(2) Will the Minister arrange for manual traffic control by police at peak periods at any such intersection considered dangerous at peak periods until such time as either traffic lights are installed or the situation improves?

The Hon. J. DOLAN replied:

(1) The conversion of more streets to one way in the Perth City-East Perth area, while improving the traffic flow at a number of intersections, has aggravated the problem of allocation of right of way during peak periods at a few, including the intersection of Hill Street and Adelaide Terrace.

(2) This intersection and others affected by the re-direction of traffic, have been kept under observation during morning and afternoon peak periods, and manual control has been carried out when necessary. This will continue until the situation improves.

5. WATER SUPPLIES

Carnarvon

The Hon. D. J. Wordsworth for the Hon. G. W. BERRY, to the Leader of the House:

Referring to the State's submission to the Commonwealth Government for finance to implement stabilising water supplies in the Carnarvon area—

(a) has any decision been made by the Commonwealth;

(b) if not, can any indication be given when this is likely to be made?

The Hon. J. DOLAN replied:

(a) No.

(b) A decision is expected in the first half of 1974.

6. *This question was postponed.*

7. BUSH FIRES BOARD

Radio Equipment

The Hon. V. J. FERRY, to the Leader of the House:

(1) Has the Government received a recent submission from the Bush Fires Board setting out the need for assistance to enable radio units with AM transmission used for bush fire control purposes to be replaced with units having single side band transmission?

(2) If so—

(a) what action is being taken; or

(b) if a decision on the submission has not yet been made, and as the control and suppression of bush fires is often dependent on an efficient radio system, will the Government expedite attention to this matter?

The Hon. J. DOLAN replied:

(1) Yes.

(2) (a) A Government contribution is being considered.

(b) Yes.

8. *This question was postponed.*

9. BEEF

Export Tax

The Hon. W. R. WITHERS, to the Leader of the House:

(1) In view of the answer to part (5) of my question 2 on 16th October, 1973, which infers a suggestion by me, would the Minister please confirm I did not suggest a levy on export beef would channel beef from Kimberley exports to the metropolitan market?

(2) Will the Minister accept the fact that the suggestion was made by the Minister for Primary Industry, and I consider such suggestion to channel Kimberley beef to the metropolitan market to have no practical merit whatsoever?

The Hon. J. DOLAN replied:

(1) and (2) The Hon. Minister for Agriculture acknowledges the Hon. Member's views on this matter in consequence of the precise expression of these which has now been provided.

The Hon. Minister has no knowledge of the particular suggestion which is attributed to the Minister for Primary Industry.

House adjourned at 5.55 p.m.

Legislative Assembly

Thursday, the 18th October, 1973

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

CLOSING DAYS OF SESSION: SECOND PART

Standing Orders Suspension

MR. TAYLOR (Cockburn—Acting Premier) [11.03 a.m.]: I move—

That until otherwise ordered—

(1) Standing Order 224 (Grievances) be suspended; and

(2) The Standing Orders be suspended so far as to enable Bills to be introduced without notice, to be passed

through all their remaining stages on the same day, and all Messages from the Legislative Council to be taken into consideration on the same day they are received.

I would like to make a comment or two on this motion and the one which will follow. The Government feels that it is timely at this period of the year to move these motions which are standard procedure towards the end of each session. For the benefit of the House I would like to indicate that similar motions were moved from memory, to apply as from the 15th October, 1970, the 21st October, 1971, and the 25th October, 1972. The motion I am now moving will apply as from the 24th October so we are keeping roughly in line with the procedure adopted on previous occasions.

Also, I would remind the House that in previous years an Address-in-Reply debate has been held during the August part of the session and this has taken some weeks. Such a debate was not held at this time this year so really members have had an extra three or four weeks in which to debate matters.

I think the House will agree that adequate time has been allowed for private members' business to be discussed and perhaps it is now timely that we move into the final stages of the session and that the business be so arranged.

SIR CHARLES COURT (Nedlands—Leader of the Opposition) [11.06 a.m.]: The Opposition does not oppose the motion moved by the Acting Premier. However, I want to make some brief comments on it. It is customary, about this time of the session, to move these motions and there is nothing extraordinary about the procedure. For that reason we do not raise any objection.

I want to obtain the usual assurance we seek on these occasions; that the Government will do its best to so arrange the business of the House—and particularly the Bills which are of a contentious nature—so that the minimum use will be made of the application of the suspension of Standing Orders so far as pushing Bills through the House is concerned.

We do not question, at all, the desirability of, say, going through to the third reading stage of a Bill where there has been no opposition at the second reading stage or at the Committee stage, or if any opposition raised has been satisfactorily dealt with during those stages. What we do object to—and what we would be objecting to—would be any attempt by the Government to use the suspension of Standing Orders for other purposes.

Some of the practices being followed in the Commonwealth Parliament at the moment will bring Parliament into disrepute because some of the most vital legislation on a most unprecedented scale, so far as quantity is concerned, is being pushed through in a manner which will do nothing but discredit Parliament. They do not even seem to be able to slow the process down, or control it, in the Senate. The result will be that much of the legislation will get onto the Statute book in a bad form and we, and others, will pay the price.

A fair amount of good sense has been shown in this Parliament. The Government of the day has usually conferred with the Opposition when a matter of great urgency has arisen and some co-operation is necessary. I can assure the Government that this situation will continue, so far as the Opposition is concerned.

However, because of what has happened in the Federal Parliament, we want to make certain that we do not get caught up in a similar situation. I will deal with the next motion when the Acting Premier introduces it, but in the meantime we do not oppose the motion for the suspension of Standing Orders on the understanding that the rules which have applied in the past will continue to apply on this occasion.

I make one further plea to the Government: It is the desire of the Opposition, as I have explained to the House on two previous occasions, that ample opportunity be given for the departmental estimates to be debated. Last year they were dealt with in indecent haste. That was not the only time that has occurred, of course. It has occurred under all Governments and very rarely has adequate opportunity been given for discussion. This has not always been the fault of the Government because some members have not been ready to go on. I do not question that, or quarrel with it because I know that when we were in government members came to us and said they were not ready to go on. We had to point out to those members that the business of the House had to proceed and it was their duty to be ready. I have alerted my own members that when the opportunity is given to them they should be ready and should take full advantage of it. If members are not ready, they are not to blame the Government. I cannot be fairer than that.

We want to make the point again with the Government—and hope that the Premier will so arrange the notice paper—that, instead of dealing with the departmental estimates in a heap towards the end of the session, they be dealt with on a progressive basis. It is better for the Government and for the Ministers concerned if there is opportunity for a planned consideration of the departmental estimates.

We must bear in mind that Standing Orders permit the printed arrangement to be varied from time to time if a Minister is not going to be present on a particular day. With those comments I support the motion.

MR. TAYLOR (Cockburn—Acting Premier) [11.11 a.m.]: The comments of the Leader of the Opposition to the effect that he accepts the Government's motion are appreciated. I would like to make one or two points in connection with the remarks he made.

The Leader of the Opposition will appreciate that I can give only limited guarantees. As the Deputy Premier I can say unequivocally that the Government will carry on as it has in the past; that is, it will advise the Opposition and endeavour to arrange the notice paper in such a way that adequate time is given for all items to be considered by the Opposition prior to the debate taking place.

I cannot give a guarantee because that is the prerogative of the Premier, but I sincerely believe, on the basis of my knowledge of the Premier, that he has not adopted the mood or habit of taking a particular piece of legislation, particularly if it is a controversial one, through all three stages in one day. The Premier has never attempted to do this in the past.

From my experience of being a member of this House for six years now I have found that it is possible for the notice paper to be fairly orderly during the final stages. There are occasions, as the Leader of the Opposition pointed out, when problems develop on both sides and timetables are rushed a little. Nevertheless this is done for valid—and not pernicious—reasons.

I thank the Leader of the Opposition once again for his general support of the motion. It is too early in the day for me to take up with him his comments in connection with the Australian Government and what it is doing. Indeed, it is too early to stir me into referring in retaliation to what the previous Commonwealth Government did. This must be a continuing debate for another occasion.

Question put and passed.

GOVERNMENT BUSINESS

Precedence on all Sitting Days

MR. TAYLOR (Cockburn—Acting Premier) [11.12 a.m.]: I move—

> That on and after Wednesday, 24th October, Government business shall take precedence of all Motions and Orders of the Day on Wednesdays as on all other days.

SIR CHARLES COURT (Nedlands—Leader of the Opposition) [11.13 a.m.]: The only query I raise is the customary one in connection with this motion which deals with private members' business. This query is to seek the usual assurance that the Government will arrange the notice paper so that there is ample opportunity to consider private members' business which is, at least, already on the notice paper and of which notice has been given.

Of course it is a matter of negotiation so far as any new business is concerned. However, in respect of existing business, of which notice has been given or which is on the notice paper, it is customary for the Government to give an undertaking that it will seek suitable opportunities for this business to be discussed, even if it is discussed on sitting days other than those which are normally private members' days. Having made those comments, I support the motion on that understanding.

MR. TAYLOR (Cockburn—Acting Premier) [11.14 a.m.]: I am somewhat at a disadvantage in that it is the Premier who has complete control of the notice paper. For this reason I must reply in generalities.

It is my experience—as it is the experience of all other members—that when the opportunity arises during the final stages of the session, no matter what day it may be, the Government enables private members' business to be discussed. Certainly any new business is given the opportunity to be discussed. From my memory of the last sitting—and I assume the same practice would pertain this time—

Sir Charles Court: You mean "existing business".

Mr. TAYLOR: Perhaps the Leader of the Opposition will give me the opportunity to finish my comments first.

Mr. O'Neil: You said "new business"

Mr. TAYLOR: I am sorry; I meant "existing business". At least in respect of private members' business which is listed on the notice paper, an opportunity is invariably given for some members from the other side to speak even if it is not possible for all who want to do so to be able to speak. There is usually the opportunity for at least a representative speaker from the other side and the opportunity of a reply from this side. That has been the past practice.

As the Leader of the Opposition said, sometimes this does not occur on the day normally set aside for private members' business. It is sometimes done during the period we are waiting for business to come from another place.

I will discuss the matter with the Premier, and I see no reason for the Premier not to agree that the practice which has been followed in the past should be followed again.

Question put and passed.

METROPOLITAN REGION TOWN PLANNING SCHEME ACT AMENDMENT BILL

Third Reading

MR. DAVIES (Victoria Park—Minister for Town Planning) [11.16 a.m.]: I move—

That the Bill be now read a third time.

When this Bill was debated yesterday evening two questions arose. One was the definition of the words "direct and indirect pecuniary interest", and the other was whether or not there would be a likelihood of a clash of interests if the Director of Environmental Protection sat as a member of the M.R.P.A.

I sent a note to the Crown Law Department. It was delivered there before I reached my office this morning, but because of pressure of other work—including a reply to the Bill which has just been postponed—counsel told me on the telephone that the department could not get a written reply to me in time for the third reading. I was briefly informed that a definition of the words "direct and indirect pecuniary interest" could be very involved and the Crown Law officers supported the contention I made yesterday evening that basically the provision in the Act asks people to be honest. They also reiterated the likely difficulties which would be encountered if the provisions of the Act had to be applied.

However, the department has undertaken to let me have a written statement of its opinion in this regard, and I thought perhaps we could proceed with the Bill and I could let the member for Dale and the member for Moore have a copy of the written submission so that, if required, the Bill could be amended in another place. I do not believe there is any need to amend the Bill in this regard.

On the question of the clash of interests of the Director of Environmental Protection, a slight amendment of about three words might make the position much clearer and remove any doubt. As it is too late at this stage to move such an amendment without recommitting the Bill, I think the suggestion I have already made about allowing the Bill to complete its passage through this Chamber and go to the Legislative Council is the best way to handle the matter. I will have a written opinion possibly this afternoon—if not, by Tuesday—and I will supply a copy of it to both the member for Moore and the member for Dale. If they are not satisfied, their colleagues in another place can move an amendment.

