarvon, Geraldton, Paraburdoo, Karratha or, indeed, Hedland could be affected or how frequencies on any route could be reduced.

If I were MMA I would use the temporarily surplus F28 to improve frequencies to other locations and provide a back-up aircraft for the other four.

It will be apparent from the utilisation figures that I have given for the five F28s that MMA has no back-up aircraft and indeed last week it suffered two aircraft unserviceabilities which resulted in disruption to schedules. Had there been a back-up aircraft this would not have occurred. I will come to Mr. Clive Griffiths later.

The Hon. A. F. Griffith: Do not dare breathe so that the Minister can hear you.

The Hon. Clive Griffiths: He said something about the pilots a minute ago.

The Hon. J. DOLAN: Mr. Clive Griffiths will be astounded in a few minutes.

The Hon. A. F. Griffith: It is a bit rough when the honourable member was just muttering under his breath.

The Hon. J. DOLAN: I must thank the Leader of the Opposition for his compliment on my excellent hearing.

Many Opposition members have referred to the fact that no economic study, 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, the then Minister for Civil Aviation (Senator Cotton) 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 the result of its advice, the Liberal-Country Party Government agreed to legislate for TAA's entry.

The Hon. W. R. Withers: Under different conditions from the ones now proposed.

The Hon. J. DOLAN: Not one bit. In fact, MMA would not have been as well off under the terms proposed by the former Government.

The Hon. Clive Griffiths: I thought you said it would not be any different, and yet now you say MMA would not have been as well off.

The Hon. J. DOLAN: Studies undertaken 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. The figures I have already given amply support that contention.

Perhaps at this stage it might be relevant to mention what the chairman had to say. He said, "I have been sitting here for 37½ years and we have never been in better shape."

At the present time 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. As an example, when ATI gained access to the Adelaide-Darwin route, that route generated just under 12,000 passengers per year. We should compare that figure with the 40,000 passengers per year now generated on the Perth-Darwin route.

I wish to make the point that population or size of towns served is not the determinant as to whether a route can support two airlines. The determinant is, and always has been, traffic density; that is, the volume of traffic that the activity in the towns generates.

MacRobertson Miller Airlines has been called a Western Australian company—it is not Western Australian, nor is it a separate company.

The Hon. W. R. Withers: It has its own autonomy.

The Hon. J. DOLAN: It is a small segment of a large company called Ansett Transport Industries (Operations) Pty. Ltd. This company, ATI Operations, controls all the airline activities of Ansett, plus Pioneer Tours, Gateway Inns, and road freight activities.

The Hon. A. F. Griffith: So what!

The Hon. J. DOLAN: I believe an Opposition member told us that once upon a time a Labor Party member said, "Thank God for the Legislative Council!"

The Hon. Clive Griffiths: That was one of your chaps.

The Hon. A. F. Griffith: I believe that was so.

The Hon. J. DOLAN: Judging by the attitude of the Opposition, I believe Sir Reginald Ansett will be saying in his prayers, "Thank God for the Legislative Council".

The Hon. A. F. Griffith: That is a pretty nasty statement. A moment ago you said you were in a nice mood; I think you are in a nasty mood.

The Hon. J. DOLAN: Not one bit. ATI Operations holds the airline licenses for all the air routes operated by Ansett, including interstate and intrastate licenses in New South Wales, Queensland, South Australia, and West Australia. This company had airline revenues of $156,000,000 last year, with gross assets totalling $131,000,000, and it employs an airline staff of just under 9,000 people. It is a magnificent company with magnificent personnel.

TAA's revenue from airline operations last year was $132,000,000, some $24,000,000 less than that achieved by Ansett.

The Hon. J. Heitman: That shows the comparable efficiency of the two companies, doesn't it?

The Hon. J. DOLAN: Just wait a moment and I will answer that one.

This difference results primarily from the operations by Ansett in Western Australia. TAA's initial proposal is to have access to some $3,000,000 of this $24,000,000 difference, with a gradual phasing in to other routes. The effect on Ansett Transport Industries' revenue will be obviously small.

The next query is: What changes in fares and freight rates will follow the two-airline operation?

As far as we can foresee no movement in fares and freight rates would result from the introduction of a second airline. All changes in fares and freight rates must be approved by the Australian Minister for Transport and the Commissioner of Transport in Western Australia. Every time an application is made for a freight or fare rise, it goes to the Commissioner of Transport (Mr. Bill Howard) in Western Australia, and he generally discusses it with me.

The Hon. A. F. Griffith: Do you know the function of the rationalisation committee?

The Hon. J. DOLAN: I will come to rationalisation shortly.

In arriving at a decision on fares and freight rates, the Minister considers movements in cost only on a national basis. Thus fluctuation in costs on any specific route, which in practice occurs quite frequently, does not necessarily influence the total fare and freight rate structure applied through Australia. Approvals by the Minister are usually in the form of a standard percentage increase for each and every regular public transport airline in Australia.

On the other hand the Commissioner of Transport in Western Australia considers requests for fare and freight rate changes on the basis of local costs but the agreement of both the Minister and the commissioner is required before any adjustment is made.

I would expect the commissioner to take into account the fact that MMA's existing fares represent a seat-mile rate which is generally higher than those on competitive routes and to refuse any fare increases until seat-mile rates are more comparable with charges in other parts of Australia.

The Hon. W. R. Withers: On 100 selective routes they are not.

The Hon. J. DOLAN: Opposition members have referred to overheads. It is proposed that the TAA services will be phased in gradually as passenger traffic grows and as and when in the future aerodromes become suitable for use by DC9s.

The Hon. W. R. Withers: How are they to become suitable?

The Hon. J. DOLAN: TAA already has agents at most of the major towns and its overhead costs will therefore be increased only gradually.

There has been much talk about economy fares; whether they are possible and about the effect that economy fares will have on the economics of the airline operation. Amongst other things, Mr. Withers has said that economy fares applied only on trunk routes between capital cities and major holiday resorts.

Let me explain to the honourable member how economy fares come about. They are not related to the population of the towns receiving the air services but the volume of traffic on the route.

The Hon. W. R. Withers: Are you denying what I said?

The Hon. J. DOLAN: When the traffic volume is sufficiently high to warrant modern jet aircraft such as the DC9, it is economic to introduce the cheaper economy fares. This is now the case on the main Western Australian routes even though populations are relatively small.

With modern jets such as the DC9 and Boeing 727 it is possible to put four or five seats in a row. Passengers sitting in the five-abreast seats can pay fares 20 per cent. less than those passengers seated in four-abreast seats and the airline receives the same revenue from a row of seats. The people receive the benefit of the economy fares.

Ansett Airlines of Australia and TAA have economy fares available on all flights operated by these types of aircraft irrespective of where they operate and the populations served. In the latest figures available for 1972, some 70 per cent. of all passengers carried by TAA and Ansett Airlines of Australia exercised their choice and chose to purchase their air travel at economy fares. All TAA says is that given the opportunity to use DC9 aircraft in Western Australia the same choice would be available to Western Australian as is available to all other passengers who travel on DC9s. If a TAA passenger from Perth to Darwin wants to save $62.60 on his return fare of $250, he sits in a row of five seats. If he wishes to pay the fare now charged by MMA of $312.60, he sits in a row of four seats. The airline's revenue from a row of seats is the same and the passenger has the choice.

Mr. Withers said he would indicate how TAA could not fulfil its promise to provide economy class travel. No Opposition speaker has done so and there is no way in which they could do so. If an airline company announces or promises that it will operate its aircraft in dual configuration; that is, first class and economy class, there can be no doubt that the economy class fare will be below the first class fare. No corporation of the standing of TAA having given such a promise could back out of it.

What are the savings resulting from economy fares? Mr. Withers said that TAA is offering a 20 per cent. reduction in fares but in effect it will increase fares. Of course both airlines will have to increase fares from time to time if their operating expenses rise, just as in the same way I presume that prices in Mr. Withers' shop in Kununurra have risen, but he deliberately misses the point that there will be a fare available at 20 per cent. below the level of whatever the first-class fare is at any time. I might add that the potential savings to travellers on the Perth-Darwin route if 50 per cent. of them choose to travel economy class is in excess of $600,000 per annum. This saving is calculated by multiplying half the total passengers carried on the route in 1972-73 by $31—the difference between first class and economy class one-way fare.

I would also add that by no stretch of imagination could additional air route charges or depreciation on additional investment absorb that figure.

The Hon. W. R. Withers: They have to go through the rationalisation committee.

The PRESIDENT: Order! Order!

The Hon. J. DOLAN: One can imagine the trouble Mrs. Withers must have had in bringing up the honourable member as a child.

The next question is: Would MMA maintain frequencies on the Perth-Darwin route if TAA operated as well? The answer is "No". If as already mentioned, TAA operate three days a week with a DC9, we expect MMA would choose to operate four days a week with either a DC9 or an F28.

What were the effects of two-airline operations elsewhere? They, of course, are the guidelines we use in our proposals here in Western Australia. A number of Opposition speakers have suggested that services in other parts of Australia have been downgraded with the introduction of two airlines.

The introduction of a two-airline service on the Adelaide-Darwin route has resulted in an improved service, both in aircraft types and frequencies although the volume of traffic is less than on MMA's Perth-Darwin route. The introduction of ATI services into TAA's routes in Papua-New Guinea resulted in improved frequencies and a large growth rate. This service was discontinued on the 1st November, 1973, and taken over by Air-Niugini. These are facts which Opposition members may check for themselves.

In respect to the Adelaide-Darwin route which is competitive, we find that the mileage is 1,719 and the economy class fare is $125.40 with a seat per mile rate of about 7.3c.

The MMA Perth-Darwin service is about 1,937 miles at a fare of $156.30, which represents a seat mile rate of about 8c. In other words, MMA, with an average payload factor, according to the Australian Airline Statistics, of 63.3 per cent. on the Perth-Darwin route compared with an ATI load factor of 57.3 per cent. and TAA's factor of 53.9 per cent. on the Adelaide-Darwin route charges almost 10 per cent. more per seat mile.

I now refer to another competitive route, Brisbane-Townsville, which is 701 miles. We find the fare is $44.90; that is, a seat mile rate of 6.3c., whereas MMA's fare

Perth-Port Hedland, a distance of 827 miles, is $77.10, representing a seat mile rate of 9.3c. On this route MMA's passenger load factor in 1972-73 was 59.8 per cent. compared with ATI's of 37.2 per cent. and TAA's of 52.7 per cent. on the Brisbane-Townsville route.

It is quite apparent therefore that on competitive routes the fare per seat mile is substantially less than on MMA's routes, even though MMA's payload factors are generally higher.

The next query asked was: Which services would be affected by a two-airline operation? This was a query raised by many honourable members. There is one daily return flight from Perth to Darwin via Port Hedland, Broome, Derby and Kununurra. Frequencies on the route will remain the same and TAA at any rate will call at Kununurra both northbound and southbound. Not all MMA services now call at Kununurra southbound.

To indicate the difficulties being experienced by Kununurra residents and to give some indication of the need for additional seat capacity on this route, I quote a situation which occurred last week. Five passengers ex Kununurra, wishing to travel to Perth, were wait-listed by MMA and could not be guaranteed a seat within a week. Those five passengers having urgent business in Perth, chartered a light aircraft for the journey at about double the MMA fare.

The next question is: Who will finance the upgrading of airfields? Mr. Withers considers the DC9 to be too big and too heavy to land with anything like its economic payload in most of the strips in Western Australia, and that to enable them to use Port Hedland, Broome, Derby, and Kununurra, investment will be required for upgrading. He is quite correct. Investment will be required for up-grading and will be provided by the Australian Government to the extent of $1.3 million for pavement strengthening and widening.

The Hon. W. R. Withers: There is an extra $3,500,000 to come.