MR. RUSHTON (Dale) [11.19 a.m.]: I appreciate the remarks of the Minister and accept what he offers as a reasonable proposal. It will be remembered that in speaking to the second reading I mentioned the concern I felt about the present administration of the M.R.P.A., and apparently I touched only the tip of the iceberg. Today we see this comment in the Press. The Minister has not indicated any reaction to my remarks. I do not know what else I can do. Perhaps I could ask a direct question in another way, or the Minister will give me this answer when he replies to the third reading of the Bill.

Today's challenging remarks in *The West Australian* cause some disquiet, and add to the feeling I had gained by simply talking to people that the M.R.P.A. is falling down a little. In fact, I believe the public feels the administration needs improving. We cannot afford to have the M.R.P.A. fall behind in the challenges it has to meet. I believe the Minister must make some statement in regard to his appreciation of what is taking place. It has already been indicated to me that the public believes the system is not working as well as it should in regard to the local authorities.

When we have important decisions to make and the decisions must be implemented through a lengthy process, the tendency is to streamline and speed up the process and we tend to forget the administrative procedures. I understand this is taking place with the M.R.P.A. I do not have direct evidence to place before the Minister, but I would appreciate an explanation from him of the article in today's Press headed, "M.R.P.A. accused of failing to meet urban challenges". I have already moved a motion in relation to town planning but now the motions on this morning's notice paper for Government business to take precedence have been passed, I do not know when I will get a chance to speak on the subject.

The SPEAKER: The member cannot discuss his motion in this debate.

Mr. RUSHTON: I wanted to touch just briefly on this matter, although I do not want to delay the House this morning. However, I hope the Minister will recognise that a problem exists and that he will make some statement to the House. Apparently the problem has been examined in great depth by some very worth-while people with great experience in this subject. They have made some very positive remarks and I would like to see the full report. I suppose the Minister would have a copy of the report.

The SPEAKER: This subject is not dealt with in the Bill.

Mr. RUSHTON: We are discussing the M.R.P.A.

The SPEAKER: No; the Bill relates to three specific amending provisions. The first is the appointment of another member to the board.

Mr. RUSHTON: I do not want to clash with you, Mr. Speaker, on this wonderful Thursday morning. Even the Director of Environmental Protection is involved in town planning. Possibly I am generalising a little.

I close by saying that I hope the Minister will tell us his reaction to the point I raised as to the efficient working of the group system as I have known it for many years. I would certainly feel much happier if he could give some assurances in that regard.

MR. DAVIES (Victoria Park—Minister for Town Planning) [11.24 a.m.]: I thank the honourable member for his comments. The Australian Institute of Urban Studies undertakes a project each year, and this year the project has been the management of cities. As the honourable member says, this deals in part with the position of the M.R.P.A. A copy of this report was made available to me—in fact, it arrived at my home by taxi last Saturday morning. I have not read it completely as yet. I will not comment on it because I have been asked to give a talk for 12 minutes at the annual meeting of the institute in Canberra on the 1st or 2nd November. Various people have been invited to make speeches. I will not make a public statement on the report until then. In regard to the effectiveness and membership of the M.R.P.A., some six months ago I instituted within our department a review of the whole town planning procedures.

It is no good the member for Dale asking me for a report, or asking me to tell him what has happened, because this is absolutely and completely confidential. Certain recommendations may be made arising from this. However, of course, the system has been operating for such a very long time that there are many pressures, as the member for Dale will appreciate, and many set attitudes which people believe cannot be improved. I believe they can be improved.

The SPEAKER: I hope the Minister will not get too far away from the Bill.

Mr. DAVIES: No, Sir; I hope I am replying to the debate. I believe now is the time to consider this question. I appreciate the member's concern regarding these two aspects. I am also concerned about them. In due course we will make statements about the Australian Institute of Urban Studies report and what is likely to happen in connection with the future of the M.R.P.A.

Question put and passed.

Bill read a third time and transmitted to the Council.

DEATH DUTY ASSESSMENT BILL

Second Reading

MR. T. D. EVANS (Kalgoorlie—Assistant to the Treasurer) [11.27 a.m.]: I move—

That the Bill be now read a second time.

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

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

This Act not only contains these provisions but also administrative sections dealing with legal matters associated with probate and administration. These matters are administered by the Master of the Supreme Court.

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

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

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

This has meant that any delays in complying with administrative provisions have been eliminated and this has enabled the speeding up of the assessing procedures, with the consequent earlier completion of the assessment of estates.

It is now proposed that the functions which are quite different and diverse, be completely separated by law and to this end the Bill now before the House will replace the provisions currently contained in the Administration Act for the assessment of death duty.

The new Bill contains saving provisions so that where assessments have to be made under the present law, this will still be able to be done.

One factor is worthy of mention in the introduction of this new measure and that is that advantage has been taken in the redrafting of the provisions to improve the format and thus provide a much easier reference than is available under the existing law.

Provision is made in the Bill now before members to bring the Death Duty Assessment Act into operation on a day to be proclaimed. It is planned, subject to the proposals being passed, to bring it into operation on and from the 1st January, 1974. This means it will apply to the estates of persons dying on or after that date.

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

Provision of additional relief.

Simplification of the existing provisions and procedures.

Improvement of equity as between taxpayers and protection of revenue.

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

I shall deal with each of these main elements in turn.

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

It is proposed that these deductions become a spouse allowance of $20,000, a dependent child allowance of $10,000, and an orphan child allowance of $20,000. This doubles the existing allowances.

Let us examine the case of a surviving widow and three dependent children who are left an estate with a gross value of $72,500, comprising a house valued at $30,000, furniture and equipment valued at $1,500, a motor vehicle valued at $2,000, shares, debentures, and other interests totalling $16,000, insurance policies of $20,000, and bank accounts totalling $3,000. The house is mortgaged for $5,000 and other debts total $1,000, including funeral expenses of $500. This then leaves a net estate of $66,500. After applying the current deductions of $10,000 for the widow and $15,000 for three dependent children, together with $1,500 for the furniture and equipment, a taxable estate of $40,000 remains.

This, under the existing law, will attract duty of $2,850. The following will be the position under the new law: The net estate, of course, will total $66,500 as before. From this would be deducted the spouse allowance of $20,000, dependent children allowance of $30,000, and furniture allowance would remain constant at $1,500. These total $51,500, leaving a net estate for calculation of duty of $15,000.

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

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

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

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

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

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

The results produced, if a specific exemption for the home is given, would be as follows: Where the home is owned by the deceased, there would be a net value of $50,000. From this we would deduct the value of the home—that is $30,000—leaving $20,000 to be assessed, and the duty payable on $20,000 would be $450.

In the second case we will assume, as is quite general these days, that the home is owned jointly with the widow. In this case there would again be a net estate of $50,000 as a datum, but the deductible value of the home would be only half of $30,000; namely, $15,000. When this is deducted from $50,000, then $35,000 remains to be assessed. This amount would attract duty of $2,200.

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

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

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

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

Experience and research show that there are drafting and administrative problems in attempting to define clearly what could be meant by a "matrimonial home" and apply concessions to it.

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

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

For the reasons I have given, it is obvious that it is undesirable literally to attempt to exempt a matrimonial home, but from what has been done, it can be shown that we have, in the proposals now before members, succeeded in exempting most homes and their contents. For example, where we assume a widow and two dependent children as beneficiaries, then, under the proposed concessions in this Bill, probate duty will not be imposed on estates with a net value of less than $56,500.

A study has shown that in the majority of estates, the average equity in a house does not exceed $15,000. The amount of $56,500 would more than cover the equity in all but a few houses, whether owned solely or jointly.

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

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

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

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

Another increase in concessions which is contained in the Bill now before members relates to the exemption of the bequests given to various worth-while bodies.

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

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

In addition, it is proposed that bequests made to local government organisations be exempt from duty where those bequests are for public or charitable purposes.

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

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

The section dealing with the special concessions for deceased servicemen has been rewritten in the Bill, to eliminate the anomalies created by earlier amendments. It also is to extend the period in which the special concessions apply by an additional period of 12 months.

I now turn to the proposals to simplify the existing provisions and procedures.

Quite a number of sections which were difficult to understand have been written in what is hoped is clear and precise language so as to remove difficulties of interpretation.

Sir Charles Court: That will be the day.

Mr. T. D. EVANS: In addition to the foregoing, arrangements have been made to improve the provisions in relation to withdrawals from deceaseds' banking accounts by beneficiaries without requiring them to go through the formalities of obtaining a grant and a duty certificate from the commissioner.

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

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

I might add, of course, that currently the commissioner is able to release assets by means of a certificate, subject, of course, to satisfactory security being available to protect revenue in the form of any duty which may ultimately be found to be payable. This he does very promptly, usually within 24 hours of receiving the application, where the circumstances fairly warrant this action, and this procedure will be continued under authority to be given in the proposed legislation.

Other proposals in the Bill are for the purpose of improving equity between taxpayers, and protecting revenue. Many of these inequities have developed because of certain loopholes which exist in our current laws. Provisions have been inserted in the Bill now before members for the purpose of overcoming these difficulties and ensuring that all contribute ratably and equitably to revenue through death duty legislation.

The first of these is a new section which has been inserted to overcome an increasing loss of revenue arising from the practice of related persons or organisations "selling" assets interest free which enables the debt to be heavily discounted when that debt forms part of a deceased estate. This is a fairly common and, indeed, a growing method of avoidance and its effect may be illustrated in the following way: A father decides to make over his property valued at $200,000 to his son. This property is "sold" under contract of sale to his son for full value; that is, $200,000.

Mr. McPharlin: I hope this is being used only as an example!

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

Sir Charles Court: Why not insert the word "farmer" to disclose the Government's real intention?

Mr. T. D. EVANS: Does the Leader of the Opposition mean to say that only a farmer would be able to provide a gift in the form of a sale to his son?

Sir Charles Court: It so happens that the Bill is aimed at farmers more than any other section of the community.

Mr. T. D. EVANS: The Leader of the Opposition said that, I did not. To continue: To illustrate the effect of this type of transaction, in the example I have

given, the discounted value of $200,000 over 20 years, on actuarial valuation, gives a figure of only approximately $15,000 for the assessment of duty.

Mr. E. H. M. Lewis: In those cases the seller has been assessed for gift duty.

Mr. T. D. EVANS: This type of procedure, of course, avoids any gift rates of stamp duty and substantially reduces the amount on which death duties are levied. For the benefit of the member for Moore I will repeat: This type of procedure, of course, avoids any gift rates of stamp duty and substantially reduces the amount on which death duties are levied.

The Bill now before members contains a provision which will require "debts" of this kind to be included in the estate at the face value of the amount outstanding—and I repeat: the amount outstanding—at the date of death.

Mr. Gayfer: We get your message.

Mr. T. D. EVANS: That would have some significance to those in this Chamber.

Sir Charles Court: Particularly those who are farmers.

Mr. T. D. EVANS: Another device which is receiving increasing use is what is commonly known as the "life governor" share. These particular shares totally control the affairs, assets, and policy of a company during a holder's lifetime but generally revert to face value on his death.

The use of this technique enables a person to carry on his business as if he were, in fact, the sole owner during his lifetime, making all of the decisions in respect of the sale, control, profits, disposal policy and general running of the business, but when he dies—and here comes the sting—the share then reverts to the face value of an ordinary share.

An example of this type of avoidance is the case of a company which has 1,000 shares, all of which, with the exception of one, are designated as "B" class or ordinary shares and are issued to various members of the family.

Sir Charles Court: Is the Attorney-General insinuating it is criminal to do it that way?