The Hon. J. DOLAN: Mr. Withers said that if he had some other figures for the extensions of other airfields, the cost of upgrading—quoted by me at $1,350,000—would rise again by a further $3,500,000. Mr. Griffiths asked how much more upgrading would be required to permit more widespread use of DC9s. This is not known. At the present time there is no proposal to operate DC9s on other routes and accordingly the cost of upgrading aerodromes on other routes has not been taken out. However, there are few other routes which in the foreseeable future would warrant regular DC9 operation.

The next question is: What is the cost of establishing more controlled air space? There is no need to establish any further controlled air space in Western Australia having regard for the present and proposed density of jet operations. The Director-General of Civil Aviation recently gave an assurance that safety at the current and proposed densities is not being and will not be impaired in any way without additional controlled air space.

In regard to Tasmania, both Mr. Ferry and Mr. Withers referred to the Tasmanian situation. That is in no way parallel to what we hope will happen in Western Australia or what could conceivably happen thereafter.

In March, 1964, TAA commenced operating a Beechcraft A80 six-seat aircraft linking Hobart, Launceston, Devonport, Wynyard, St. Helens, and Smithton. Strahan was added as a calling point in May, 1964, and Queenstown in April, 1966.

These services were operated by TAA at a loss of about $70,000 per annum and by 30th June, 1968, the loss totalled $304,891. Is September, 1968, TAA sought Commonwealth and State financial assistance for these services but was unsuccessful. TAA continued these services through to 25th July, 1969, at which stage these services were incurring a loss of over $90,000 per annum on operations earning only $73,000 per annum.

On 25th July, 1969, TAA vacated these operations in favour of a supplemental operator, Aerial Services Tasmania Pty. Ltd. which commenced operating similar timetables to those provided by TAA, using six-seat twin-engine Aero-Commander aircraft, and this service is still being operated.

The Hon. Clive Griffiths: That is what I have been advocating.

The Hon. J. DOLAN: TAA continues to service Hobart, Launceston, Devonport and Wynyard on its interstate network.

The operation of intrastate services in Tasmania, with a revenue of $73,000 per annum and a stage distance of about 70 miles operated by a six-seat light aircraft, is not to be compared with services in Western Australia, where revenue approaches $20,000,000 per annum, stage distances are ten times longer and a fleet of five pure-jet airliners are providing the service.

Also it is worth recording that in 1962, before ATI acquired majority shareholding in MMA, that company served 109—including optional—ports. Currently there are 45 ports in the network.

The Hon. W. R. Withers: Because they could not afford the upgrading of the air strips.

The Hon. J. DOLAN: Some of the ports which were handed over to supplemental operators do not now receive a service.

DC9 Operation at Wynyard and Devonport: Mr. Withers referred at length to a Department of Civil Aviation letter to

Ansett Transport Industries dated 27th August, 1973, concerning the operation of DC9 aircraft at Wynyard and Devonport. The department made the point that significant upgrading would be necessary and that in this instance DC9 aircraft would result in lower frequencies to those available with F27 aircraft. The circumstances are different and particularly the passenger densities are different. In our case the upgrading will be paid for by the Commonwealth and the guarantee from TAA will ensure that DC9 frequencies are precisely the same as F28 frequencies.

Dealing with feeder services, Mr. Clive Griffiths said MMA does not operate any feeder services. He is wrong. Is that not correct? I do not want to say anything which members may doubt, because these matters have been researched very thoroughly.

The Hon. W. R. Withers: They do operate feeder services.

The Hon. J. DOLAN: MMA sponsors or operates three such services—

Shay Gap-Goldsworthy-Port Hedland.

Port Hedland-Wittenoom-Tom Price-Paraburdoo.

Learmonth-Onslow.

The Port Hedland-Tom Price service is handled by MMA's Twin Otter aircraft which recently was costing $6,000 per week in excess of revenue to operate.

MMA's feeder services together with those operated by Trans West and Civil Flying Service for mining companies or D.C.A., result in an unco-ordinated and fragmented airline pattern in the Pilbara and the north-west.

TAA has been clearly told it will not be allowed to sponsor or operate feeder services and MMA have been informed that the State might wish some rearrangement of all local services in the Pilbara and the north-west.

Restrictions on Charter Operations: I listened very carefully when Mr. Clive Griffiths said that the authorities had restricted charter operators. I would ask members to listen to this very carefully.

Licenses granted by the State have placed no restriction whatever on charter operators as regards the places they may serve or the frequency or times of operation. There is a fundamental difference between a charter service and a regular scheduled service for the carriage of passengers or freight.

In the former case, the aircraft is chartered or hired on a time and mileage basis to suit the hirer. A regular service runs according to a predetermined timetable, fares and freight rates and carries multiple consignments of cargo or passengers. The situation is analogous to that existing between a taxi-car and a bus service.

It is understood that D.C.A. restricts charter operators to one charter trip a month over a regular passenger transport route, to preclude charter operators from using a charter license to circumvent the requirements laid down for regular services. If they are to run a regular service they must expect to do so under regular service conditions.

Mr. Clive Griffiths also said that charter operators are not permitted to cart much freight. Earlier this year Wards Freight Services in conjunction with Trans West were operating a pure freight service five nights a week to the north-west. When MMA's fifth F28 was reintroduced into service MMA contracted with Wards to lift the freight traffic developed by these two independent operators.

This is a very important paragraph. Transport Commission licenses do not prevent charter license holders carrying as much freight as they like, as often as they like, and as far as they like. It is wrong, therefore, to say they have made approaches in this regard and have been refused.

The Hon. Clive Griffiths: Are you telling the House that nobody in Western Australia has been refused?

The Hon. J. DOLAN: There could be circumstances which would warrant a refusal. I am not telling the honourable member anything of the sort as suggested by him. I have said that charter license holders are not prevented from carrying as much freight as they like, as often as they like, and as far as they like.

What timetables could be observed if DC9s operated? DC9s have a fractionally faster block speed than F28s. Assuming aerodromes on other routes were upgraded to take DC9s, the timetables could be roughly the same, but the total posture that might be adopted by both airlines on any route would result from discussions between the airlines and the Western Australian Government. Under the Airlines Agreement Act both airlines can have recourse to the rationalisation and arbitration procedure.

Should the existing operator be compensated? This was a proposition raised by a member of the Opposition. Compensation has never been discussed when either airline has sought access to routes solely operated by the other. Clear precedents against compensation exist; for instance, TAA was not paid compensation by anyone when Ansett sought and obtained equal access on the Brisbane-Darwin, Adelaide-Darwin, and Port Moresby-Bougainville routes.

Rationalisation: Mr. Withers said that the first goal of the rationalisation of competition is the avoidance of uneconomic competition. Of course this is correct and

I have no doubt that the rationalisation procedures will be invoked by MMA if this Bill is passed. MMA might be wise not to invoke it because if previous decisions emanating from the rationalisation procedure are taken as a guide, there is no doubt that TAA will gain access to Western Australia and that the access authorised will be equal; that is, 50 per cent. of the total services operated by MMA. In these proposals TAA is seeking to operate initially only on one route which provides 25 per cent. of Ansett's revenue, and then only to the extent of operating three, or three and a half out of seven services per week.

I now want to refer to the original decison to introduce F28s. Mr. Berry referred at length to the negotiations which lead to the original choice of F28s instead of the other two types that were available—the DC9 or the BAC111. The Government is fully aware of what went on and agrees that the choice was the correct one at that time, both operationally and from the point of view of the cost of airfield upgrading. But that was four years ago when the pattern of development and expansion in the north was less clear. Not only is the future of the north now more discernible but it is economically feasible to operate larger aircraft than the F28 on some routes and money is available to upgrade the airfields required.

The Hon. W. R. Withers: Does the Leader of the House mean that the service will maintain the same expansion rate?

The Hon. J. DOLAN: Is Mr. Berry suggesting that we should not do so? Is he suggesting that we should not partially supersede the F28 with the DC9? After all the DC3 and the F27 were both superseded when some better aircraft could have been used.

There was reference as to whether or not the Federal Minister, Mr. Jones, broke an agreement. Mr. Withers said that Mr. Jones, the Australian Minister for Transport, had broken his word in providing $1,300,000 for the upgrading of Kununurra, Derby, Broome, and Port Hedland. I ask Mr. Withers to consider the following—

> Clause 12 of the Airlines Agreement, 1973, provides—
>
> > In further implementation of its policy of full recovery of the costs of facilities properly attributable to civil air transport, the Commonwealth will consult annually with the Commission and the Company on departmental activities, programmes, practices, procedures and costs with a view to minimising the amount to be recovered by way of air navigation charges.

Clause 1 of that same agreement provides—

> This agreement shall have no force and effect and shall not be binding on the parties to it unless and until it is approved by the Parliament of the Commonwealth.

The agreement has not yet been approved by the Parliament of the Commonwealth. Therefore, on a technical point, the Federal Minister of Transport cannot be alleged to be in breach of an agreement which has not yet come into force.

However, I know he would not seek to hide behind a technicality. The fact of the matter is that he is well aware of the views of the industry in that ATI does not want any further expenditure on the north-west routes whereas TAA does want the aerodromes to be upgraded so that it could bring DC9s on to the routes.

The Hon. W. R. Withers: Rubbish. We want to see them upgraded for the time when they can come in.

The Hon. J. DOLAN: Both viewpoints have been put repeatedly to the Minister and there was absolutely no point in calling a further conference prior to his recent announcement.

It is to be noted that there is no obligation on the part of the Commonwealth, once the agreement does become binding, to accept the views of the industry; the obligation is to consult.

Only recently the Minister sought the views of ATI on the desirability of spending $50,000 at Carnarvon on extending the apron so as to minimise the possibility of damage to persons or property from jet blast. ATI was not in favour of this expenditure but it will probably be authorised, nevertheless, on the grounds that it is desirable in the interests of safety. Similarly, the proposed expenditure announced by the Minister for the upgrading of aerodromes is desirable on the grounds of bringing to the residents of the north-west a better standard of service than they now enjoy. I repeat: there was absolutely no breach of the agreement by Mr. Jones.

The Hon. W. R. Withers: What the Leader of the House states is that—

The PRESIDENT: Order!

The Hon. J. DOLAN: Coming now to the D.C.A. role in discussions, I intend to read a letter which came from the head of the Department of Civil Aviation.

Mr. Withers referred to the Department of Civil Aviation, a Government instrumentality, pleading the case for TAA, another Government instrumentality. I have had a communication from Mr. C. J.

Smith, the First Assistant Director-General of the department who was the officer concerned and who also attended the debates. It is as follows—

Dear Minister,

I listened with considerable interest to Mr. Withers' speech in the Legislative Council in the early hours of this morning on the Commonwealth Powers (Air Transport) Bill.

I regret to say that I am of the view that he misrepresented somewhat the role played by D.C.A. and, in particularly Mr. Boud and myself when he expressed surprise and concern that the Department was actively pleading the case on behalf of T.A.A.

The position is that I visited Perth last week at the request of my Minister to be available for discussion with the W.A. Minister for Transport and his advisers should they wish such discussions.

My Minister further instructed me to make myself available to talk with Members of the Opposition should they wish to discuss the subject, and he instructed me to get at the facts as to what was concerning the Opposition and report back to him so that he could give whatever assurances he could to satisfy members of the Opposition.

Officials of T.A.A. were over in Perth seeing both Members of the Liberal Party and Members of the Country Party. Mr. Boud and I joined in these meetings.

I am sure Mr. Withers will agree that at the commencement of our meeting I explained my role and stated that T.A.A. officials were here as lobbyists but I was here to obtain specific information for my Minister. I am sure he will recall that the majority of the discussion in which I participated related to the upgrading of aerodromes and associated facilities and that the main arguments regarding the standard of service and similar matters were left for discussion with T.A.A. Indeed, I recall when once I strayed somewhat from my point, the Chairman gently rebuked me and reminded me that the meeting was to hear T.A.A.'s arguments.