Mr. T. D. EVANS: The remaining one share is called the "life governor" share and this share controls completely the operation of the whole business. The effect of this arrangement is to make only a very small proportion of the value of the assets subject to duty when the owner dies.

Mr. E. H. M. Lewis: No wonder a chocolate coating has been put on it!

Mr. T. D. EVANS: There are, of course, a variety of variations and shades of this type of arrangement. Provision has been inserted in the Bill, the purpose of which is to make the value gained by the other shareholders on the death of the holder of the "life governor" share, subject to duty.

Mr. McPharlin: That is different from what was stated in the Premier's policy speech.

Mr. T. D. EVANS: I ask you, Mr. Speaker, to adjudicate on who is delivering this speech; myself or the Leader of the Country Party.

Sir Charles Court: I think the Leader of the Country Party is making a better speech.

Mr. Brady: You only think that.

Mr. May: He is not helping his case.

The SPEAKER: Order! The Attorney-General.

Mr. T. D. EVANS: I will continue: This provision will also apply to other avoidance schemes which result in a reduction of the value of deceaseds' shareholdings on death. We are touching some very delicate situations here.

Mr. McPharlin: Following on the Federal Government.

Mr. T. D. EVANS: This provision is designed to discourage that type of avoidance.

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

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

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

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

Sir Charles Court: The fun will be taken out of dying.

Mr. McPharlin: It will be too expensive to die.

Mr. T. D. EVANS: However, of course, they will be treated in the same way as gifts and that is that those made more than three years prior to death will not be subject to any duty.

Mr. Bertram: What do members opposite think the Upper House will do with this?

Mr. T. D. EVANS: These three major methods of avoidance have resulted in inequities developing between taxpayers who

are able to obtain the necessary legal and other professional advice and, I repeat, so to arrange their affairs as to take advantage of those loopholes, and those who are not in the same favoured position. This means that in order to maintain revenue at a given level, those who are not in a position to take advantage of these loopholes are required to pay more because other persons are escaping from making their proper contribution to revenue.

Sir Charles Court: Do you not remember the basic British principle that no taxpayer is expected cheerfully to put his head in the alligator's mouth?

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

Mr. Hartrey: It is encouraging people not to die!

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

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

Sir Charles Court: You are going to cut across a basic principle of law—the right of insurable interest.

Mr. T. D. EVANS: In each of these cases, under the current law, the proceeds of the policies are assessed separately from the main estate.

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

However, since the spouse and dependants' deductions have been introduced—as the member for Greenough would recall—a very unsatisfactory position has developed in that, because of the nature of the concessions now in the law and which it is proposed to increase by no less than 100 per cent., many modest estates would not be subject to any duty if it were not for the current non-testamentary dispositions provisions.

At present, where the non-testamentary dispositions provisions apply to policies, the widows find that they often have to pay on the policies because they are assessed under these provisions.

If these policies had been simply on the deceased husbands' lives and willed to the widows, thus forming part of the normal estates, they would have escaped duty because of the current levels of deductions.

Sir Charles Court: You are cutting across a basic principle of law.

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

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

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

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

Of course, if the sale or transfer takes place three years or more before death, the assets will not be assessed for any duty. This is similar to the provisions relating to gifts which, if made outside the statutory period, are not brought into the assessment. It is not proposed to change this period in this legislation.

It is also proposed to clear up problems surrounding the description of a "bona fide superannuation scheme". In the past this has not been clearly expressed in the law and it is now proposed to describe a superannuation scheme which pays benefits to the spouse, dependent children, or dependent parents as a bona fide scheme for purposes of exemption from duty.

I now turn to provisions which are designed to improve the administrative procedures and reduce the work load on taxpayers with assets in more than one State.

Sir Charles Court: Are you going to give us the financial assessments of these provisions?

Mr. T. D. EVANS: Under current procedure, where a Western Australian dies, owning assets in other States, his executor is required to pay duty on both the assets held in this State and those held in other States. The executor then is required to pay duty to the commissioners in other States and then seek a proportionate refund from the Western Australian commissioner.

All of this procedure is not only annoying to the taxpayers but is time consuming both for the taxpayers and our own State Taxation Department.

Mr. Bertram: Costly, too!

Mr. T. D. EVANS: In addition to which, of course, the executor has to outlay money and then wait for some considerable time for a refund, to say nothing of the expense incurred in satisfying the requirements of the different departments concerned with the assets.

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

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

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

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

The foregoing arrangement will not only protect revenue but will give a great administrative advantage to both the Western Australian Taxation Department—

Mr. McPharlin: Hear, hear!

Mr. T. D. EVANS: —in that it is only dealing with one set of local assets and also to the taxpayer who will only be required to pay to the commissioner duty levied on assets held in this State.

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

Mr. E. H. M. Lewis: What are the estimated results to the Treasury?

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

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

Finally, members will have received with a copy of the Bill—I trust—a booklet which explains every clause in the legislation and provides a large number of examples of the operation of the proposals. This has been prepared by the commissioner and many of the examples are based on actual cases. Reference to the booklet will provide further detailed explanations of the proposals now placed before the House.

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

Several members interjected.

Mr. T. D. EVANS: I commend the Bill to the House.

Sir Charles Court: What a funny statement! No wonder you are starting a funeral parlour.

The SPEAKER: Order!

Debate adjourned, on motion by Mr. R. L. Young.

DEATH DUTY BILL

Second Reading

MR. T. D. EVANS (Kalgoorlie—Assistant to the Treasurer) [12.11 p.m.]: I move—

> That the Bill be now read a second time.

This is a Bill to enact a new death duty Act. It is a small measure which is complementary to the new Death Duty Assessment Bill which was just introduced and was not received in deathly silence.

When introducing that measure, I pointed out that it was also proposed to repeal the existing Death Duties (Taxing) Act and replace it with a new death duty Act—a more lively one! The reason for doing this is that amendments over the years to the current taxing Act have made it extremely difficult to follow and hard to interpret. It is therefore desirable to produce an Act which is simple and easy to follow. Of course, the current Act will continue to apply in cases which require the imposition of duty under its provisions.

The measure now before the House provides for the legislation to come into operation on the same day as does the Death Duty Assessment Bill. The obvious reason for this is that the two must operate together. Currently it is planned that,

subject to the approval of the Bills by Parliament, these proposed Acts will be brought into operation on and from the 1st January, 1974.

In brief, the Bill consists of four tables. These tables set out the rates of duty to be applied to different classes of beneficiaries.

Table 1 deals with the closely related beneficiaries; namely, widows, widowers, children, grandchildren, other issue, and dependent parents. Under this table the lowest rate of duty is to be imposed.

Table 2 deals with the next group of relatives. These are brothers, sisters, and parents of a deceased person who are not dependent parents. The rates of duty in this table are to be lower than those which follow but are to be a little higher than the duties to be imposed under table 1. Also, whereas table 1 is not to commence until the assets exceed $15,000 in net value, table 2 is to commence at $1,500 net value.

Table 3 is to apply to persons who are strangers in blood and to corporate or unincorporated bodies. Again, in this table the rates are to be higher than those in the two preceding tables.

All of these tables—namely, 1, 2, and 3—are to contain the same rates as currently apply in the Death Duties (Taxing) Act.

Table 4 is a new table which I mentioned when introducing the Death Duty Assessment Bill and is to be applied to the estates of persons who are not domiciled in this State at the time of their death but hold assets in this State. Members will notice that the rates of duty here are to be considerably higher. They have been calculated to yield the average level of revenue which is currently received from assets in estates of this nature under the existing law.

Again, circulated with this Bill is a small booklet explaining its provisions in detail.

I commend the Bill to the House.

Debate adjourned, on motion by Mr. R. L. Young.

MACHINERY SAFETY BILL

Second Reading

MR. HARMAN (Maylands—Minister for Labour) [12.17 p.m.]: I move—

That the Bill be now read a second time.

The purpose of this Bill is to repeal and rewrite the Inspection of Machinery Act, 1921-1969, which has become completely outdated.

With the advancement of technology, machinery and systems have come into common use which the current Act was not oriented to cover. It is imperative for reasons of public safety and protection of workers that these changes and new concepts be adequately covered by legislation. As the long title of the Bill indicates, the main provisions cover safe design, construction, installation, and operation of machinery which, in its broad definition, includes boilers, pressure vessels, cranes, hoists, lifts, and other mechanical appliances. Another important provision is for the inspection of such machinery and the conditions under which it is used for the protection of workers and the public generally.

The administration of the Inspection of Machinery Act was for many years under the Mines Department. However, in 1969 the branch was placed under the control of the Department of Labour. This transfer was in accordance with the general trend in the Departments of Labour in other States of Australia, where many facets of industrial safety were channelled into one department to avoid overlapping of duties and multiplicity of visits by inspectors, and to provide a more co-ordinated approach to benefit industry, as well as the safety of workers engaged therein. The updating of the Act follows the course taken recently with other similar type Acts in Western Australia, so that new techniques and different situations in industry can be more efficiently handled.

The provisions of this Bill will apply generally on a mine as defined in the Mines Regulation Act and the Coal Mines Regulation Act but will not limit or affect the provisions of those or other Acts administered by the Minister for Mines for regulating activities in mining work. The exemptions given in certain clauses in the Bill will therefore allow those other Acts to take precedence.

The Act to be repealed dates from 1921 and has as one of its focal points the reciprocating steam engine. This type of machinery was used extensively in those times in mines, pumping stations, and timber mills. Very few of such plants remain in existence today, and the demand for certificated men to control them is negligible.

In other areas the development and improvement of new plants has brought about conditions that require the close supervision of an inspection authority. Such developments include the extensive use of high pressure hot water boilers and pressure vessels used for the transport of chemicals and volatile gases.

The Bill is divided into nine main parts and runs to over 80 clauses and therefore is extensive in its content. For the benefit of members I will give some explanation of the main features in the Bill.

In part I, many definitions are redefined or added and those which relate to the boilers, pressure vessels, and machinery, subject to this Bill, have been broadened to include a range not covered previously.

The term "boiler" now includes those boilers in which water or other liquid is heated to a pressure above that of the atmosphere or to a temperature above 99° C. Its meaning generally is in accord with similar legislation in other States and the code of the Standards Association of Australia.

"Pressure vessel" includes many types of pressure vessels which are exempt under the present Act. The volume and pressure limitations have been removed from the definition, and exemptions previously given to pressure vessels used for transport and to vessels under pressure by liquids, including static head pressure, have also been removed.

Anhydrous ammonia and liquid petroleum gas are the two products that are mainly transported in vessels under pressure. The design and construction of these vessels is covered in the S.A.A. codes CB.23-1969 (NH3) and CB.20-1971 (L.P. Gas). These vessels were previously exempt and were therefore never subject to inspection by departmental officers. The importance of having the design and construction of these vessels supervised by a statutory authority conversant with the particular requirements needs no emphasis.

Full-flooded hot water boilers which will now be covered by the Bill have come into general use as part of the air-conditioning services installed in modern high rise buildings. Hospitals use high temperature high pressure hot water systems for all heating purposes, such as steam generation, cooking, heating, sterilizing, and laundry services, as well as air-conditioning.

Previously no supervision by a statutory authority in this State has been given to the design, construction, and installation of hot water boilers. Engineering requirements for a boiler of this type do not in any major factor differ from those for a high pressure steam boiler. A disaster resulting from the failure of a high pressure hot water boiler could be as great as that from the failure of a high pressure steam boiler.

A wheeled tractor will, in future, be within the definition of machinery to which this Bill applies. The number of accidents with these machines causing serious injury or sometimes death, is a matter of concern to everyone. If any reduction in the frequency of these accidents is to be achieved and adequate protection afforded, there is no alternative to providing the power to prescribe regulations to ensure adequate safeguards. This is already done in other States of Australia.

Briefly part II of the Bill covers administration clauses. The Chief Inspector of Machinery will be responsible to the Under-Secretary for Labour who is subject to the direction of the Minister for Labour in the implementation of the Bill.

Part III of the Bill is concerned with the registration and certification of machinery. It provides that all machinery to which this Bill applies shall be registered and that at the time of the first entry in the register of the particulars of the machinery it shall be divided into two groups.

The first group—the classified group—will include boilers, pressure vessels, cranes, lifts, escalators, winding engines, and other potentially hazardous machinery which shall not be used or operated unless a certificate of inspection issued by the Chief Inspector of Machinery is in force authorising use to a specified date. Registration of this machinery does not need renewal because inspection by inspectors of machinery will be carried out at regular intervals to ensure compliance with safety requirements and certification as to suitability to use or operate. However a certificate must be valid and not beyond the date of expiry for the machinery to be lawfully used or operated.

The second group—the unclassified group—will comprise other types of machinery not included in the classified group which are situated in premises registered under the Factories and Shops Act. The nature of machinery in this group calls for inspection at convenient intervals only to provide adequate surveillance when directions can be given to the owner to comply with requirements considered necessary at the time.

With the unclassified group machinery, initial registration will be necessary at the same time as the registration of the premises under the Factories and Shops Act is being first made or renewed and subsequently also, renewal of registration of both machinery and premises can be done by the occupier at the one time.

In arranging the two groups in this way, better utilisation of inspectors should be accomplished and less interruption to industry should occur by avoiding the overlapping on the visits of different inspectors.

Subject to this Bill it will be an offence for a person to use and operate machinery which has not been registered, or which does not carry a current certificate of inspection unless he has otherwise been authorised in writing by an inspector to do so. A certificate of registration or a certificate of inspection may be suspended or cancelled by an inspector where he considers that in the interest of safety it should be done, and for the same reason inspections may be carried out otherwise than at the prescribed intervals.

Part IV deals with inspection and it lists the powers and duties of those inspectors appointed. Inspectors holding appointment under the existing Act shall, without further appointment, be deemed to hold office under this Bill. Provision is

made for any person who is an inspector under the Factories and Shops Act, 1963, or the Construction Safety Act, 1972, to be appointed by the Minister to be an inspector of machinery for such a period and to carry out such duties as are assigned to him by the chief inspector.

This will result in inspectors of the Department of Labour having greater flexibility in their duties and should minimise duplication of inspections by allowing, at least, many of the lesser matters to be attended to by one person. Of course, more important or more technical inspections from which may issue orders and directions to the owner concerning defective or dangerous machinery will be done by properly qualified inspectors.

The principal functions of an inspector will be to promote the safety of workmen engaged on machinery, to advise on safe practices in respect of the operation of machinery, and to ensure compliance by all concerned with the provisions of the Bill. He will also be required to investigate and report on accidents caused by machinery and to take measures to prevent or limit the occurrence of such accidents.

The security of trade secrets is safeguarded by providing heavy penalties for any officer who divulges or uses information relating to any business that has been supplied to him or obtained by him under this Bill. Such information may only be disclosed in connection with the execution of his duties in giving effect to the objects of the Bill or with the prior consent of the owner of the business to which the information relates.

Part V of the Bill relates to the issue of certificates of competency and to the machinery which should be under the control of a certificated operator.

The type of machinery to which this part of the Bill will have application is detailed as well as that machinery which is excluded from the provisions of certificated operators.

The categories of certificates of competency are explained together with the limitations, restrictions, and conditions which are imposed when applied to various types of boilers, engines, cranes, etc. While the formulae for determining their limits have in some instances been changed due to the changeover to the metric system and the adoption of national criteria, there has been little change in the sizes and types of machinery that will require certificated operators. Those boilers and engines which previously were not required to be under certificated control, will, in most instances, enjoy the same exemptions provided that safety requirements are fitted as prescribed.

An internal combustion engine, for example, of not more than 1290 square centimetres cylinder area is exempt but this same type of engine of bigger size will also be exempt so long as it complies with certain conditions; that is, it is located and used for purposes where there is little likelihood of damage resulting from any malfunction or failure and that automatic controls and fail-safe devices are fitted. This will benefit the many installations in remote areas where the requirements for continual certificated control cannot be justified and becomes, in fact, an operational and economic burden on industry.

It will be an offence for a person to operate any machinery as shown unless he is the holder of a certificate of competency issued by the board of examiners relative to that machinery. He shall not at any time absent himself from that machinery, when it is under working conditions, unless relieved by a person who is competent and authorised under the Bill to do so.

For the purpose of granting such certificates of competency, a board of examiners shall be appointed. It shall consist of the chairman, who shall be the chief inspector, and two other suitably qualified persons appointed by the Governor. One of the persons shall hold a winding engine driver's certificate and the other shall be a person possessing qualifications and experience which will enable him to assess the competence of applicants for a certificate.

The board has the power to grant certificates of competency to cover the control of specified classes of machinery, boilers, and cranes. New certificates provided for are—

(i) welder's certificate;

(ii) welding supervisor's certificate.

The qualifications for these certificates will be relative to the boiler and pressure vessel construction industry and other special type work, such as cranes fabricated from special steels. Although the Bill provides that welders be certificated for this special work it does not mean that the examination is mandatory for all welders.

Western Australia is the only State in which examination and certification of welders is not carried out by a statutory authority. At present the Australian Welding Institute conducts one examination a year, largely by the good graces of those firms which, as members, are contributing to and sustaining the institute and with the use of the facilities of a technical college.

The Standards Association of Australia code—CB. 14—relevant to the construction of boilers and pressure vessels lays down that welding operations in accordance with the code be carried out by persons qualified to its standard. Other State inspecting authorities in Australia

conform to the requirements of the code and it is intended to put this into more effective practice in this State. It is fitting therefore that this Bill provides for the Chief Inspector of Machinery to administer the scheme for certification of specialist welders and welding supervisors.

Part VI provides for the right of appeal by an aggrieved party to the Minister for Labour against, firstly, the order or direction given by an inspector, or, secondly, a decision given by the board of examiners.

The Minister shall consider and determine every appeal made to him but may, alternatively, if he thinks fit, firstly refer the appeal or any part of it to an arbitrator technically qualified in relation to the matter. The arbitrator, in turn, shall hear and set forth in writing his findings and reasons for decision and forward copies to the Minister and each party to the appeal. The Minister is not obliged to adopt or give effect to the arbitrator's decision but on determining an appeal may confirm, vary, or set aside the decision appealed against.

An appeal also lies on a question of law from any finding of an arbitrator or determination of the Minister to a magistrate of the Perth Local Court, but in all other respects the Minister's determination is final and shall be effected. The magistrate at the Local Court hearing an appeal may confirm, vary, or set aside the decision appealed against and his decision shall be final and effected according to its tenor.

Part VII of the Bill relates to the responsibilities of owners of machinery to ensure it is maintained in a safe and serviceable condition and that working places are kept in a safe and orderly condition. The provisions to keep the machinery safe and serviceable are extended also to any person who, as a dealer, sells, leases, or hires machinery, or to any manufacturer, installer, or repairer of machinery when it is in his control and capable of being used.

Under the existing Act, only the owner is responsible for safety of the machinery so the new provisions place an onus more widely on other parties involved in the interests of safety of the workers, the public generally, and users of the machinery.

Provision is made to have every dangerous part of any machine adequately fenced or guarded or made safe. All fences, guards, or safety devices shall be substantially constructed, constantly maintained, and kept in position while the machine is in use. A person who wilfully interferes with any safety device in such a manner as to render the machine dangerous commits an offence which carries a heavy penalty.

It is further required that before any person can begin any construction, manufacture, erection, repair, or modification to any boiler, pressure vessel, lift, crane, escalator, hoist, or winding engine, written approval must be obtained from the chief inspector. Before written approval will be issued, all plans, specifications, drawings, and design calculations relevant to the matter concerned must be submitted to the chief inspector.

Protection equipment is to be provided, or caused to be provided, by the employer for each workman engaged on machinery, where such equipment is prescribed for that machinery. It will be an offence for any workmen to fail to wear or use such equipment or fail to carry out or render ineffective any safety measures provided by his employer as required.

Part VIII outlines the obligations of the owner to report accidents that occur in, arising out of, or in connection with, the installation, working, or motion of machinery of any kind whatever. The requirements for accident reporting conform to the specifications of the S.A.A. code CZ.6 for industrial accidents and will permit investigation to determine the causes of the accident.

Accidents involving damage or breakage to any vital part of any machinery, boiler, pressure vessel, crane, hoist, lift, escalator, or winding engine, must be reported to the chief inspector whether or not any person has been killed or injured. No person is to interfere with the machinery concerned, in any accident, except to save life or relieve suffering, to prevent damage to property, or to stop the machinery, unless authorised by an inspector or a member of the Police Force.

Part IX of the Bill deals with enforcement of its provisions, penalties, and regulation making powers. The latter is widely expressed to prepare for the administering processes, etc., which are quite wide, in implementing procedures to cover machinery safety.

I commend the Bill to the House.

Debate adjourned, on motion by Sir Charles Court (Leader of the Opposition).

WHEAT PRODUCTS (PRICES FIXATION) ACT AMENDMENT BILL

Second Reading: Defeated

Debate resumed from the 11th October.

MR. McPHARLIN (Mt. Marshall) [12.36 p.m.]: Once again we have before us a Bill to amend the Wheat Products (Prices Fixation) Act, and it is a repeat of a Bill we dealt with last year. I want to indicate at the outset that I am opposed to the measure. It is interesting to study the history of this Act. I suppose one could spend a great deal of time studying it.

The Act came into being in the depression years of the 1930s, when a flour tax was applied to assist the farmers who were suffering a great deal of hardship. The tax was an attempt to ease the farmers out of their predicament, and it was introduced with a great deal of reluctance by the Minister at the time. The ensuing debate indicated that the Government was not happy about having to introduce a measure of this nature because of the situation which prevailed. However, the measure was introduced, and the tax was applied; and it offered some assistance to wheatgrowers. As time went by the wheat stabilisation scheme was put into effect in 1946, and the scheme had an impact on Statutes of this nature.

At the time it was considered that the Wheat Products (Prices Fixation) Act was practically useless, and its provisions were not used. Then in latter years—in 1964—we find that the present Premier and the then Leader of the Opposition (Mr. A. R. G. Hawke), insisted that the Government of the day apply the provisions of the Act. Letters were exchanged between the then Leader of the Opposition and the then Premier (now Sir David Brand), in which the Leader of the Opposition requested that the Premier apply the provisions of the Act. He sought the appointment of the committee to control the price of bread.

After considerable discussion and debate amendments were submitted; and in 1964 the Act was amended to give the Government discretionary power regarding the invocation of its provisions. However, the then Leader of the Opposition was not satisfied with that, and attempted to force the Government to appoint the committee to fix prices.

So we move forward to 1972, when the committee was appointed by the present Government. It has operated since that time and has fixed the price of bread.

Mr. Harman: Very satisfactorily, too.

Mr. McPHARLIN: When one looks at the Act one finds it contains definitions concerning flour and wheat products. The definition of "flour", as set out in section 4 of the Act is as follows—

> "Flour" means any substance produced—
>
> (a) by gristing, crushing, grinding, milling, cutting, or otherwise processing wheat or by any one or more of those processes applied to wheat combined with any other commodity;
>
> (b) by the sifting or screening of or any mechanical operation applied to substances so produced; or
>
> (c) by the combination of any of the operations specified in the last two preceding paragraphs.
>
> The term includes—
>
> (d) any mixture of any such substances; and
>
> (e) self-raising flour
>
> but does not include any substance for use—
>
> (i) as or in the manufacture of breakfast foods or foods for birds or livestock; or
>
> (ii) in the manufacture of cornflour or of any other goods not being foodstuffs.