I was unable to give all the assurances sought by the meeting, and I was taken to task somewhat for this but I did report back to my Minister and he very promptly gave assurances, and to my mind satisfactory assurances, on the specific issues of upgrading aerodromes, welfare of staff, maintenance of standard of service, close consultation with State authorities and no parallel scheduling.

I certainly did make the point that the Australian Government was of the view that competitive air services should be introduced on the Perth/Darwin route and that it was my duty to use my best endeavours to achieve that objective. I further recalled that this was also the objective of the former Liberal/C.P. Federal Government.

I would be grateful if you would consider correcting the impression that Mr. Withers left this morning by either making a statement or by tabling this letter in Council.

Yours faithfully,

C. J. SMITH,
First Assistant Director-General
(Air Transport).

The Hon. W. R. Withers: Does the Leader of the House intend to read out my letter?

The Hon. J. DOLAN: I certainly do not.

Point of Order

The Hon. W. R. WITHERS: I rise on Standing Order 91, Mr. President. This is a very serious matter. A letter similar to the one read out by the Leader of the House was sent to me with a copy which was to be given to Mr. Dolan. It was from Mr. Smith and he asked that I have the letters tabled in this House. So I wrote a letter in reply and said that I would send a copy to Mr. Dolan.

I have no objection to the correspondence being tabled in this House and the definition of correspondence—and I think these words should be taken down—refers to letters, in the plural; that is, my reply to the letter which was written and not simply the same letter with the words changed.

The PRESIDENT: Order! What letter does the honourable member want taken down?

The Hon. W. R. WITHERS: All the words I have spoken.

The PRESIDENT: Order! It is distinctly out of order for the honourable member to try to make a point of order in this manner. This House would not be able to carry on its business if the Minister, or even the Opposition, were challenged in this way. The Leader of the House is closing the debate and he is entitled to make his point.

Personal Explanation

The Hon. W. R. WITHERS: A personal explanation, and an apology, Mr. President.

The PRESIDENT: From the honourable member?

The Hon. W. R. WITHERS: From me.

The PRESIDENT: Very well.

The Hon. W. R. WITHERS: If I have broken a rule of this House I apologise but I would like to say that this is very serious. The truth is being held from the public.

The PRESIDENT: Order! The honourable member cannot continue in that vein.

Debate Resumed

The Hon. J. DOLAN: Mr. President, I do not wish to engage in this argument any further. I will supply a copy of the letter sent to Mr. Withers. The letter to Mr. Withers asked that he work towards one of two things: either to make a statement or table his letter in the Legislative Council. It was left to him to do that. He wrote the letter to me in explanation. I do not know that I am bound to do this sort of thing. If any member desires to look at the letter he may do so.

The Hon. A. F. Griffith: May I make a suggestion? I think the Leader of the House would take a lot of heat out of this debate if he were good enough to read Mr. Withers' letter.

The Hon. J. DOLAN: I have it in my office.

The Hon. A. F. Griffith: And I point out to the member opposite that he should not scoff at me.

The Hon. R. F. Claughton: Do not point your finger at me, either.

The Hon. J. DOLAN: I am about to conclude. The main role we have to play here in the Legislative Council is to review legislation. This is most serious legislation which has been put before the House. It has been debated and explanations have been given in answer to queries from members from both sides of the House. I have endeavoured to give a full account of every point which was raised.

The Hon. A. F. Griffith: The Leader of the House has injected a lot of heat into the debate.

The Hon. J. DOLAN: That is the opinion of the Leader of the Opposition.

The PRESIDENT: Order!

The Hon. A. F. Griffith: Yes, you have.

The Hon. J. DOLAN: I feel that this legislation would not be reviewed unless the views I have expressed in my reply speech were thoroughly investigated by members opposite. For that reason, I confidently expect that this House will allow the second reading of the Bill, and that members will also give it full consideration and thought.

I am prepared to delay the Bill at any subsequent stage—at the Committee stage or even after that—until I have received an assurance from the Leader of the Opposition and the Leader of the Country Party that they have considered what I have said. At least I will know that they have honestly and courageously reviewed what I have said and what I have done, and that they will do what is expected of them. This, in the main, is the function of the House. I commend the second reading.

Question put and a division taken with the following result—

Ayes—7

Hon. R. F. Claughton	Hon. J. L. Hunt
Hon. S. J. Dellar	Hon. R. H. C. Stubbs
Hon. J. Dolan	Hon. D. K. Dans
Hon. L. D. Elliott	*(Teller)*

Noes—15

Hon. N. E. Baxter	Hon. T. O. Perry
Hon. G. W. Berry	Hon. S. T. J. Thompson
Hon. V. J. Ferry	Hon. J. M. Thomson
Hon. A. F. Griffith	Hon. F. D. Willmott
Hon. Clive Griffiths	Hon. W. R. Withers
Hon. J. Heitman	Hon. D. J. Wordsworth
Hon. L. A. Logan	Hon. R. J. L. Williams
Hon. I. G. Medcalf	*(Teller)*

Pairs

Ayes	Noes
Hon. R. T. Leeson	Hon. N. McNeill
Hon. W. F. Willesee	Hon. C. R. Abbey

Question thus negatived.

Bill defeated.

Sitting suspended from 4.16 to 4.32 p.m.

QUESTIONS (4): ON NOTICE

1. ORD IRRIGATION SCHEME

Sugar Industry

The Hon. V. J. Ferry for the Hon. W. R. WITHERS, to the Leader of the House:

(1) Has the State Government made any move to investigate the establishment of a sugar industry in the Ord River Irrigation Scheme?

(2) When can the Government's decision be announced?

(3) Has the Queensland Government stated its doubt about Queensland's ability to supply the Chinese sugar order which was announced early in November, 1973?

(4) What would be—

(a) the total number of farmers;

(b) total acreage; and

(c) the crop output;

required to maintain the economical use of a sugar mill in the Ord River district?

(5) What would be the total capital expenditure for each fully-equipped farm?

(6) What would be the total capital expenditure to Government and the private sector to establish a viable sugar industry in the Ord River Irrigation Scheme?

The Hon. J. DOLAN replied:

(1) In 1964 an investigation was carried out by the Colonial Sugar Refining Company at the request of the Government of Western Australia.

In November, 1973 the Premier submitted a preliminary case to the Prime Minister for consideration.

(2) This will depend on the outcome of negotiations with the Australian Government and the results of any subsequent feasibility investigations.

(3) I am unaware of any statement to this effect.

(4) to (6) This detailed information is not available at this stage.

2. OIL FUEL

Government Control

The Hon. I. G. MEDCALF, to the Leader of the House:

(1) In view of the current overseas oil situation and the likelihood of shortages, particularly in heavy fuels affecting industry in Western Australia in the next 12 months, will the Government take steps to encourage industrial, commercial and domestic users of electricity to practise economies and avoid wastage in order to reduce the possibility of fuel shortages creating unemployment in this State?

(2) In this connection, will the Government itself institute an inquiry into how it can set an example to other citizens by restricting unnecessary usage of electricity and fuel such as by ensuring that lights and power are not used unnecessarily in Government buildings, particularly after hours when staff are not in attendance?

The Hon. J. DOLAN replied:

(1) and (2) The Government is carefully watching the fuel oil supply situation and will take appropriate action if a supply interruption appears likely to occur. All fuel supplies are flowing normally at present and are expected to continue for the immediate future. The Emergency Fuel Supplies Committee is examining how fuels can be interchanged in an emergency and what voluntary steps can be taken to reduce energy consumption. Recommendations are expected from the committee shortly.

3. MILK

Price Increase

The Hon. G. C. MacKINNON, to the Leader of the House:

(1) Has the Milk Board lodged a recommendation with the Minister for Agriculture for an increase in the price of milk?

(2) If a recommendation has been made to the Minister, on what date was it received?

(3) What action has the Minister for Agriculture taken with regard to the recommendation?

(4) When can an answer agreeing to, or rejecting the recommendation, be expected from the Minister?

The Hon. J. DOLAN replied:

(1) Yes.

(2) 28th November, 1973.

(3) The Minister has indicated that the Milk Board submission has been examined by appropriate officers of his department.

(4) A Cabinet recommendation has been prepared by the Minister. This will be submitted for consideration at the next meeting of Cabinet.

4. *This question was postponed.*

DEATH DUTY ASSESSMENT BILL

Second Reading

Debate resumed from the 29th November.

THE HON. I. G. MEDCALF (Metropolitan) [4.34 p.m.]: Young men believe they can change the world, and so, I suppose, do many young women. This is a good thing. As they grow older they begin to realise that they are not able to do the things they hoped they could do, and they find that some of the things they believed were certain when they were young are not so certain as they grow into old age. A wise old doctor once said to me, "Human beings ought to realise there are only two things which are certain in life; one is that you were born and the other is that you will die."

The Hon. A. F. Griffith: I thought you were going to say death and taxation.

The Hon. J. Dolan: Some do not get a chance to be born.

The Hon. I. G. MEDCALF: It is on the assumption that everyone will die that the Commissioner of State Taxation has made his suggestions which have been incorporated by the Government in the Death Duty Assessment Bill now before the House. It is a perfectly valid assumption and a prospect which we must all face.

The ages at which people die vary considerably and it is purely an individual matter but not a matter of choice. It is sometimes illusory to talk about benefits which are given by legislation to widows and children. When one looks at the mortality tables one finds that most people die without leaving dependent children. The average person does not leave dependent children when he dies because the children have passed beyond the age of dependency. We must bear that fact in

mind when we are told of the great benefits which are being conferred on the dependants of deceased persons by this Bill.

According to the mortality tables currently used by insurance companies, of a group of 10,000 people aged 20, in the 10 years from the age of 20 to the age of 29 an average of 112 will die. In the 10 years between 30 and 39, an average of 133 of the 10,000 people will die. In the 10 years between 40 and 49, 318 of the 10,000 will die. But in the 10 years between 50 and 59, 929, or just on one-tenth of those 10,000 people, will die; and of course the proportion becomes higher above the age of 60.

By the age of 49, most people have no dependent children; that is to say, children under 16, which is the definition of dependent children given in the Bill. So that to say a benefit is being conferred because it allows a deduction for dependent children is tantamount to saying the benefit is being conferred on only a minority of people who, on the average, die before the age of 49. The majority of people who die after that age do not have dependent children, and this is the fact we should bear in mind when we weigh up the benefits to be conferred as a result of the additional concessions provided in this Bill.

I have previously spoken about probate duty and Federal estate duty, and I regret there has been no attempt by the Commonwealth and State Governments to reconcile probate and estate duty. On a previous occasion I spoke at some length about the desirability of reconciling the administration—if not the duty itself—in the collection of Federal estate duty and State probate duty. The duty was being collected from the same people by both State and Commonwealth Governments. That was the position when I spoke on this subject some three years ago, and the position is still exactly the same as it was then.

The State Government has its administration, and the Commonwealth Government has its administration. They are collecting duty from the same estates, and they are collecting it largely on much the same principles; and yet there are different administration handling the collection of the same duty from the same estates.

No attempt has been made to reconcile this double administration, and I regret this. Nor has the Commonwealth made any attempt to abolish Federal estate duty, which many people besides myself have been advocating. I believe there is no excuse for Federal estate duty being continued while the income tax rates remain as high as they are at present. No attempt has been made to reconcile that. I am not aware of the State Government having made representations to the Commonwealth Government to abolish Federal estate duty. Nor as far as I am aware has any attempt been made—and the Minister may correct me if I am wrong—to reconcile the probate duty that may be levied on the same items by the different States.