In the same section, the definition of "wheat products" is—

> "Wheat products" means flour, bran, pollard, and bread and such other substances produced by gristing, crushing, grinding, milling, cutting or otherwise processing wheat as are declared by proclamation to be wheat products.

Under that definition one would assume that the committee appointed would automatically have control over the price of flour.

The Bill before us seeks to amend subsection (2) of section 15 by deleting all the words which refer to the minimum and maximum price of flour, and this raises the question of whether it is considered necessary to have this control.

I have made inquiries from both the Master Bakers Association and the Flour Millers' Association and there is no objection from either of those associations. It has been mentioned in debates in previous years that flour would be the principal item in the overall cost in the baking of bread. However, my information now is that flour does not represent the principal cost.

Mr. Harman: Who told you that?

Mr. McPHARLIN: I have been in touch with representatives of the Master Bakers Association and I have been informed that flour is not the principal cost in the baking of bread.

Mr. Harman: The Master Bakers Association told you that?

Mr. McPHARLIN: Yes. Wages and other costs represent the principal costs in arriving at the price of bread. I will quote some figures which I am sure will be of interest to members. Clerks, from June, 1972, to October, 1973, have had a rise of $13 a week in their wages. Female workers' wages have been increased by $9 a week in the same period. The wages for bread carters have increased by $9.30 in six months, and another increase of $4.30 is expected in December of this year.

The Master Bakers Association is rightly claiming that wages represent one of the major factors in arriving at the price of bread and bakers have to meet increases in costs in the same way as those engaged in other businesses; they have to try to recoup such increases in costs to keep their businesses solvent and buoyant.

Mr. Harman: There is nothing wrong with that.

Mr. McPHARLIN: The point I am making is that flour is not the principal cost in the manufacture of bread.

Sitting suspended from 12.45 to 2.15 p.m.

Mr. McPHARLIN: Before the luncheon suspension I was commenting on the system that the master bakers are required to adopt in presenting an application for an increase in the price of bread. They have to appoint a committee comprising at least six of their members, and engage a chartered accountant to examine their requirements. When all this is done the application is presented to the committee. After the application has been lodged delays might occur before an increase in price is granted.

I am informed that on the 18th June this year an application was made by the master bakers for an increase in the price of bread, but the price increase did not come into being until the 15th October, which was Monday last.

Mr. Harman: Have you checked on that?

Mr. McPHARLIN: That was the information supplied to me.

Mr. Harman: If the master bakers have told you that then they are wrong.

Mr. McPHARLIN: That was the information supplied to me, and I wrote it down as it was disclosed to me. In the interim the delay in granting an increase in price could cost the industry a considerable amount of money, because in this time the bakers have to meet the increase in costs. If such delays do occur then in my view they are quite unnecessary.

I presume that one of the reasons for bringing the Bill before Parliament is that as a result of the proposed increase in the price of wheat there could be an increase in the price of flour in the not-too-distant future; and the flour millers would be putting up their prices, to the detriment of the people about whom the Government seems to be concerned.

It is important for us to know the method used to arrive at an increase in the price of flour. I made some inquiries of the Flour Millers' Association to see what method was used. Like any other business, the flour millers have to assess the movement in costs which apply to their industry.

They meet, and they discuss the movement in costs. They try to restrict increases in the price of their product to one each year, so as not to have an increase every three or four months. They also endeavour to keep the price as stable as possible.

The flour millers do not set a price for each mill. They work out the costs, and each mill is allowed to charge a price which it thinks is an economic one based on its particular part of the industry. I repeat that each mill is allowed to work out its own price. It is not a uniform price set by the meeting of the flour millers. This is the practice which has been adopted over the years. Apparently it has proved to be quite successful, has not created any dissension in the baking industry, and has worked quite well.

Coming back to the bakers and the price control of their product, I should point out that 75 per cent. of the bread they produce is controlled by the committee which makes recommendations to the Minister on the prices to be charged. The other 25 per cent. is represented by fancy loaves, etc. The two 1-lb. loaves which are joined together are also controlled in price; as are the two 2-lb. loaves. Whether a person buys such a loaf as one loaf, or as two loaves, he knows that the price is controlled. The cost of a 2-lb. loaf is 26c; and if it is broken into two halves each half costs 13c. Other varieties of bread which are also controlled in price are wrapped and sliced bread in either 1½-lb. or 2-lb. loaves, 1-lb. protein bread sliced and wrapped, and all milk bread.

Turning away from the baker to the small shops, I understand the latter are known as hot bread shops. I am not criticising these people. They are perhaps filling a need. Some people desire the hot bread and so these shops bake the loaves and call them by a different name. The bakers bake what they call a cobb loaf and sell it for 21c, but the price of that same loaf in a hot bread shop is 26c.

Mr. Harman: Are you suggesting they should be controlled too?

Mr. McPHARLIN: I am not suggesting that. I am saying that this illustrates that price control is rather fallacious.

Mr. Harman: Why?

Mr. McPHARLIN: Because these hot bread shops can get away with these prices. They sell the same sort of products the bakers are producing.

Mr. Harman: Would you like them to be controlled?

Mr. McPHARLIN: No, I do not believe in controlled pricing.

Mr. Harman: Well what do you mean? You say they are getting away with it, but then you do not agree that I should control them.

Mr. McPHARLIN: That is right. I am telling the Minister what these people are doing. The master bakers have another

loaf called the half collar which they sell for 18c or 19c. The hot bread shops bake the same type of loaf and sell it for 34c. They call it sesame collar. I suppose the master bakers could do the same—

Mr. Harman: Are you quite happy for that situation to continue?

Mr. McPHARLIN: They could get around it if they wanted to.

Mr. Harman: Who could?

Mr. McPHARLIN: The master bakers. Apparently they have not gone in for this sort of thing. They do not bake something and then sell it by a different name at a higher price.

Mr. Harman: What about you, the Leader of the Country Party; would you like me to control them, too?

Mr. McPHARLIN: I am not in favour of price control.

Mr. Harman: But you do not agree that these people should charge 34c.

Mr. McPHARLIN: I am telling the Minister what is occurring.

Mr. Coyne: It is a specialty shop.

Mr. T. D. Evans: The Leader of the Country Party would not know where he is or what he is doing.

Mr. Hutchinson: He is doing a very good job and that is what is upsetting you.

Several members interjected.

The SPEAKER: Order!

Mr. McPHARLIN: Of course this is Labor Party policy—control, control, control. That is what members opposite go for all the time.

Mr. T. D. Evans: The farmers like a bit of control.

Mr. May: When you do not know what you are talking about, that is your usual comment. Talk about a crusty old job, this one!

Mr. Bateman: The poor farmers!

The SPEAKER: Order!

Mr. McPHARLIN: The attitude of the Government towards farmers was illustrated today when the Minister introduced the second reading of the Bill concerning death duties.

Mr. T. D. Evans: Let the people judge.

Mr. McPHARLIN: The Government has no concern at all for the farmers. Returning to the debate, I am not condemning specialist shops.

Mr. May: Not much.

Mr. McPHARLIN: The people are paying those prices and are apparently satisfied with them. The volume of business is not great, but it is an opening. If the master bakers wanted to follow suit and do this specialist type of baking the Minister for Consumer Protection or his commissioner would get onto them and pull them into gear. The master bakers would be told they could not do it, but the other shops are allowed to. Those shops are probably filling a need because some people like to smell and eat hot bread.

Mr. May: I bet the D.L.P. does not agree with what you are saying.

Several members interjected.

The SPEAKER: Order!

Mr. McPHARLIN: I am not in favour of control. I indicated that I was opposing the Bill.

Mr. T. D. Evans: What about wheat quotas?

Several members interjected.

The SPEAKER: Order!

Mr. Hutchinson: Ignore the interjections.

Mr. McPHARLIN: I do not think the Attorney-General knows anything about wheat quotas. He does not understand their application.

Mr. T. D. Evans: Do you believe in wheat quotas?

Mr. Hutchinson: That is a different thing altogether.

Mr. T. D. Evans: That is control.

Mr. McPHARLIN: Of course it is a different thing. Wheat quotas have nothing to do with prices.

Mr. T. D. Evans: It is control of production.

Mr. McPHARLIN: We are talking about price fixing.

Mr. T. D. Evans: You said you did not believe in control.

Mr. May: You would not know where you are or what you believe in.

Mr. McPHARLIN: I am talking about price control. I certainly know where I am, and I know where I will be next year after the election—right on the other side of the House.

Several members interjected.

The SPEAKER: Order!

Mr. McPHARLIN: I know that in the first 12 months we will have great difficulty sorting out all the problems in front of us.

Mr. May: You'll have problems all right!

Mr. T. D. Evans: I hope the Leader of the Country Party realises he will not be leading a party at all. His will not be a recognised party.

Mr. McPHARLIN: That is an interesting comment.

Mr. May: A pertinent one.

Several members interjected.

Mr. McPHARLIN: The interjections demonstrate the concern of those on the Government side, but we will see what will happen.

Mr. Bateman: We do not have to join anyone.

Several members interjected.

The SPEAKER: Order! Members will keep order.

Mr. McPHARLIN: If the member for Canning behaves himself, I might invite him to the wedding.

Mr. May: It will be one of those Victoria Park weddings.

Mr. Blaikie: You would know all about that.

Mr. May: You will not know which way to turn.

Mr. McPHARLIN: I hope the honourable member will bring along a decent sort of present.

Several members interjectd.

Mr. McPHARLIN: It appears I have touched on one of the nerve centres when talking about opposition to price control. Th reaction is always like this—spontaneous.

Mr. T. D. Evans: The laughter is.

Mr. May: It is laborious.

Mr. McPHARLIN: I reiterate that we oppose this Bill the same as we opposed a similar one last year. The reasons are the same. We suggested then that it would be better to repeal this legislation altogether so that it would not appear on the Statute book; and it would still be the best course to take instead of bringing amendments back year after year.

Mr. Harman: You pass my Bill in the other place and I will repeal this one.

Mr. McPHARLIN: Since last year the consumer protection legislation has been working and the legislation before us is not necessary any more. The Government would have been given more marks had it repealed the legislation because such a move would have been supported by us.

Mr. Harman: All that is necessary is for my Bill to be passed in the Council.

Mr. McPHARLIN: Do not let us bring in the Excessive Prices Prevention Bill. These matters can be taken care of by means of the consumer protection controls.

I believe the Minister would have received a great deal of support indeed had he brought down a measure to repeal the existing Wheat Products (Prices (Fixation) Act. I reiterate that I am opposed to the Bill.

MR. O'NEIL (East Melville—Deputy Leader of the Opposition) [2.31 p.m.]: I was absent from the Chamber during the major part of the debate on this Bill.

Mr. H. D. Evans: The Deputy Leader of the Opposition did not miss much!

Mr. O'NEIL: From what I heard of the speech made by the Leader of the Country Party, I want to say that I agree entirely with him. I do not know whether he canvassed the history of the legislation but I am sure that, if he did, he would have canvassed it accurately and made it quite clear that this type of legislation does not apply in any other State in Australia.

Mr. Harman: The Leader of the Country Party did not mention that the Deputy Leader of the Opposition voted for this legislation in 1964.

Mr. T. D. Evans: The Deputy Leader of the Opposition does little justice to himself.

Mr. O'NEIL: Apparently I did miss something, although one of the Ministers considered I had not. I ask the Minister for Labour to repeat that interjection.

Mr. Harman: The Leader of the Country Party did not say that you supported this legislation in 1964.

Mr. O'NEIL: I do not know what that has to do with the measure before us.

Mr. Harman: You supported it in 1964.

Mr. O'NEIL: The Wheat Products (Prices Fixation) Act has been in existence since long before 1964.

Mr. Harman: In 1964 you supported the amendments I have here which are, word for word, the same as the 1964 amendments.

Mr. T. D. Evans: The Deputy Leader of the Opposition does little justice to himself.

Mr. O'NEIL: In 1964?

Mr. Harman: Yes.

Mr. O'NEIL: I also point out that prior to 1964 there had been included in the legislation a provision which made it mandatory to appoint a Wheat Products Prices Committee. I think that provision was changed in 1962. For the whole of the period we were in government the Wheat Products Prices Committee was never convened.

As the Leader of the Country Party said, probably it would have been far better to have repealed the legislation at that time.

Mr. Harman: You supported it.

Mr. O'NEIL: I did not support the legislation. Perhaps some admendment to the existing Statute had been brought down. The piece of legislation about which we are talking was probably on the Statute book long before I was a member of Parliament.

Mr. Harman: In 1964 you supported an amendment which is exactly the same as this one.

Mr. O'NEIL: A Wheat Products Prices Committee was never appointed—and never would have been appointed—under our Government. In fact, the legislation was dormant and sterile. I can recall—and I do not know whether the Leader of the Country Party mentioned this—that when the Wheat Products Prices Committee lapsed the then Leader of the Opposition (The Hon. A. R. G. Hawke) took the Government to task on a number of occasions for not having a committee appointed.

Mr. McPharlin: I mentioned it.

Mr. O'NEIL: What we did was simply to make it optional and we did not appoint a committee. Had we been in government the committee would still not have been appointed.

The attitude expressed by the Leader of the Country Party and that expressed by me, on behalf of the Liberal Party, indicates that if we become the Government it is fairly safe to say that the legislation will either be repealed altogether or certainly the Wheat Products Prices Committee will cease to do what it is doing now; namely, to increase the price of bread at a greater rate and far more frequently than ever occurred prior to the appointment of the committee.

The Minister has given answers to questions asked by me. He cannot deny that since the appointment of the committee the prices of bread have risen more frequently and to a greater extent than in the same period of time before the committee was appointed. Will the Minister deny that? The Minister cannot deny it. This is the fallacy of price fixing.

Price fixing does not keep prices down. I have made that statement so often. All it does is to set the main and anyone else who can produce products below that will lift the price of their products to the main. That is all price fixing has ever done and all it ever will do.

As far as I am concerned, this measure should not see the light of day. We are just as violently opposed to it in the Liberal Party as are members of the Country Party.

MR. HARMAN (Maylands—Minister for Labour) [2.35 p.m.]: I thank the Leader of the Country Party and the Deputy Leader of the Opposition for their contributions to the debate. As has been said, a similar measure was before the House last year and, although it passed this House, it was rejected in the Legislative Council. The reasons the present measure is now before the House are exactly the same as the reasons for the introduction of a similar measure in 1972.

What is amazing is that the present Opposition, in 1964, supported the amendments which are contained in the Bill now before us. I am not referring to all members of the present Opposition because some of them were not members of Parliament at the time. Certainly those who were in Parliament in 1964 supported the measure. It passed through this House when the Liberal-Country Party Government was in office. Now members of the Liberal and Country Parties are opposing it.

As I pointed out in my second reading speech, there are extremely good reasons for the introduction of this measure.

Mr. McPharlin: What did the present Minister for Works do in 1964?

Mr. HARMAN: I know what he did.

Mr. McPharlin: He opposed it.

Mr. HARMAN: There is nothing wrong with that. I do not know whether the Leader of the Country Party was a member of Parliament at the time but certainly members of the Liberal and Country Parties who were members of Parliament in 1964 supported the amendment moved by Mr. Wild who was Minister for Labour at the time and introduced the measure to the House. The amendment we are now discussing is identical, word for word, with the 1964 amendment.

I want to refer to what he said. His words are contained in a requote given by my predecessor, the present Deputy Premier, at page 2462 of volume No. 3 of *Hansard* for the year 1972. The words are—

> I continue to quote from the speech made by the Minister at that time—

Mr. Rushton: The present Deputy Premier was not a member of Parliament at the time.

Mr. HARMAN: I refer to a requote.

Mr. Taylor: I was here in spirit if not in person!

Mr. HARMAN: I am referring to the comments made by the Liberal Minister for Labour in 1964 and requoted by my predecessor, the Deputy Premier. The words are—

> The purpose of this amendment is to allow in the first place of the appointment of a committee as and when required to investigate the price of wheat products.

The Minister, before concluding, had this to say—

> By providing for the price to be fixed by regulation—

That is all I am asking in the present measure. The requote continues—

> —and the appointment of a committee as and when it is considered necessary or desirable, it will be possible for the machinery of the Wheat Products (Prices Fixation) Act to be reimplemented in the interests of the consumer of

wheat products or the producer of wheat without delay or complication, at any time the government of the day may so desire.

Now the Opposition feels that it cannot support the present legislation. The Leader of the Country Party said that the Government wants to amend the Wheat Products (Prices Fixation) Act for the benefit of the people about whom the Government is concerned. The Leader of the Country Party said this in a rather derogatory way, as if the Government were concerned about a sectional group of people. That is not the case at all; if we are concerned about a sectional group of people that sectional group is the people of Western Australia. It is not one little section here or another section somewhere else. We are concerned about the consumers—the people of Western Australia—who buy bread. They are the people about whom the State Labor Government is concerned.

The Leader of the Country Party tried to give the impression that the cost of flour was not the principal feature in the cost structure of a 2 lb. loaf of bread. What he was saying is true. Certainly it is the principal ingredient, but it does not constitute the principal cost. However, he failed to tell the House that the cost of flour is not very much lower than the cost of labour as an ingredient in the price structure of a 2 lb. loaf of bread. For the record I will tell the House that the cost of labour for a 2 lb. loaf has been assessed at about 8.44c and the cost of ingredients at 9.63c. So in actual fact the cost of ingredients is higher than the cost of labour.

Mr. McPharlin: There would be other ingredients as well.

Mr. HARMAN: I am coming to that. When we look at the ingredients in a loaf of bread, approximately one-ninth of the loaf consists of yeast and fats, and eight-ninths is flour. With some further arithmetic we discover that eight-ninths of 9.63c—the cost of the ingredients—works out at 8.56c. Now, as I have said, the cost of labour is 8.44c and the cost of flour is 8.56c. This illustrates very clearly that not only is flour the principal ingredient in a 2 lb. loaf of bread, but also it accounts for a major portion of the cost structure.

All we are seeking with this Bill is what the Opposition asked for in 1964; that is, that we correct the ludicrous situation currently existing so that the committee can examine the cost structure of flour because of its importance in the total cost structure of bread. If necessary, the committee can impose a control on the price of flour.

Mr. McPharlin: What about the labour component in the cost of flour from the millers' point of view?

Mr. HARMAN: That is what the committee will do. It will be a committee to examine the cost structure of a loaf of bread. It will consider the cost of labour, overheads, and ingredients—

Mr. W. A. Manning: That is not a maximum, it is a minimum only.

Mr. HARMAN: I thought the honourable member would be up on this because he is involved in the flour business.

Mr. McPharlin: You have not assessed the cost of flour in your figures; you have assessed the bread prices.

Mr. HARMAN: Because we have not yet been permitted to give these figures.

Mr. Taylor: How do you assess the price of a gallon of milk? You have a committee to do it and that is what the Minister wants here.

The SPEAKER: Order!

Mr. McPharlin: You will have the bread prices assessed—

The SPEAKER: Order! Members will allow the honourable member on his feet to address the House. I will not have these interjections. The Minister for Labour.

Mr. Taylor: Hear, hear!

Sir Charles Court: I agree.

Mr. HARMAN: Thank you, Mr. Speaker, although I do not personally mind the interjections. They sometimes show up deficiencies in a member's argument.

Mr. O'Neil: They enhance the Minister's speech!

Mr. HARMAN: We saw today that the Leader of the Country Party was all set to make a speech about the hot bread kitchens. He very quickly got off that one!

Mr. Hutchinson: Very disorderly interjections!

Mr. McPharlin: Under union control.

Mr. HARMAN: The Leader of the Country Party said that the Master Bakers' Association had complained about the hot bread shops in regard to the pricing of special loaves of bread. I was hoping he would have gone on to say that we ought to do something about it.

Mr. O'Connor: He ought to have complained about the "loaf" of the present Government!

Mr. HARMAN: He knew that if he continued with his argument he would have to suggest that the price of bread in hot bread shops should be controlled. He would not say we should do this because he realised the hopeless situation he was getting into.

Mr. McPharlin: I do not agree with controls.

Mr. HARMAN: What about the complaint that the hot bread shops charge 34c for a special type of bread?

Mr. Stephens: What about addressing the Chair!

Mr. HARMAN: Surely the next point to the argument put forward by the Leader of the Country Party would have been that we ought to control the price of these lines. I assure the Leader of the Country Party that this matter is being looked at.

Finally, this is a very simple measure. We wish to amend the Act in the same way as the previous Government attempted to do in 1964. The Government believes the committee ought to be able to examine the cost structure of flour because it is a principal factor in the price of bread. If the committee is to examine all the facets of bread costs, then it ought to be able to look at the cost of the principal ingredient—a major part of the price of bread whatever size the loaf. I therefore ask the House to support this Bill wholeheartedly.

Question put and a division taken with the following result—

Ayes—21

Mr. Bateman	Mr. Fletcher
Mr. Bertram	Mr. Harman
Mr. Bickerton	Mr. Jones
Mr. Brady	Mr. Lapham
Mr. Brown	Mr. May
Mr. B. T. Burke	Mr. McIver
Mr. T. J. Burke	Mr. Sewell
Mr. Cook	Mr. Taylor
Mr. Davies	Mr. A. R. Tonkin
Mr. H. D. Evans	Mr. Moiler
Mr. T. D. Evans	*(Teller)*

Noes—22

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

Pairs

Ayes	Noes
Mr. Jamieson	Mr. Runciman
Mr. Bryce	Mr. Nalder
Mr. J. T. Tonkin	Mr. W. G. Young

Question thus negatived.

Bill defeated.

CHURCH OF ENGLAND (DIOCESAN TRUSTEES) ACT AMENDMENT BILL

Third Reading

MR. T. D. EVANS (Kalgoorlie—Attorney-General) [2.50 p.m.]: I move—

That the Bill be now read a third time.

During the debate on the second reading and in the Committee stage of the Bill the Leader of the Opposition raised certain points he considered should be examined and, of necessity, I had to refer these to the solicitors for the Anglican Church in Western Australia. The points raised have now been examined by them and I hope that their explanations will satisfy the Leader of the Opposition because I was unable to obtain from *Hansard* an uncorrected copy of the speech made by the Leader of the Opposition yesterday evening as it was not received by him until this morning. The answers to the queries raised by him are as follows—

(a) Re Deanery—on page 3, lines 5 to 7 of the Bill reference is made to Cathedral Square and the Deanery; the old deanery which is not currently in use as a residence, is within the description of Cathedral Square as shown in the Schedule, that is it is on the land comprising Cathedral Square, and so it was quite deliberate to add "and the Deanery" which is defined on page 7 of the Bill and is currently outside Cathedral Square and may always in the future be outside Cathedral Square.

The SPEAKER: Order! I must ask members to be quiet.

Mr. T. D. EVANS: Continuing—

This is seen when you read lines 33 to 35 on page 3 of the Bill which refers to "a Deanery whenever and wherever required". However, it is conceded that the words "and maintenance" in lines 32 and 33 on page 3 are repetitious of the provisions in lines 1 to 8 on page 3.

Even though those words may well be repetitious I see no reason for their being deleted. They do not create any conflict. I continue to quote—

(b) Re proposed section 3A(5)—the Church and their solicitors understand that this does have some retrospective effect and specifically asked for it to be put in.