For example, if a Western Australian person has assets located in Victoria in that he has some shares on a Victorian register which happen to be in respect of a company incorporated in New South Wales, then three lots of probate duty are payable on the same shares—Western Australian, New South Wales, and Victorian probate duty. Four lots of probate duty could be payable if Queensland happened to come into it in some way—and this has happened. In addition, Federal estate duty must be paid on those shares. So one lot of shares could attract five lots of duty.

It is true that our Act provides for an abatement in respect of some of that duty upon application being made. It is also true that the Bill before us provides for a simplification of the procedure so that no longer will it be necessary to apply for a deduction; it will automatically be deducted before the assessment is made. That small administrative gain is, I believe, worth while.

However, generally speaking, we are still in the antediluvian situation that we have been in for some years; that is, we have both State probate duty and Federal estate duty, and several lots of duty may be levied on the same assets.

I believe that Federal estate duty should be abolished and that State probate duty should be progressively reduced. Instead of that, Federal estate duty has not been abolished and there is no sign that it will be; and State probate duty is in fact being increased by some of the provisions in this Bill. The reason I believe action should be taken to reduce State probate duty, and also Federal estate duty, is that the taxpayers during their lives pay income tax, and it is out of what is left—out of their savings—that estate and probate duty is paid. So in a sense there is a double duty; they pay income tax and then when they die death duty is levied on what is left.

In addition, the rates of duty have remained the same, and still remain the same under this Bill, generally speaking; and we have an inflationary situation in which estates are becoming greater all the time because the value of houses and other property is increasing constantly. So a person now leaves more than a person in the same situation did 10 years ago. That is the situation we get in an inflationary economy. The rates of duty should be varied, because if the rates remain the same, then the same asset will attract a higher duty each year because it becomes worth more in terms of an inflated currency. For that reason alone there should be a change in the rates.

All of this, of course, means that the taxpayer is paying more and more all the time. Do not let us kid ourselves; more money be it income tax or other duty, is being taken out of the pockets of the taxpayers all the time. So I believe that if we are not actively taking steps to reduce probate duty—which I advocate—then we are actually taking a retrograde step, and we are out of touch with the times in which we live.

There are many unpleasant features of State probate duty, and I will not go into them in any detail. We all know the situation in which a wife is left when her husband dies. She is without the breadwinner and in many cases unable to cope with the problems which suddenly beset her and which are completely unfamiliar to her. This is quite apart from the trauma and the personal loss that she has suffered as a result of the death of her husband. She now has the task of managing the assets—whatever they may be—of the estate and looking after the business side of things when perhaps in many cases she does not even know how to write out a cheque. She has to turn to whatever friends and relatives she has to help her in this dilemma. It is no comfort to her to know that in this Bill we are proposing that if she does not put her statement of assets and liabilities in within six months she will have to pay interest on the duty which is assessed; and when it is assessed if she does not pay it within 30 days she will have to pay interest on the assessment. I do not think we are making it any easier.

I know the commissioner has power to defer duty; but how does she go cap in hand, so to speak, to the commissioner? It is all very difficult. I believe probate duty should be progressively reduced; it should not be increased.

Western Australia, generally speaking, has had a reasonably favourable reputation —in spite of what I have said—in the duty situation in this State as compared with one or two of the other States. No doubt the Minister will quote this back to me when he replies, and that will be fair enough.

There have been certain advantages to people who have had to pay duty in the State of Western Australia. It has been said it is a good place to live in and a good place to die in. I have heard people from New South Wales say that Western Australia is a much better place to die in from a duty point of view than is New South Wales.

It is still a good place to live in; but we may be reaching the stage where it might not be a good place to die in. It is perhaps not fair for me to expect a Labor Government to reduce death duty, because it is not in accord with the policy of the Labor Party to do so; although Mr. Tonkin in his policy speech did say he was going to make certain arrangements about this. On page 23 of his policy speech, Mr. Tonkin said—

> Whilst not believing that probate duty should be completely abolished and huge estates left to grow into even greater accumulations of wealth, a Labor Government will legislate to provide substantial relief from the current probate laws of the State, with specific attention to the position of widows and dependent children. The matrimonial home and its contents will be exempted from duty as will also life assurance to an amount of $20,000.

In fact the main attack in this Bill is directed against life assurance. So far as the reductions for widows and dependent children are concerned, just how practical and significant are they from the figures I have quoted from the mortality tables?

I have said that most deceased estates relate to people who are over 49 years of age. Most of these people do not have dependent children under 16 years of age. So far as life assurance is concerned, in this Bill there are provisions which state that assigned policies will now become dutiable if the deceased has paid the premiums, or part of the premiums. They were not dutiable before for probate duty; they were liable for what was called succession duty which was at a different rate altogether. They were not part of the estate; they were not lumped into the estate and they did not increase the totality of the estate.

Now, however, these assigned policies will be liable for probate duty along with all the other assets of the estate. There is no time limit. If a man assigned a life policy to his wife 20 or 30 years ago and continued to pay the premiums, or part of the premiums, himself, that goes back into his estate, although he did it at the time because he felt it would provide a fund from which she could pay probate duty, or from which she could support herself, or pay off the mortgage.

That now comes into his estate; though it would not have come into the estate previously. A number of other transactions —matters which were attended to completely; acts that were performed and deeds that were signed, sealed, and delivered years ago—are now to be brought back into the estate.

When assigning a life policy both the parties sign a little form on the back of the policy which is stamped and sent to the life insurance company. If the form is not stamped the insurance company either sends it back and asks the people concerned to stamp it, or stamps the form itself and sends the parties the bill.

This means that a husband has paid stamp duty and is acting within the law and knowing he will have to pay succession duty. Having assigned the policy to his wife it will be brought back into the estate as if he owned it; though he does not. But if he has been paying premiums on it it becomes part of his estate. This is one of the provisions in the Bill.

Usually a man assigns a policy to his wife to enable her to pay probate duty, or to provide funds which she could get from the company immediately on his death; she does not have to wait for the formalities of probate. But no more will this be the case. That now goes back into the estate and is to be included in the statement of assets and liabilities which will be assessed for duty by the commissioner; although it is not really part of his estate, and his estate does not receive it. The policy has been assigned years ago. It is hard to see why such a provision appears in a Bill of this type when Mr. Tonkin said—

> The matrimonial home and its contents will be exempted from duty as will also life assurance to an amount of $20,000.

I believe Mr. Tonkin had a mandate for his policy; I think he had a mandate to do something about life assurance; at least in my book he had such a mandate. He has done something about it, but it is not exactly what was said in the policy speech. What I have said does not apply only to policies that have been assigned; it applies to policies that have been taken out by a wife on her husband's life. These are also included; where the wife takes out a policy on his life and he continues to pay the premiums. The Bill also applies to company or partnership insurance which has now been brought in and on which double tax will be payable.

If partners insure one another's lives so that on the death of one the other can buy out his share, not only does a person pay the duty on his partnership share—as he should do—but his estate is liable for duty on the policy his partner takes out and collects; when he dies and the partner collects the money the deceased is charged duty on that policy in his estate although the deceased's estate does not get the policy. So there is double tax provided in clause 10 (o) of the Bill. It needs attention.

I hope the Minister will give some attention to the amendment which I propose to place on the notice paper in that respect. There are other provisions in the Bill which offend against other principles. There is one principle about which we have heard a lot in this House, and which is very important; namely, that legislation should not be retrospective.

I have already said that this Bill applies to insurance policies which were perhaps assigned 20 or 30 years ago and about which one can do nothing. If one assigns a policy one cannot get it back unless it is assigned back; but what good is that? In any event, the Bill applies to things which have already happened; things which have been done and which have been signed, sealed, and delivered, and on which stamp duty has been paid, and which have been effectively "wrapped up".

I will refer to the individual retrospective provisions and indicate their purport. They are as follows—

Clause 10 (2) (a) refers to gifts *inter vivos*.

Clause 10 (2) (c) refers to powers of appointment.

Clause 10 (2) (d) refers to annuities.

Clause 10 (2) (e) refers to assignments of life policies.

Clause 10 (2) (f) refers to settlements by a deceased person within three years of death.

Clause 10 (2) (g) refers to settlements where a life interest is retained.

Clause 10 (2) (h) refers to the surrender of life interests.

Clause 10 (2) (j) refers to gifts made by the deceased the subject matter of *donatio mortis causa*.

Clause 10 (2) (k) refers to an increase of benefit resulting from determination of an estate by death.

Clause 10 (2) (l) refers to life assurance premiums paid by the deceased.

Clause 10 (2) (m) refers to life assurance premiums paid by the deceased in cases where the policy has been taken out by another person.

Clause 10 (2) (n) refers to survivorship of annuities.

I am sorry to have been so tedious as to enumerate these in this manner, but I have done so to indicate that there are numerous clauses in the Bill which in fact make dutiable things which have already happened and which are beyond the power of the person to change; they are things which have been done legitimately, not under a loophole, but under the law—within the provisions of the Administration Act; they are settlements, and legitimate transactions which cannot be changed and which now come back into the estate and are placed in the residue of the estate for probate duty purposes. As I have said, this Bill makes dutiable acts which have already been performed; deeds which have already been executed; settlements which have already been made; and dispositions which have already been effected, and

where stamp duty has been paid. These are irretrievable acts which one party is quite unable to alter. They are deeds done and transfers or dispositions made.

That is what I mean by retrospective legislation; a more accurate expression would probably be retroactive legislation; because it deals with things which have happened; which have occurred in the past; deeds, documents, and transactions which are being brought into an estate. This is retroactive.

There was a lot of debate in another place as to whether or not these things were retrospective; but I do not think it matters whether we use the word "retrospective" or "retroactive"; it means exactly the same, in that there is nothing one can do about matters that have already been completed. Therefore these are transactions which have taken place within the law and are now being made liable for duty. They are things which have already been done; they are not things which are to be done in the future; if they were I would not have any argument.

The Hon. J. Heitman: You would not be safe with a Government doing that.

The Hon. I. G. MEDCALF: In my opinion it should not be done; it is bad law. These acts were done by the people under the current law; at the time they were legitimate arrangements under the current law; they were dispositions made effecting family arrangements, marriage settlements and other dispositions. Gift duty, stamp duty and registration fees were paid with the full knowledge of the Taxation Department—both Commonwealth and State; there was no attempt at concealment because they were legitimate arrangements. Yet they are now being brought in and being made dutiable without credit being given in some cases for the stamp duty paid or the registration fees or the company fees that were paid or of the professional or other fees that were paid.

However, I do not propose to object to all the matters I have raised. I draw attention to them. I believe they are bad. I propose only to object to the most flagrant ones which affects the case of the average person. I do not propose to worry about the remote cases; about the obsolete provisions in some cases; the unusual ones or those that are abstruse.

I will not worry myself or the House about those which do not have very much practical significance or affect many people, but in principle they are still bad. I will raise only the most practical examples and those which have a practical application to the ordinary circumstances of average people.

Much has been said about loopholes in the Bill. I have no brief for the loophole experts although what they do is undoubtedly, in some cases, legitimate. I have no brief for those who are looking for loopholes in the law to take advantage of them to avoid payment of what is probably a legitimate amount in certain cases. I have no brief for those persons. I am defending the average man who made ordinary arrangements about his moderate estate to protect those he should protect; that is, his next of kin. I am doing that deliberately because, like most members in the House, I was brought up in the days when it was believed to be a man's obligation to look after his next of kin, and not to expect the State to do so. Most members in this House are of a sufficient age to have been brought up in the days when it was not the popular philosophy that the world owed them a living. That philosophy did not operate when most members here were younger. I know we have one or two young members here, but I cannot see any of them at the moment.

The average man in the community has never traded on the belief that the world owes him a living. He believes it is his obligation to provide for his close relatives—his wife and children—and that it is his obligation, as he struggles—and in the past most men have had to struggle—to protect his next of kin against the wolves of society after he dies.