(c) The quorum of the Foundation—page 5 of the Bill, lines 25 to 27—the Church deliberately planned a stiff quorum for the Foundation and consider it to be workable with the provisions for deputies. The Church's solicitors have pointed out—

This is important. Continuing—

—that the meetings of the Foundation will be very important ones and will probably meet only a couple of times a year.

Therefore the stiff quorum would not present the problem it would to a body that met frequently. I continue to quote—

(d) Suggested conflict between proposed section 3A(3)(b) and proposed 3B(11)—There is no inconsistency here. Attention is invited to the proposed 3B(12) whereby the determinations and directions of the Foundation in

relation to the distributions of residue are binding on the Trustees. This is consistent with the provision for the distributions in the proposed section 3A(3)(b). On the other hand, when the Foundation gives advice on the day to day management of Cathedral Square, or recommendations on its development, that advice and those recommendations are not binding on the Trustees. If this Bill becomes an Act the Trustees will be bound by the trusts on the land comprising Cathedral Square as varied by this Act; and if they did not follow—

That is the point the Leader of the Opposition made. Continuing—

> —a determination or direction of the Foundation in respect to the distributions to be made under the proposed 3A(3)(b), they would be in breach of the trust.

I trust that explanation is satisfactory. It was arrived at after consultation between the Parliamentary Counsel and those responsible for the drafting of the Bill—the solicitors for the Anglican Church of Western Australia. In view of the assurance I have given I now commend the Bill to the House for its third reading.

SIR CHARLES COURT (Nedlands—Leader of the Opposition) [2.57 p.m.]: I thank the Attorney-General for the explanation he has given. I have no intention of being pedantic, but there are one or two aspects which I still think could be the subject of further review by the legal people. One of the problems is that these people become so immersed in the actual drafting of the Bill that they cannot see the wood for the trees. That comment is probably a little harsh and unkind and I do not intend it to be taken in that way, but in listening to the Attorney-General I think there are one or two questions that have not been fully understood, although the points he has covered —that is, so far as the points I raised are concerned—are complete.

There is no need to delay the passage of the Bill, but after I have had a chance to read the Attorney-General's speech I will discuss the matter further with him if I consider there should be some clarification of the explanation he has given. I support the third reading.

MR. T. D. EVANS (Kalgoorlie—Attorney-General) [2.59 p.m.]: I invite any further comments the Leader of the Opposition wishes to make in this regard.

Question put and passed.

Bill read a third time and transmitted to the Council.

MINE WORKERS' RELIEF ACT AMENDMENT BILL

Second Reading

Debate resumed from the 11th October.

MR. O'NEIL: (East Melville—Deputy Leader of the Opposition) [3.00 p.m.]: This small Bill was explained fairly clearly by the Minister when he introduced the second reading. It is designed to correct an anomaly in that certain people who are receiving mine workers' relief are still required to make contributions to the fund, whereas other categories of miners are not so required to make contributions.

The Bill also seeks to ratify matters in regard to the moneys that have been collected from those people. Without further ado we indicate we support the measure.

MR. MAY (Clontarf—Minister for Mines) [3.01 p.m.]: I thank the Deputy Leader of the Opposition for his support of the Bill. As he pointed out this is a very small Bill in content; but I should point out it does cover a great deal of ground in relation to the people who will be embraced by it. The Mine Workers' Relief Board which comprises a representative of the Chamber of Mines, a representative of the Australian Workers' Union, and the chairman who is the local warden, is fully in accord with the measure.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

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

MENTAL HEALTH ACT AMENDMENT BILL

Returned

Bill returned from the Council with amendments.

RAILWAY (KALGOORLIE-PARKESTON) DISCONTINUANCE AND LAND REVESTMENT BILL

Second Reading

Debate resumed from the 11th October.

MR. O'CONNOR (Mt. Lawley) [3.04 p.m.]: From the point of view of the Opposition we have no objection to the Bill, and we support it. I am sure members realise that when standard gauge was introduced in Western Australia the line between Kalgoorlie and Parkeston would become redundant.

Previously Parkeston had been used as a transfer point for goods, from the narrow gauge lines of the State to the wider gauge line of the Commonwealth Railways. However, in recent times, as the Minister has explained, it has been used only to a very minor degree for the transfer or the storage of goods for Leonora and Laverton. Arrangements have now been made for these goods to be stored at the West Kalgoorlie yard, so there is no further need for this particular section of the line. It is only a small section of line, and we agree to its closure.

I believe that in the future other sections of narrow gauge line in the State will be closed in stages. These are the lines which are running at a fairly heavy loss, and which at this point of time are virtually redundant. In my opinion the closure of such lines will improve the overall railway finances of the State in the long run.

Mr. May: The Kalgoorlie-Parkeston line is not being closed as a result of any loss.

Mr. O'CONNOR: I realise that. I am sure the Minister for Mines agrees with what I am saying. We have to face up to the uneconomic lines at some point of time, and we should do all we can to put the railways in a favourable position.

Mr. O'Neil: The line running from Midland to Caversham is not running at a loss?

Mr. O'CONNOR: I do not use it. We must be realistic about the need to improve railway finances. Both the Railways Department and a number of its employees are extremely interested in ensuring that not only are the railways run efficiently, but that the revenue is commensurate with the service provided. I shall not go further into that aspect at this juncture.

I repeat that the Parkeston-Kalgoorlie line is a very small section. In supporting the second reading, I wish to indicate that this will not be the only line to be closed. I hope that in the future other sections of lines which are uneconomic or redundant will be closed.

MR. MAY (Clontarf—Minister for Mines) [3.07 p.m.]: I thank the member for Mt. Lawley for his support of the measure.

The SPEAKER: This is not a speech in reply to the debate.

Mr. MAY: I am making the reply. I agree with the member for Mt. Lawley that the Railways Department has requested the closure of this line. This step is in line with the policy of the department to do away with redundant lines, and ultimately with those which are not economic.

On reading the debate which took place in another place, I saw that one member dealt with the history of the line and said how as a boy he used to walk along the Kalgoorlie-Parkeston railway line. The people of Kalgoorlie are in accord with the closure of this section; and both the Railways Department and the Director-General of Transport are keen to have the Bill passed.

This step is in line with the policy adopted by the Railways Department for the furtherance of the standard gauge, and the closure of lines which are redundant and uneconomic.

MR. GAYFER (Avon) [3.08 p.m.]: I did not intend to speak to the measure, as I am fully in support of it. However, the member for Mt. Lawley and the Minister who has just resumed his seat both talked generally about the closure of this railway line, how other redundant lines would be closed, and how some nonpaying lines would be viewed from the overall efficiency of the railway system of this State.

I wish to make my position clear. Having lived—in fact I am still living there—on a property situated alongside a railway line that has been closed through a combined vote of the Liberal Party and the Labor Party, against the Country Party, many years ago; having that issue still in mind; and looking at the country served by that line and at what it produces, I reservedly support the remarks which have been made in the debate. I am sure every member of my party also supports the remarks made by the Minister and the member for Mt. Lawley in respect of the Bill.

Mr. May: Do you agree with them?

Mr. GAYFER: I agree with their remarks on the line in question, but the Minister departed from the Bill. In respect of some of the railway lines that have been closed, if the Minister looks at the matter from the point of view of profit making, and compares that with the development that has taken place along the closed lines, I am sure he will find that from the point of view of the overall efficiency of the railways it was probably a mistake to close them.

Mr. May: I would like to point out that some of the lines would not have been closed if the primary producers had used them for the transport of goods. I refer to goods which should be carted by rail. They should not have backloaded those goods on their trucks.

Mr. GAYFER: My conscience is clear.

Mr. May: There would never have been any closures of railways if it were not for the fact that primary producers were not using them.

Mr. GAYFER: My conscience is clear and if the Minister ever sees my truck backloading superphosphate he can talk to me in that manner.

Mr. May: But the member for Avon does agree that the farmers do backload?.

Mr. GAYFER: I am saying that what is now being transported alongside that line by Transport Commission trucks—the

trucking of grain alone on a 58-mile section—and the installations which are involved would have kept the line operating. When the closure is compared with the expansion which is taking place it can be seen that it was a short-sighted action. The grain production from that area is being carted by contractors' trucks and not farmers' trucks.

Mr. May: I still say that the Railways Department would not be closing any lines if it were not for the shortsightedness of the farmers.

Mr. O'Connor: Areas have even been closed at the request of the local residents.

Mr. GAYFER: It was intended to close the Bonnie Rock-Wialki line, the Hyden line, and the Brookton-Corrigin line. The Brookton-Corrigin line was ripped up and I would venture to say that at that time not too many farmers had trucks which were capable of travelling to the city.

After pulling up the Brookton-Corrigin line the department found it necessary to open the Bonnie Rock-Wialki line, and the Hyden line, on a part-time basis each year. Those lines are gradually remaining open for longer periods each year.

Mr. May: They would not have been closed if they had been used.

Mr. GAYFER: I do not support the general closure of railway lines in a willy-nilly fashion. I support the Bill now before us, and the closing of this particular line, but to talk about general closures, as was suggested by the two previous speakers, is something I disagree with entirely. My predecessor disagreed at the time of the closing of the lines I have mentioned.

Mr. O'Connor: Does the member for Avon support the total use of rail?

The SPEAKER: Order!

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Mr. May (Minister for Mines), and passed.

ADOPTION OF CHILDREN ACT AMENDMENT BILL

Second Reading

Debate resumed from the 11th October.

MR. R. L. YOUNG (Wembley) [3.16 p.m.]: This Bill, which deals with the adoption of children, has already been passed in another place without amendment. It was accepted not only in regard to its verbiage but also in regard to the principle it espouses.

At the outset I would like to say I was a little disappointed—and perhaps I will contradict myself at a later stage of my speech—to notice that those members who have spoken to this Bill up to date have not mentioned the fact that its prime importance is the welfare of children.

Mr. T. D. Evans: The member for Wembley is referring to the speakers in another place, of course.

Mr. R. L. YOUNG: Yes, the speakers in another place. The principle of any legislation which gives the State the right to interfere with or make decisions regarding children must be, firstly, the interest of those children.

Section 2A of the principal Act states quite clearly that for the purposes of the Act the welfare and interest of the child shall be regarded as the paramount consideration. After reading the speeches which were made in another place, and after reading the Minister's second reading speech it seems to me that the Bill has been framed for the purpose of making adoption easier for parents—both the adopting parents and the natural parents —and in some cases easier for the courts in administering the law.

The present Bill, however, will not affect the child to a great degree; it certainly will not be detrimental to the child. With those remarks, perhaps, I have contradicted myself.

I want to say simply that in any legislation whereby the State is involved with the adoption of a child, the child is of the absolute and utmost importance.

The measure now before us has three objectives. Firstly, it limits the period of consent to 30 days in all cases, notwithstanding a change of circumstances whereby a subsequent consent may be necessary. If a parent or a guardian, at some stage after the original consent has been given for the adoption of a child, becomes entitled to give consent by virtue of certain circumstances—of which I will give an example later—it may be possible for the adoption to be upset. For this reason that provision in the Bill is absolutely necessary.

I will use the example of an illegitimate child whose mother, under the Act as it now stands, is the only person who is required to give consent to the adoption of that child. If at some time—as was pointed out by the Attorney-General—subsequent to that adoption the natural mother marries the natural father then, under the Commonwealth Marriage Act, the child is legitimated to the date of its birth. That means the natural father who has now married the natural mother could in fact say that at the time the adoption was made his consent would have been required and therefore, as he had not given the consent, in that sense the adoption was not valid and the child belonged to him by right as a legitimate child.

To overcome that kind of problem—and I understand it is not purely theoretical but has arisen in not one case but a number of cases—this Bill has been introduced. That is quite right because it not only protects the adopting parents but also, more importantly, it protects the child who may by that time have grown to the age of two, three, or four years when it would certainly be old enough to know, love, and be loved by its parents, and who may suddenly be taken away to a couple of strangers it has never known. The traumatic effect of that happening—because it had to happen under our law—should not be allowed to continue. That part of the Bill has my unqualified support.