For that reason I will concentrate on the average case. I am opposed to double taxation although I can do little about the prime examples of double tax; that is, income tax and death duty on assets left, or probate duty and estate duty on the same assets. This is a matter of Government policy and if the Government is in favour of it or is prepared to allow the double tax to continue, I am a voice crying in the wilderness. I know, because I have cried before.

The Hon. J. Dolan: Has this situation just developed?

The Hon. I. G. MEDCALF: No.

The Hon. J. Dolan: It was so when the Liberal Government was in office?

The Hon. I. G. MEDCALF: It has been the situation for many years. I am complaining that nothing has been done about it.

The Hon. A. F. Griffith: It was so during the days of our Government, and I have not changed my views that probate is an iniquitous tax.

The Hon. J. Dolan: You had 12 years to change it.

The Hon. A. F. Griffith: We did.

The Hon. I. G. MEDCALF: If I may interrupt this conversation—

The Hon. J. Dolan: I am sorry.

The Hon. I. G. MEDCALF: —what I am proposing to do something about is the direct double tax provisions in the Bill. I am referring to duty which is assessed twice on the item. As a result of objections raised attempts were made in the Assembly to remedy this. Some of the provisions were amended, but others were

not and I will place on the notice paper some amendments to remedy more. Frankly I do not know whether I will cover them all, but certainly some of the provisions require urgent attention before the Bill passes through Parliament.

I am referring particularly to clause 10 (2) (h) on page 12 which deals with the surrender of a life estate and renders the property dutiable, plus the consideration received for the surrender. Another provision which requires attention is clause 10 (2) (o) on page 14 which renders partnership or other life assurance which passes to another on death, liable to duty, plus the partnership or other interest, although the deceased never receives the benefit of the life assurance and it is not properly part of his estate.

In those cases particularly double duty is payable. The commissioner would probably say he would not think of charging double duty in those cases, and I would accept his word, but it does not alter the fact that I believe the proposals we have before us will do just that and that therefore they should be amended. In respect of superannuation and life assurance, without wishing to weary the House, I draw attention again to the fact that Mr. Tonkin said he would exempt the home and life assurance up to an amount of $20,000. Under the Bill, superannuation payments which were never before liable for duty are to be made liable.

Most of us know what superannuation is and most of us know how it is contributed. It comes out of the wages, salary, or income of working people; and by "working people" I mean people who are working for their living, not people who are born with a silver spoon in their mouths. That is what superannuation is and it is contributed to out of the weekly pay, salary, or income people receive, and it is contributed in fairly regular amounts.

How can anyone say that the money is normal investment money—that it is an investment of wealth? That money is earned by their blood, toil, sweat, and tears and could be described properly as "blood-and-sweat" money because that is just what it is. It comes out of their pay, or what is left of it after they have paid their income tax and other obligations, and have arranged to take home enough to support themselves and their families. That is what superannuation is. No-one can say that such money is the investment of the wealthy. This is the action taken by the breadwinner who wants to protect his family against fate, his employers, society, ill-health, and what you will. He does not know what the future holds in store for him so, being a prudent man with a wife and children, he puts money away into a superannuation fund out of his hard-earned income to try to ensure the security of his relatives in the event of his untimely death.

If he lives to receive that superannuation, he is a lucky man. I am not talking about that situation because what is left of such money in those circumstances will go into his estate after he dies. I am talking about the money which comes because he dies—the superannuation or pension which is there to be paid out to his dependants. That is what I am referring to. Traditionally that has not been subjected to duty in most cases; but now, if a man dies, the State will take its share because it will add that superannuation on to his estate and will get its pound of flesh from it. Section 90 (3) of the Administration Act states that duty shall not be payable in respect of the beneficial interest in any money received or payable under any bona fide superannuation or pension scheme or arrangement.

That section states that duty shall not be payable. There are no strings attached or qualifications provided it is a bona fide superannuation or pension scheme or arrangement.

The Hon. A. F. Griffith: You are speaking of superannuation in a lump sum?

The Hon. I. G. MEDCALF: Yes, payable to a relative on the death of the person. It may be in a lump sum or in the form of a pension, but whatever it is, it is capable, for duty purposes, of being turned into a capital figure.

The Hon. G. C. MacKinnon: Would that apply to our superannuation for our wives if we happened to die before we retired?

The Hon. I. G. MEDCALF: Yes.

The Hon. G. C. MacKinnon: They would have to pay probate on that?

The Hon. I. G. MEDCALF: Yes.

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

The Hon. I. G. MEDCALF: In most cases at present superannuation is not dutiable. It is dutiable in some cases because it does form part of the estate; but in nine cases out of 10—or in most cases where there is a discretion in the trustees to pay to a widow or one of the children or other next of kin—it is not dutiable; and the commissioner knows this. Nor is it payable under the situation I just mentioned under section 90 (3) of the Administration Act which will be repealed.

Under the Bill now, whether or not there is a discretion in trustees, the superannuation will be clearly part of the estate. This will occur under clause 10 (2) paragraph (o), unless it passes to the widow, a child under 16, a full-time student or apprentice under 25, or to one or two other categories of people. Unless the money goes to one of these people, it is dutiable.

I think I have already illustrated from the Australian life assurance companies' mortality tables that the majority of

people in this category do not have children under the age of 16 when they die. I know some do have dependent children, but they are not the ones I am discussing because the majority of people do not have dependent children and therefore in most cases the money received from superannuation will be dutiable unless it goes to one of those people I have just mentioned. Consequently superannuation funds which were exempt before will no longer be exempt unless the beneficiary is in one of those categories.

This I believe is wrong in principle. Surely something should be sacrosanct and I believe that this applies to the blood-and-sweat money of people who have worked all their lives. The Commonwealth does not touch superannuation. I will say that for the Commonwealth. I have not been able to say many good things about it, but at least it does not touch superannuation because it is not dutiable.

The Hon. A. F. Griffith: I hope the Commonwealth does not hear you say that.

The Hon. I . G. MEDCALF: The Commonwealth knows very well that it has already had its cut through income tax.

The Hon. A. F. Griffith: And it gets its cut even out of superannuation in the form of tax.

The Hon. I. G. MEDCALF: It will again, too, if a person collects superannuation after he turns 65 and then dies with some of it still in the bank. Of course the State will get some too if the man collects his superannuation, because it goes into the estate once it is paid out. Once the man has received it, it is no longer superannuation, but goes into the estate.

The people who suffer are those who are left when somebody dies leaving superannuation that was paid for by the breadwinner when he was still working. I am talking about bona fide superannuation funds. I am not talking about rackets but about bona fide funds. If the Commissioner of State Taxation or any Minister would like to tell me that bona fide superannuation funds are rackets, I invite any one of them to a public debate. I hasten to add that neither the Minister nor the commissioner has said that.

The Hon. J. Dolan: I can guarantee there will be no debate because neither the Minister nor the commissioner would have the time.

The Hon. I. G. MEDCALF: Little or nothing about superannuation was said in the Minister's second reading speech. In addition, little or nothing has been published on it in the Press. The fact is that the public do not know that superannuation will be included where previously it was not in most cases.

What about insurance? Let us consider the purchase of an annuity. This has been condemned in this measure and, in saying this, I am referring to the provision in clause 10 on page 11 of the Bill. Annuities are a normal, usual, commercial transaction between a citizen and an insurance company.

What happens is that a person, who is becoming elderly, decides to make sure he will have enough to live on for the rest of his life. Let us suppose he has $50,000. He may approach an insurance company and say he has $50,000 and wants to buy an annuity. The insurance company agrees and says that if the man pays the company $50,000, the company will guarantee to give him $5,000 a year for, say, the next 10 years. The insurance company is gambling on average life expectancy that the man will not live 10 years. The man is gambling and hoping that he will. He accepts the bet. He buys the annuity by paying the insurance company $50,000.

The Hon. J. Dolan: Would he not be better off by putting the money in the bank and collecting the interest from it each year?

The Hon. I. G. MEDCALF: Different people organise their affairs in different ways and some people purchase annuities.

The Hon. D. J. Wordsworth: He would get $5,000 a year for the rest of his life and he is gambling that he will live for a long time.

The Hon. I. G. MEDCALF: I am grateful to Mr. Wordsworth for that interjection. The payment would be made for the rest of his life and not for the 10 years which I mentioned. I was actually thinking of the situation whereby the company works out that the person has only a 10-year life expectancy, but the person hopes he will live for a longer time. In other words, it is a gamble on both sides. The insurance company gambles that the person will not live for more than 10 years and the person who buys the annuity gambles that he will.

Let us suppose that such a person is unfortunately struck down a year later by a motorcar. Up to that time he had been in perfect heath—he did not drink or smoke, and did exercises every morning.

The Hon. J. Dolan: He does not have much to live for.

The Hon. I. G. MEDCALF: That person is struck down by a motorcar.

The Hon. A. F. Griffith: He was not wearing his seat belt.

The Hon. I. G. MEDCALF: Having purchased the annuity he dies one year afterwards. What will happen under this measure? His estate will immediately be liable for duty on the $50,000 he paid to the insurance company, less $5,000 which he received in the first year. In other

words, $45,000 will be added to his estate although he has paid that money to the insurance company. The insurance company will not pay it back, because it made a bargain. The company was prepared to pay the man a fixed amount for the rest of his life.

The Hon. G. C. MacKinnon: Is it proposed that probate duty will be paid on that?

The Hon. I. G. MEDCALF: Probate duty will be paid on $50,000 less the $5,000 which was received in the first year.

The Hon. G. C. MacKinnon: Surely not even this Government would do a thing like that!

The Hon. I. G. MEDCALF: Perhaps when he is floating around in heaven he may say that he made a bad bargain. Many people make such arrangements not thinking that in a year's time they will be floating around in heaven.

The Hon. A. F. Griffith: You are wrong in one respect. The deceased will not pay the probate duty but his dependants will.

The Hon. I. G. MEDCALF: I am also wrong in another respect; not all people go to heaven. We cannot blame the deceased because he lived for only one year. This was not his fault. He wanted to live longer and he did not die to cheat or spite the probate office.

There is an example in the explanatory booklet of a person who died about a year after taking out an annunity. It is given as an example of what appears to be a deliberate attempt to cheat the probate office. I realise that people with fatal diseases often know they are going to die and may make arrangements to try to cheat the probate office. If that is the case I would propose an amendment to the clause which would enable the probate people to get back at those who deliberately attempt to evade duty. However, we should not penalise normal, reasonable, proper transactions such as the purchase of an annuity.

I have already referred to clause 10 (2) (l) which deals with a life policy becoming dutiable when it has been taken out by the deceased and assigned to his wife, but the premiums were paid by the deceased. That will now be dutiable. It was taken out to provide for a wife and it is sometimes known as probate insurance. Stamp duty has been paid on the assignment. It has been registered, and it is the property of the wife. It is to be treated as the deceased's by the probate office because he paid the premiums. He did so because he was the breadwinner and probably the only one who earned income. Also, he wanted it as an income tax deduction which he could obtain against his income if he paid the premiums. This is quite normal and reasonable. He also knew he would be liable for succession duty. It is a legitimate arrangement and one which is mentioned under the Administration Act. The Bill proposes to bring this in for probate duty and I believe that is wrong.

Exactly the same situation arises in connection with a policy taken out by the wife on her husband's life when he had paid the premiums. Although the wife took out the policy, because her husband—now deceased—paid the premiums, it is now dutiable in full. In saying this I am referring to premiums, bonuses, and everything associated with it.

I say it is unfair to make the law retrospective in connection with both of these transactions. It will catch the little people who acted prudently within the letter of the law. There is no loophole, because this is written into the Administration Act in almost the same words. I refer to section 90 (1) (c) and 90 (1) (d) of the Administration Act under which people are liable for succession duty at a different rate. Now it is intended to bring this in for probate duty; in other words, to include it in the estate.

I believe certain provisions in the Bill deal a body blow to certain life assurance arrangements which many people have made. People have acted on the faith of the existing law and on the faith of representations made to them by their advisers over a period of 40 years or more. I find it hard to reconcile Mr. Tonkin's comment that life assurance policies, etc. up to $20,000 are to be exempted.

Life estates are another feature. In many cases wills are traditionally drawn in such a way that the wife receives the estate, or interest therefrom, for her life and upon her death the assets go to the children. Under the proposals in the measure the estate of any person who dies with a will such as that will be liable for extra probate duty. If a person has such a will it will be necessary for the will to be redrawn, otherwise there will be a liability to pay additional duty.

Under the proposals of the measure there is to be a $20,000 exemption where a gift is made straightout to the wife. However, in the case of a life estate to a wife there is to be no exemption. Consequently, where a wife is given a life estate it will not be possible to claim exemption from duty.

Many people who have made wills giving their wives an estate for life will have to redraw their wills. In fact this must be done in all cases if they want to avoid the additional duty. The practice of giving the wife an interest for her life is a sensible and time-honoured method of organising a person's affairs. Sometimes it goes further. Sometimes a man gives his wife an estate for life or until such time as she remarries. If the wife remarries the estate goes over to the children, because

the person who has drawn the will expects the new husband to look after her. These are well recognised methods of arranging people's affairs. They will not be any good in future and anyone who has drafted his will in such a way will have to redraw it; otherwise, the estate will be penalised for duty.

Life estates should not be taxed out of existence. It will mean that there will be no more life estates. Every will which has been drawn on the basis of a life estate will need to be changed and a wife will have to be left a legacy of $20,000 in order to comply with the legislation and obtain probate concessions. This is absurd and unnecessary.

I propose some minor amendments which will rectify the situation and I hope the Government will accept those amendments in the spirit of assisting widows which it has indicated it desires to do.

I wish to say a few words about long-term debts, particularly as they concern farmers. People often sell property and this applies particularly in the case of a father, who is a farmer, with a son, who is also a farmer. Frequently a period of 15 or 20 years is allowed to the son to pay for the farm. In most cases—I would say in 95 out of 100—these are genuine arrangements. I have never struck one that was not. A father will frequently sell his farm to his son on a long-term basis to make it easier for his son to buy the farm. There are enough problems as it is in a father ensuring that the property will continue to be run by his son. The father wishes the son to continue running the farm and this could be perhaps his dearest wish. For this reason he often sells on easy terms, free of interest, over a long period to ensure that the son will be able to buy the property gradually out of income.

What will happen under the measure is that the instalments which will be owing by the son over, say, 20 years will be added together. If the figure comes to $60,000, payable at $6,000 over 10 years, on the death of the father $60,000 goes into the estate, although it will be 10 years before the amount of $60,000 comes in. The face value—or the nominal value—of the debt straightaway comes into the estate.

This provision has been included to catch one or two smart alecks who have made a dodge out of this. For the sake of those one or two, all the genuine people who have used this arrangement legitimately are going to be penalised unless the commissioner believes it is a normal commercial transaction. We must rely on the commissioner making up his mind and satisfying himself on that.

The Hon. G. W. Berry: Have you met any of these smart alecks?

The Hon. I. G. MEDCALF: I have not struck them, but I have heard of some. I know there are smart alecks because I have read about them in taxation reviews. It is unfortunate that the good must suffer with the bad. The 95 good cases must be penalised because of the five bad cases.

It is unfortunate that we draw our laws in such a way and this will be the effect of the Government's proposals. What about the collection of the money? This is what concerns me. It is still going to take 10, 15, or 20 years to collect that money. The son cannot pay any faster because the probate commissioner has included it in the estate as being dutiable.

The son cannot pay the money any faster. It will still take 10 to 15 years to pay the debt because it was worked out to be paid off out of his income. Probably a risk was taken about good seasons to allow the son the ability to pay. However, the duty must be paid straightaway, otherwise it will attract interest of up to 10 per cent.

The duty must be paid unless the commissioner defers it. We cannot make the commissioner defer the duty; we must rely on his good offices. I am not making an insinuation about the commissioner. Whenever he is appealed to, he usually acts on a humane basis. I have had very good experiences with him in this respect. However, I believe that cases will occur when we should be given specific authority in some sioner's good offices. The commissioner should be given specific authority in some cases to defer collection of duty for a period.

I propose to place an amendment on the notice paper to this effect. It is the very least I can do. I have already objected to the fact that out of 100 people, 95 good ones will be penalised in order to catch the five bad ones. I would like to strike out the whole provision.

The Hon. C. R. Abbey: Why not?

The Hon. I. G. MEDCALF: I would be accused of interfering with the Government's policy.

The Hon. T. O. Perry: You will be accused of it whether you do or not.

The Hon. I. G. MEDCALF: Do you mean I may as well do it?

The Hon. J. Dolan: Who will do the accusing?

The Hon. A. F. Griffith: You will.

The Hon. I. G. MEDCALF: I am simply saying, and I hope the Leader of the House will note this, that the amendments I intend to place on the notice paper are very mild amendments. They could have been, and they still could be much stronger. I am not making a threat, but I do say that good reasons exist to take a stricter view of this measure than I have taken.

People in the community have said to me, "I hope the Legislative Council will strike out some of the things in that Bill." I have had to say to them what I invariably

say in these circumstances, "I do not know what the Legislative Council will do. The members will make up their mind at the time."

The Hon. J. Dolan: That is today's funny story!

The Hon. A. F. Griffith: The Leader of the House thinks that is today's funny story!

The Hon. I. G. MEDCALF: I do not know what he is referring to. He must be thinking of what he said in the debate on the previous Bill.

The Hon. A. F. Griffith: That is right.

The Hon. I. G. MEDCALF: I wish to make a few general observations about some other matters in this Bill. Clause 32 refers to the interest on duty and it commences—

> (1) Where a statement is not filed within six months of the death of a deceased person or within such further time as the Commissioner may allow under section 13, interest calculated on the amount that is subsequently assessed as duty on that estate shall be charged from and after the expiration of that time or further time, as the case may be, at such rate, not exceeding ten per centum per annum, . . .

The commissioner may allow further time, and I sincerely hope that he will. It can happen that it is not possible to obtain the details of a deceased's estate in the form of a statement of assets and liabilities within six months of the date of death. The commissioner knows that full well. I hope he will use his discretion in a proper humane manner, and that he will be very lenient in allowing additional time before he starts to charge interest on death duties.

Further, where duty is not paid within 30 days of the assessment, interest becomes payable at a rate not exceeding 10 per cent. Sometimes it is difficult to raise the amount of a large assessment within 30 days, particularly if the assets are tied up in some form of property which is difficult to sell. I know one can sell anything if one is prepared to sacrifice it. However, it would be very difficult to sell, say a farm or business, in this short period unless one is prepared to sacrifice it.

The Hon. D. J. Wordsworth: You could not sell a farm when the price of wool was down.

The Hon. I. G. MEDCALF: Two years ago one could not sell a farm anyway. The value of farms dropped by 30 to 50 per cent. on what they were the year before. Those who did sell were very foolish. And yet, the beneficiary of a deceased's estate would have been expected to sell a farm to meet the assessment. Imagine a person saying to the commissioner, "This farm I have been left is unsaleable at the moment. However, we hope that wool prices will improve in two years' time. The price of the property will then go up." That would have been today's funny story, would it not, Mr. Dolan?

The Hon. J. Dolan: You could not anticipate anything of this nature.

The Hon. I. G. MEDCALF: It would have been a funny story to ask the commissioner to defer the sale of the farm until wool prices rose.

The Hon. J. Dolan: How could you sell such an idea to a hard-bitten public servant

The Hon. I. G. MEDCALF: I hope the Leader of the House is not suggesting that the commissioner is hard-bitten?

The Hon. J. Dolan: You would have difficulty in persuading anyone to defer something in the hope that wool prices would rise in two years' time.

The Hon. I. G. MEDCALF: That is why I said it would be today's funny story.

The Hon. R. F. Claughton: It would not have been as funny as the last one.

The Hon. J. Dolan: It could have been.

The Hon. I. G. MEDCALF: I appreciate the honesty of the Leader of the House. This illustrates how difficult it may be to pay an assessment within 30 days if one has to sell certain types of assets.

The Hon. A. F. Griffith: It would be impossible.

The Hon. I. G. MEDCALF: Under this legislation, a beneficiary will be bound to pay an assessment in 30 days. This provision has not applied in the past, and I hope that the commissioner will be very lenient and that he will take into account situations of the type I have referred to.

The Hon. A. F. Griffith: Do you propose to move an amendment in respect of the 30-day period?

The Hon. I. G. MEDCALF: No, not at this stage.

The Hon. A. F. Griffith: I certainly think one ought to be contemplated.

The Hon. I. G. MEDCALF: It is very appropriate that the Leader of the Opposition should mention that point. I suggest that the responsible Minister should consider an amendment along these lines. It is certainly worthy of his attention.

In another place the Assistant to the Treasurer—no doubt acting on the commissioners advice—has agreed to amendments to some of the other clauses. One of these amendments was in respect of clause 19 and it provides that where duty has been wrongly assessed by the commissioner, the commissioner will pay interest. It is a good thing that the commissioner will pay interest when he makes a wrong assessment.

I propose to move an amendment that where a person overpays the duty, the commissioner will pay interest on the overpayment. If a person has paid duty on an assessment which is subsequently proved to be too high, the commissioner should pay interest on the excess amount. After all, a person who does not pay the duty in time is liable for interest, the commissioner has agreed to pay interest on a wrong assessment; the commissioner should likewise pay interest to a person who pays too much duty. I do not think there is any harm in a provision of that kind and I hope that the responsible Minister will agree with it. The commissioner has already agreed to an amendment along these lines in respect of clause 19.

I also intend to place an amendment on the notice paper in respect of the grounds of appeal referred to in clause 57. A person who objects to an assessment must specify his grounds of appeal. If the appeal subsequently goes to the court because the commissioner will not accept the objection, the clause provides that the grounds of appeal cannot be altered. A person is bound by what he has said in the first place. This is not a fair principle, and many other Acts contain the provision that a person may vary his grounds of appeal. I think the State should know about any other ground of appeal which may become apparent. I do not believe that the Assistant to the Treasurer would object to an amendment to permit the grounds of appeal to be varied on whatever conditions the court thinks fit. It may be that the appellant should be required to pay the commissioner's costs in such circumstances.

I wish to refer to one or two other matters. Firstly, the Government has already agreed in another place to allow a 12 months' moratorium for life governor companies to adjust their affairs—I am referring to paragraph (o) of clause 10 (2).

The Hon. S. T. J. Thompson: Do you think that is long enough?

The Hon. I. G. MEDCALF: I should think it is long enough in most cases. The Government has agreed to this 12 months' moratorium, and I believe it is a good idea. However, I would like to raise certain questions with the responsible Minister. What about the effect of the adjustment contained in the next paragraph which says that if one diminishes one's estate in some way, the estate is increased by the amount by which the estate is diminished? What is the good of making an adjustment in respect of life governor companies, if the very act taken to adjust this matter causes one to diminish one's estate which is then caught under the provisions of paragraph (p)? I propose to move an amendment to tidy up the situation.

Secondly, I would like to ask a question in respect of stamp duty which has already been paid in connection with arrangements made to form companies with life governor shares. Many of the people forming these companies have paid out a considerable amount by way of stamp duties and other payments in order to transfer properties to the name of a company. Will any credit be given for the stamp duty already paid if the shares are now found to be dutiable under the provisions of paragraph (o)? I would like the responsible Minister to answer that question.

In another part of the Bill—clause 26 on page 29—I notice that an amendment was made in another place. I suggest another amendment should be passed in connection with stamp duty paid in respect of life governor companies. I ask the Government to consider this matter.

Thirdly, what about the further liability for stamp duty which will have to be paid when a life governor company is changed to something else under the 12-month moratorium? Should not this amount also be exempt? It is hardly fair to have to pay stamp duty to undo something which one paid stamp duty to do in the first place. I ask the Government to consider this point also.

Another general matter I want to advert to is the valuation of shares. Many inequities and injustices occur when shares are valued as at the date of death. An obvious illustration of an injustice is in relation to Poseidon shares. At the time of death Poseidon shares may have been valued at $200 or $300 each. However, when the executor sells the shares, they may have been valued at $20. It is very unfair to charge duty on the value of the shares at the date of death.

The Hon. R. F. Claughton: The deceased person may have bought them when they were 50c.

The Hon. I. G. MEDCALF: Yes, or he may have paid $199 per share. I think the example I have given is a fair one. At the date of death shares may be valued at a high figure, but when they are realised, the executor may obtain a much lower figure for them. I have good grounds for raising this point because I notice in *The Times*, London, of the 7th March of this year, the Chancellor of the Exchequer, in presenting his 1973 Budget, raised this very matter when he said—

> There is, however, one reform, not too costly, which will be made this year. This concerns a rule which has been a constant source of complaint.
>
> Ever since the introduction of estate duty nearly 80 years ago, it has been the general rule that assets must be valued as at the date of death. This rule has been considered on a number of occasions, but the conclusion hitherto has always been that it could not be changed.

This has been so despite the fact that it can cause real hardship if executors are compelled to sell quoted shares of securities some time after the date of death when the Stock Exchange quotation has fallen. The result is that estate duty is paid on a valuation which is higher than the actual sale value of the shares. In certain circumstances this can actually mean that the duty exceeds the realized value of the shares. This is clearly inequitable.

New rules will therefore be introduced. These will apply to shares and securities quoted on a recognized Stock Exchange and to holdings in authorized unit trusts.

Where such investments have been charged to estate duty, executors, or other persons accounting for duty, who realize them within 12 months of the death, will, subject to certain safeguards, be able to claim that the total of the sale prices should be substituted for the total of the date of death values of the investment realized.

I commend that to the Minister because I believe it would be a far more equitable way to adjust an unfortunate situation.

There is another unfortunate situation; that is the one in relation to a person who makes a gift within three years of the date of his death and does not live for the whole three-year period. The total amount of the gift is brought into his estate because of this arbitrary period of three years. We have had this provision, of course, for a long time; it is not new to this Bill.

In regard to the provision of averaging over a three-year period, the case of one unfortunate person was quoted to me. The gentleman who brought the case to my notice said that this person had died five days short of the three-year period and the whole value of a house that was given away had been brought into the estate for duty purposes. To me that seems to be a rather severe action when the deceased died only five days short of the period laid down. If there had been some method by which this period could have been averaged out, the amount of duty could have been reduced proportionately.

I ask the Minister to investigate the queries I have made. I propose to place certain amendments on the notice paper, and I will hand the Minister a copy of them so that he may have an opportunity to reply to them should he wish to do so, as I understand the Treasury will probably be anxious to have the Bill pass through this House. However I reserve the right to move further amendments if adequate answers are not forthcoming. In all other respects, I support the Bill.

Debate adjourned, on motion by The Hon. D. J. Wordsworth.

ANNUAL LEAVE 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.

DAYLIGHT SAVING (REFERENDUM) BILL

Second Reading

THE HON. R. H. C. STUBBS (South-East—Chief Secretary) [5.49 p.m.]: I move—

That the Bill be now read a second time.

This Bill which is in three parts provides for the taking of a referendum on the question of the adoption of daylight saving for a single period only; namely, between the 27th October, 1974, and the 2nd March, 1975.

Under the Bill it will be possible to select any day for the taking of the referendum, including—but not necessarily—the day of the next general election.

The Bill sets out that if a majority of the votes cast on the referendum is in favour of the adoption of daylight saving, then part III of the Bill will automatically come into effect to legally change standard time for the above period without any further reference to Parliament.

As is the case with all Bills for referendums the electoral and voting provisions are somewhat complex. However, it is considered that the terms of the Bill will prove satisfactory irrespective of whether the referendum is conducted on a day different from or on the same day as the next general election.

For the last three years the Government has endeavoured without success to persuade Parliament to pass legislation to authorise the use of daylight saving for a trial period of one year.

In introducing the legislation the Government on all occasions has made it perfectly clear that it was not necessarily coming out in favour of daylight saving, but that it felt that the State should experience the system to test whether the views expressed for and against the system were valid.

During the various debates much evidence was produced to support the system with just as much evidence indicating that the introduction of daylight saving would cause hardship. However, the greater bulk of evidence both for and against was pure theory and of a type that had not been put to a practical test.

When the Eastern States went onto daylight saving and Western Australia refrained, some hardships and inconvenience were caused. Of that we are certain. We are however, not certain how much hardship or inconvenience would be caused if this State had daylight saving.

Queensland does not have daylight saving, but at least it did have a trial period and therefore its present judgment is based on both theory and practices.

The lack of a trial period has not only worried the Government, but many organisations and large groups of people have complained that their views have been ignored by Parliament.

Accordingly, the Government feels the only satisfactory way to solve the problem is to conduct a referendum.

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

METRIC CONVERSION ACT AMENDMENT BILL (No. 2)

Second Reading

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [5.53 p.m.]: I move—

That the Bill be now read a second time.

The object of this Bill is to metricate a further number of Acts in addition to those already dealt with in the principal Act.

The Bill comprises a further schedule of amendments, and the consequent changes to the principal Act. The schedules in the principle Act include amendments to some 63 Acts. The schedule to the Bill includes proposed amendments to 13 Acts.

As was explained when the first metric conversion amending Bill was introduced in the previous session earlier this year, it is considered that, rather than use the power of proclamation provided for in section 5 of the principal Act, amendments necessitated by metric conversion should be presented in the form of schedules.

The proclamation process authorised by section 5 makes no provision for the amendments to be published in any form other than in the *Government Gazette*, whereas amendments approved by the normal processes of Parliament could be more easily traced in the future.

If the proposed schedule is approved, only a small number of Acts would still require amendment due to metric conversion. I commend the Bill to the House.

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

CRIMINAL CODE AMENDMENT BILL

Second Reading

THE HON. R. H. C. STUBBS (South-East—Minister for Local Government) [5.54 p.m.]: I move—

That the Bill be now read a second time.

When introducing this Bill in the Legislative Assembly, the Attorney-General mentioned that until comparatively recent times sexual topics were avoided in polite conversation. Young people were carefully shielded from too early an awareness of what was considered to be the more unpleasant side of life.

To the benefit of all, opinions have changed and, because of a realistic attitude towards human make-up and behaviour—with all the frailties—the community is now willing to confront that side of life which was previously shunned. Works on hitherto taboo subjects, such as marital adjustment and birth control, now circulate freely. However, although lip service is paid to the ideal of an open attitude to sex, all too often prudery and obscurantism linger on, especially in relation to homosexuality. Attitudes of ignorance on this topic still abound, ranging from almost dread, through abhorrence and contempt, to an amused and prurient fascination.

The Attorney-General said that the British Government's action in 1954 in setting up the departmental (Wolfenden) committee to look into English law on homosexuality and prostitution did much to break the long silence on these matters and brought serious social and psychological questions out of the atmosphere of derision into the arena of rational scrutiny.

I understand that although strongly held opinions abound, incontrovertible facts about homosexuality and its possible causes are difficult to obtain. Serious medical and sociological investigations into this subject are comparatively few considering the importance of the questions in human terms. A recent memorandum of the Australian and New Zealand College of Psychiatrists strongly condemned community attitudes and laws which discriminate against homosexual behaviour between consenting adults in private.

It was stated that it is the human issues which overwhelmingly justify the submission of this Bill to Parliament. Homosexuals are human beings whose sexual preference differs from that of heterosexuals.

Rather than pretending they do not exist, or hoping to eradicate them by sheer weight of disapproval, it would be more realistic to find room for them in society, so that they can live unmolested and make their contribution to the common good. This desirable aim is inhibited by the existing law which condemns as criminals adult consenting males who act in private. Homosexuals acting within this context harm society in no way.

The point can be made that experience shows that attempts to combat homosexuality by legal and social discrimination tend to exaggerate the very troubles they set out to combat. Members may well agree that the frustration and social alienation of a minority—some say a substantial minority— of citizens is a high price

to pay to preserve laws which quite obviously fail to control the conduct against which they are directed; whereas some opponents of the policy of tolerance argue that to permit deviant practices would be to open the floodgates to a great upsurge of immorality which would endanger family life.

The Minister pointed out that such fears are grossly exaggerated. No such outcome has been experienced in Holland or in other countries that have long exercised legal tolerance.

An unanswerable argument against tolerance is the religious one; namely, that such acts should not be allowed because they are against God's will. The use of a criminal law to enforce a religious dogma would be deprecated by most people, but the fact is that some church organisations have endorsed the Wolfenden report that homosexual behaviour between two consenting adults in private should no longer be a criminal offence.

A recent edition of *The West Australian* of the 29th November, 1973, carried a news item stating that an education committee of the World Council of Churches in one of the Eastern States had called upon the Government of the State concerned to amend the laws along the lines contained in this measure.

Press reports that the Government of this State proposed to introduce this legislation prompted the Director of the Department of Christian Citizenship to advise the Premier that the Methodist Church in Western Australia supported the Government's move. A recently held annual conference of the church reaffirmed the following resolution—

> That the State Government be urged to repeal those sections of the Criminal Code dealing with homosexual acts between consenting male adults.

I am sure that most people are aware of the vulnerability of male homosexuals to bashings, blackmail, and more subtle means of ill-treatment. Too few, I am certain, really appreciate the other agonies suffered by these members of our society.

Many sexual deviants suffer from neurotic guilt feelings; and as conversion to heterosexuality, as a result of treatment, is not highly successful, any alleviation of this source of distress by other means is a desirable end in itself. Relief from neurotic guilt not only relieves their suffering but makes them more effective members of the community.

Homosexuals, especially male homosexuals, cannot be completely reassured because, whether rightly or wrongly, they are in fact the butt of much ill-feeling.

Legislation such as is now proposed, removing as it does any stigma attaching to their private acts, is directed at assisting homosexuals to gain confidence in themselves and in their dealings with others, and to lose many of their fear-inspired attitudes.

I have referred to treatment of homosexuals, and let me say that one must be wary not to adopt an attitude that all homosexuals should receive treatment. Indeed, to advocate attempts to change sexual orientation in established cases would be to disregard completely the questionable ethics of using psychiatric skills to tear to pieces a person's adjustment to life unless a new and better adjustment is assured.

This is an area for the highly-skilled psychiatrist only, but as mention is made of treatment I would direct my remarks to those who see merit in treatment through imprisonment.

For centuries there have been attempts by primitive means to stamp out all forms of homosexual expression. Such ferocious methods as ostracism, torture, and execution have been no more effective than when similar methods were applied to fornicators and their types. They may intimidate some people into forced continence while incarcerated, but they do not change homosexual potentialities, and the shame and frustration provoked by too harsh an approach may lead to still worse disturbance. The repressions and mental conflicts so provoked may turn the individual into a social nuisance and misfit.

Treatment through imprisonment is not, in the view of the Government, worthy of serious consideration. A man submerged in prison routine and cut off from all feminine company is under the worst possible conditions for receiving treament. Incarceration in a sometimes overcrowded prison could serve only to encourage his homosexual practices.

Dr. Stanley-Jones, writing in *The Lancet*, said imprisonment is as futile from the point of view of treatment as the hope to rehabilitate a chronic alcoholic by giving him occupational therapy in a brewery.

Having spoken on the futility of imprisonment in the treatment of homosexuals, I would at this stage reiterate that this Bill proposes that neither homosexual acts nor heterosexual sodomy between consenting adults in private will be a criminal offence. There is no suggestion that the law shall be changed in respect of nuisance offenders who importune around lavatories or seek the company of young persons for sexual purposes.

The law remains as it is, except in one respect that a new offence is to be created, and written into the Criminal Law. Although the penalty of imprisonment carries the disadvantages mentioned, there is no other realistic alternative to dealing with persistent offenders of this kind, especially as pyschiatric clinics so often find such persons untreatable and uncooperative.

Nor is it intended that the activities of persons who procure others for the purposes of male prostitution should be legalised. That is not intended at all. The Bill provides that where two persons engage in a homosexual act that has been procured by a third person, that third person still commits an offence even if the act procured was legal; that is, an act between consenting adult males in private. A person procuring such an act will be guilty of an offence.

In accepting that homosexual acts between consenting adults in private should not be subject to the criminal law, the Parliament—if it accepts this measure—will be instrumental in trying to remove a source of discrimination, harassment, and mental anguish from the lives of a section of our society.

I conclude with this thought: tolerance towards homosexuals is not the same as encouragement.

I commend the Bill to the House.

Debate adjourned, on motion by The Hon. G. C. MacKinnon.

WHEAT DELIVERY QUOTAS ACT AMENDMENT BILL

Second Reading

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [6.07 p.m.]: I move—

That the Bill be now read a second time.

This Bill amends section 30 of the Wheat Delivery Quotas Act.

The amendment deals with the fixing of the quota for the State for the season commencing 1st October last. The provision enables the Australian Wheat Board to increase the quota by a quantity not exceeding 544,311 tonnes, which is the conversion of 20,000,000 bushels.

Possibly members will recollect that the Commonwealth Government in agreeing to the recommendations of the Australian Wheat Growers' Federation in regard to the wheat quota for 1973-74, provided an additional floating pool of 20,000,000 bushels from which States which exceeded their quota could be entitled to draw on a basis to be determined.

In fact the season has been such that Western Australia will be the only State which will exceed its quota, and it seems likely that it will exceed its quota by an amount in the order of 20,000,000 bushels; thus the availability of this quantity of wheat will be of great value to Western Australian wheat producers.

For the information of members, I would mention in passing that there are approximately 36.8 bushels in a tonne.

I commend the Bill to the House.

Debate adjourned, on motion by The Hon. J. Heitman.

WHEAT INDUSTRY STABILIZATION ACT AMENDMENT BILL

Second Reading

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [6.09 p.m.]: I move—

That the Bill be now read a second time.

The two Bills—the Wheat Delivery Quotas Act Amendment Bill, which has already been introduced, and this Bill—are machinery measures which are required to provide for the continuation for a further year of the wheat industry stabilization arrangements negotiated with the industry in 1968. The original agreement was negotiated for a five-year period which has been the normal period for wheat stabilization agreements, with the exception that provision was made in the 1968 agreement for the Australian Wheat Board to have a life of seven years.

Following the decision to extend the agreement for 12 months while a detailed examination was made of stabilization arrangements, amending legislation has been introduced into the House of Representatives and is being introduced into all State Parliaments in accordance with an agreement reached by the Australian Agricultural Council.

The particular provisions of the Bill extend the Act by one year by amending section 6 of the principal Act and adding a new section 21AA to the principal Act. In addition, the Bill provides for amendments to convert imperial measurements to metric measurements; this is necessary because of the the change of the grain trade to metric measurements since the original Act was passed.

The extension of provisions for adjustments of the home consumption price and the guaranteed price means that the prices agreed to in 1968 will be updated in accordance with the examination by the Wheat Index Committee and the resulting figures will apply for the 1973-74 season. The only change in this aspect will be in accordance with a general agreement that the cost data applicable to the recent Bureau of Agricultural Economics survey of the wheat industry would be used as opposed to the data from the previous Bureau of Agricultural Economics survey.

The metric conversion provisions are straightforward except insofar as the penalties of section 12 (5) of the Wheat Industry Stabilization Act 1968-69 have been rounded from a conversion of $5 per bushel to $200 per tonne instead of the direct conversion to $183.72 per tonne. This same rounding applies with respect to section 14 (1). Any other rounding which has taken place is of a very minor nature.

This is a machinery Bill, and I commend it to the House.

Debate adjourned, on motion by The Hon. J. Heitman.

UNSOLICITED GOODS AND SERVICES BILL

Second Reading

THE HON. R. H. C. STUBBS (South-East—Minister for Local Government) [6.11 p.m.]: I move—

That the Bill be now read a second time.

The introduction of this Bill results from recommendations of the Consumer Affairs Council of Western Australia made as a consequence of having examined closely the practices of "inertia selling" and "pseudo invoicing", which had developed in this State following a similar pattern of development in other States of Australia. The council is firmly of the opinion that the practice of marketing unordered goods and services in this State has reached such proportions as to justify legislative measures to control it so as to protect the consumer. The Consumer Protection Bureau has received many complaints relating to such matters.

"Inertia selling" may be briefly described as the practice of sending unsolicited or unordered goods with an invoice, seemingly on a sale or return basis, or inducing persons or firms to order goods without their realising it by means of a form designed to obscure the fact that it is an order or that it contains an order. It is an unethical way of pushing people into paying for things they have not sought and do not want.

"Psuedo invoicing" is the practice of inducing subscriptions to business or other directories or other services by the use of misleading order forms which have the appearance of invoices. It is a form of deception for trapping the unwary.

This practice has been the subject of continual complaint to the Consumer Protection Bureau of Western Australia by persons who have received notices through the mail from publishers compiling business directories.

The form of solicitation so closely resembles an invoice for services rendered that some firms have paid the sum stated before realising that they had not requested entry in the particular trade directory. Many of the forms resemble closely the invoice used for subscribing to the telephone directory pink pages and therefore this savours further of planned deceit.

Often accompanying these practices is the threat to the recipient, who fails to pay on demand, that he will be blacklisted as a debtor or defaulter, or is threatened with some other form of punitive action.

The practices are objectionable because they constitute intrusion into the rights of the individual and are personally irritating. Other countries such as the United Kingdom, U.S.A., and Canada, have enacted laws to deal with them.

In 1971 the Commonwealth and States Attorneys-General looked at draft legislation on inertia selling prepared by New South Wales and a joint draft prepared by South Australia and Victoria. However, agreement was not reached and since then South Australia, in March 1972, and Victoria, in May 1972, have each introduced an Unordered Goods and Services Act.

On the other hand, the Australian Government, on the 25th October, 1973, introduced into the House of Representatives, the Trade Practices Bill—which has since passed that House and gone to the Senate. The Bill contained two clauses, 64 and 65, dealing with inertia selling and psuedo-invoicing practices.

Those clauses follow closely the similar legislation existing in South Australia and Victoria. This Bill has been formulated along parallel lines in general conformity. Other States, it is understood, are also planning the introduction of similar legislation.

The Consumer Affairs Council in Western Australia circulated its views on the need for legislation to control undesirable practices as outlined to a number of local organisations and these organisations have indicated general support of the proposals.

The need to frame the legislation to protect the bona fide sender or retailer of the goods in the event of mistaken identity or other valid reason has not been overlooked, so that his title to the goods can be preserved in certain circumstances.

The Committee stage will present an opportunity to debate the several clauses, and at that time I shall endeavour to provide such further detail as may be sought.

I commend the Bill to the House.

Debate adjourned, on motion by The Hon. R. J. L. Williams.

ADJOURNMENT OF THE HOUSE

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [6.16 p.m.]: I move—

That the House do now adjourn.

I draw attention to what I said yesterday; that it is hoped we will finish this session of Parliament on the Friday of the coming week. Another place will be sitting after tea on Thursday, and consequently this House has to fall into line.

So, we will sit after tea next Thursday, and we will also sit on Friday. I will have to make an announcement regarding the commencing time on Friday, depending of course, on what progress we have made at that stage.

The Hon. A. F. Griffith: I am sorry, but I was out of my seat. What were the commencement times, again?

The Hon. J. DOLAN: The commencement times will be Tuesday, 4.30 p.m.; Wednesday, 2.30 p.m.; and Thursday, 2.30 p.m. I anticipate that we will sit at 2.30 p.m. on Friday, but it could be at 11.00 a.m.

While I hope that the House will complete its business on Friday, it is possible that we will sit into Saturday morning just to finish it off.

THE HON. A. F. GRIFFITH (North Metropolitan—Leader of the Opposition) [6.18 p.m.]: I do not want my remarks to be misunderstood but at this point I think we will have extreme difficulty in finishing the session on Friday of next week. There seems to be an abundance of legislation on our notice paper, and there are certain Bills which we have not yet received from the Legislative Assembly.

However, I am compelled to say from the experience we had this afternoon that if Ministers will try to be a little more detailed in their second reading speeches we might save some time. The reply which the Leader of the House gave on the Commonwealth Powers (Air Transport) Bill this afternoon took 1¾ hours in comparison with a period of approximately 10 minutes spent on the introductory speech. This was probably caused by the fact that the members who spoke to the second reading of the Bill asked fairly exhaustive questions of the Minister causing him a great deal of work. Some of that work could have been obviated if we had been provided with the information at the second reading stage.

I think Ministers can rely as far as possible on the co-operation of members of the Opposition when dealing with legislation. It seems that we have this sort of situation every year and I do not know how on earth we will ever get to the point of avoiding it. However, if we get together we will do the best we can, but I see considerable difficulty in completing the session by next Friday.

THE HON. J. DOLAN (South-East Metropolitan—Leader of the House) [6.20 p.m.]: I feel I should comment on the fact that I took a long while when replying to the debate on the Commonwealth Powers (Air Transport) Bill.

The Hon. A. F. Griffith: I am not criticising that fact.

The Hon. J DOLAN: The time taken was unavoidable because of the queries which had been raised. I went to extreme pains to get the necessary information.

I feel I should refer to the fact—and I am expressing a personal view—that on a couple of occasions, even during this week, we have spent some hours on matters which I felt—perhaps wrongly—were matters which should not have been debated in this House. They involved several hours. We have had a couple of matters of that nature and the hours occupied could have been better spent in debating legislation.

Question put and passed.

House adjourned at 6.21 p.m.

Legislative Assembly

Thursday, the 6th December, 1973

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

FRUIT-GROWING RECONSTRUCTION SCHEME ACT AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion by Mr. T. D. Evans (Attorney-General), and read a first time.

Second Reading

MR. T. D. EVANS (Kalgoorlie—Attorney-General) [11.04 a.m.]: I move—

That the Bill be now read a second time.

The Bill now before the House proposes to give effect to a supplemental agreement between the Commonwealth of Australia and the State of Western Australia on the matter of fruit-growing reconstruction.

The purpose of this supplemental agreement is to extend the term of the Fruit-growing Reconstruction Scheme by one year to terminate on the 30th June, 1974, and to formalise the variations to the original scheme which were approved at the Minister's review meeting of the 16th March, 1973.

These variations were the inclusion of the apricot canning industry in the scheme as from the date of the 16th March, 1973, the raising of the permissible average rate of assistance for fresh apples and fresh pears from $200 per acre to $250 per acre, and a clause which permits the cancellation by the administering authority of an approval for assistance where an applicant, on his own responsibility, failed to proceed with tree-pulling with due diligence.

The Fruit-growing Reconstruction Scheme has not been greatly availed of by any State. As at the 30th September, 1973, against the $4,600,000 provided by the Commonwealth, commitments by all States had reached only $1,037,318, but applications for a further $711,074 were still to be processed. The States mainly