I know of some cases where an illegitimate child has been adopted into a marriage and that marriage has subsequently broken up in a very short time before the child has even reached the age when it is particularly conscious of who its existing parents are; the child finds itself the subject of a wrangle between two parents who are not its natural parents and may even find itself adopted into a third marriage before it reaches the age of 18 months or two years. I know of one case in particular where this happened.

Whereas in 99 cases out of 100 the proposal in the Bill would be the only and right course to take, it might be good to store up in our memory banks the fact that circumstances are not always as beautiful as they appear to be on the surface. Mistakes can be made in adoption and a child could well find itself better off with its natural parents if the natural parents should marry at some stage. They may prove to be more capable and infinitely better parents, perhaps, than the parents of a third marriage into which the child could find itself going.

I do not wish to push the point. I think the chances of that happening are so minimal that it is hardly worth comment, but the unusual sometimes happens and I mention that as one case in 100 where this measure may not necessarily do what it sets out to do.

In respect of clause 3, I would like to draw the attention of the Attorney-General to two particular points. I am not absolutely certain—although I am not qualified to say—whether the clause achieves what the Attorney-General wants it to achieve and what I have just claimed it does achieve. It has the effect of adding a new subsection (6) to section 4A of the principal Act. I point out that the first words are "In respect of any application for an order of adoption", and it goes on to say—

> . . . where all the consents given—
>
> (a) are, on the date they are given, the only consents necessary under this section; and
>
> (b) are not revoked under section four D of this Act,
>
> the Judge may make the order of adoption . . .

It seems to me those words might indicate that the judge is being given power to make an order of adoption which he already has under the Act anyway and which this proposed subsection does not appear to affect. It seems to me the most important thing is whether the order of adoption will stand notwithstanding that the subsequent marriage to which I referred takes place. In other words, I am saying the judge can make the order of adoption now and this proposed subsection simply appears to say he may make the order of adoption. It may be that at some subsequent stage that order of adoption is not valid and the parent can claim the child back.

I suggest the Attorney-General look at it. He may see fit to add the words "the order will remain valid notwithstanding the requirement for further consents to be given", or words to that effect.

The other matter I want to draw to the attention of the Attorney-General is that the proposed subsection refers to "the date"—the date the consents are given.

When one looks at section 4A of the Adoption of Children Act, one finds that subsection (2) on page 5 of the Act says that in the case of a legitimate child the appropriate persons who have to give consent are every person who is a parent or guardian of a child. In regard to legitimate children, obviously more than one person has to give consent. Subsection (3) says that in the case of an illegitimate child the appropriate person is the mother or guardian of the child. It is possible there may be a mother and a guardian, so it presupposes that more than one person needs to give consent.

However, the proposed new subsection in the Bill refers to "the date". It is quite possible the consents were obtained on different dates. In the case of a legitimate child, the mother might give her consent on one day and the father might give his consent some months later. It therefore seems to me the wording should not be "on the date they are given" but should be "on the date of application". If those words are used there will be no doubt about what the date is because there will be only one application, whereas there may be two consents. The important point is what the situation is on the date of the application, I think.

Having drawn that matter to the attention of the Attorney-General, I say I think the principle of the clause is dead right but I am not certain that it actually achieves what it aims to achieve.

In respect of the other two amendments the Bill envisages, the first is in regard to a report from the Child Welfare Department required under the present Act in the case of the adoption of any

child. Under the Act at the moment, the judge has no discretion as to whether or not the report is lodged. He must obtain a report prepared by the Director of the Department for Community Welfare and the adoption cannot be made without such a report.

The Bill deals with the situation where one of the parents seeking adoption is a natural parent. A classic example is in the case of a divorced couple where the mother has had custody of the child for some time, then she remarries and wants to adopt the child into the new marriage. It is fairly obvious that such a mother would find it a little heartrending and degrading to have an officer of the Child Welfare Department come in and start making investigations about her as a natural mother. There is very little the department can do to take a child away from a natural mother. In any case, other than in exceptional circumstances the adopting parent—the adopting mother or father, as the case may be—should not be under an absolute obligation to submit to an examination of that kind. The Opposition has no argument about that and in fact agrees with it completely.

Protection is provided for the child; if the judge feels there is a need for such an examination to be made he may ask the Department for Community Welfare to make it. It is essential that he have that power. The measure also allows the Director for Community Welfare to make a report if he thinks fit, regardless of whether or not the judge asks him for one. I feel both those provisions are essential.

The same clause also requires that where the child of a deceased person is to be adopted into another marriage, the adopting parents must give at least 30 days' notice before the application is lodged with the Supreme Court of their intention to adopt the child. Incidentally, they must give notice to the child's grandparents on the deceased person's side, or, if they do not survive, to brothers and sisters of the deceased person. The reason for this is that the child's grandparents and aunts and uncles may not only keep track of the child and know into which family he is going, but they also have the opportunity to lodge a complaint with the Director for Community Welfare if they do not agree to the adoption. No doubt such complaint would be the subject of a report which the director would present to the judge.

Probably that provision leaves the situation open for distressed grandparents or aunts or uncles to become a little catty and write letters to the department which may have nothing of substance in them. However, because the legislation is concerned with the welfare of the child we must take that risk. For that reason I think the requirement to give notice to those people is reasonable. In a question of this type the judge must be the one who makes the decision about the adoption and as to whether a report should be presented by the Department for Community Welfare.

Probably, in the final analysis, if the child were old enough to form any sort of opinion upon his own circumstances and his prospective adopting parents, he would be the only one who could really say at the time whether or not the adoption is a good idea. That might sound strange to some people, but I think perhaps when it comes to the affairs of children judges are not sufficiently prepared to call a child—let us say the child has the undoubted ability to communicate—into his chamber and chat with him. Judges may do that more regularly than I think they do, but I feel perhaps it is not done often enough. It could well be something that people in that position, or those likely ever to be in that position, should give some thought to.

The third matter covered in the Bill concerns publicity in connection with adoption. At the moment under the Act no publicity is allowed to be given to an adoption by any person in respect of making it known that a certain child is the subject of an adoption process or that any other people are connected with that process; and that prohibition on publicity applies from the date of the application to the date of the order.

The Attorney-General pointed out that this clearly does not sufficiently cover the situation. The new provisions contained in the Bill will make the situation much clearer. The wording of the provision seems to indicate that no-one may give publicity to an adoption from the time a person even conceives the idea of adoption and for evermore. That is how I read the provision, but I may be wrong.

The provision seems fairly reasonable when we consider the publicity which has been given to certain adoptions from time to time. The public really have no right to know the circumstances of an adoption; it is a private, personal matter between the parents and the child. So I think this is a fairly good point.

However, I would like to draw the attention of the Attorney-General to a custom which has arisen—and quite a charming custom—in which young couples who cannot have children place a notice in the newspaper saying they have adopted a beautiful daughter named, say, Melissa Jane. These couples state their name in the paper and also name the child, so there is no question about identity; both the child and the parents are easily identifiable.

It would seem to me that a charming notice such as that in the paper would constitute an offence, and the couple might be liable to be fined $400 or imprisoned for

12 months. I think if the Attorney-General reads the provision word for word he will find there is no doubt the couple could be subject to that penalty.

Obviously no-one would take action against a couple who did that, although we might find someone such as a jealous ex-wife, ex-husband, or father of an illegitimate child could cause action to be taken against the adopting parents. I do not know whether there is any obligation upon the Crown to take action when a clear breach of the law is pointed out to it; but when we are dealing with people in circumstances such as these there is always the nut who will cause trouble and it is possible that the Crown will be advised to take action.

I suggest to the Attorney-General that this matter be considered so that young childless couples who adopt children are not denied the opportunity to announce to the world that they have a baby.

With those comments, I think I can reasonably say the Bill has been covered. The Opposition has no quarrel with its principle. In fact, I commend the Attorney-General for the measure. It is a clear, simple Bill and I think the speedy passage it received in the other House is an indication that we certainly do not intend to delay its passage through this House.

DR. DADOUR (Subiaco) [3.38 p.m.]: I rise to support the Bill and the remarks of my colleague, the member for Wembley. I think this is a good and most necessary measure. I agree with the remarks of the member for Wembley, particularly in respect of the query he raised about notices inserted in the newspaper by adopting parents saying that they have adopted a child. I believe this is one of the nice things in life. Such notices do not name the natural parents of the child, and I can see no objection to this practice. However, I would ask the Attorney-General to consider a certain type of case which I have encountered on two occasions, and which causes me a great deal of concern. Remember that in legislation such as this the welfare of the child is of paramount importance and must be our first consideration.

I have encountered a case of a young married couple and the wife has become pregnant. For some reason or other the marriage has broken up. Subsequently, the child has been born and his father is not at all interested in him. The mother has divorced the father and remarried. The problem here is that there is other issue of the mother's second marriage, and the child of the first marriage knows only his mother's second husband and believes he is his natural father.

Not knowing any other father, the child comes to love and adore the father he knows as though he were his natural father. At this stage the couple desire to adopt the child, but they run into difficulty because the natural father of the child through sheer cussedness—I say that because the natural father did not ever contribute to the child's welfare; he could not care less about the child and has never sought access to it—refuses to sign the adoption papers. It would be a great help if the Attorney-General could look into this matter and possibly come up with a solution to the problem.

I know of two couples at the moment who are placed in this predicament. The child is known by the name of the second marriage and uses that name, as do the other children in the family. When the child has to go to school, however, and it is necessary for a birth certificate to be produced the name of the child on that certificate is different from that by which he has always been known, and by which the other children have always known the child.

In both the cases to which I have referred the marriages were torn asunder before the birth of the child in question. Not long after the child is born the divorce proceedings go through rather quickly and the mother marries again rather quickly and has issue fairly close to the first child and, as a result, there are only two years between the first child who is going to school and the other child who is born shortly after the mother remarries. Apart from this problem there is also the question of the incongruity of the name.

The one important point I wish to stress is the cussedness of the natural father who, though he could not care less about the child, is not prepared to permit the child to be adopted by the new father. Apart from that point I support the Bill.

I think the measure is a good one and its provisions will meet a long-felt need. Because of this I have taken the opportunity and the privilege to cite the two cases of which I have personal knowledge and with which I have been in close contact.

MR. T. D. EVANS (Kalgoorlie—Attorney-General) [3.43 p.m.]: I thank both the members who have contributed to this debate. There is little doubt that both have spoken with compassion. If I were asked to draw a distinction between the two speeches I do not know whether I could.

I do know, however, that the member for Subiaco has spoken from personal and professional experience. In this type of legislation we are not only dealing with the dignity of the person but with the future destiny of a Western Australian.

While it has been pointed out that the Bill has run the gauntlet in another place and that the Government could force it

through, if it so desired, because it has the numbers in this House, I assure members it is not the intention of the Government to do this.

I do appreciate the comments that have been made and I intend to call for copies of the speeches made by the members concerned in order that I may examine the points they have raised. I will reply to these points during the Committee stage of the Bill.

I thank those members for their support of the measure and at this stage I will commend the Bill and take the Committee stage at a subsequent date.

Question put and passed.

Bill read a second time.

Sitting suspended from 3.45 to 4.05 p.m.

BILLS (10): ASSENT

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

1. Property Law Act Amendment Bill.
2. Firearms Bill.
3. Motor Vehicle (Third Party Insurance Surcharge) Act Amendment Bill.
4. Nurses Act Amendment Bill.
5. Dental Act Amendment Bill.
6. Coal Mine Workers (Pensions) Act Amendment Bill.
7. State Electricity Commission Act Amendment Bill.
8. Western Australian Arts Council Bill.
9. Trade Descriptions and False Advertisements Act Amendment Bill.
10. Juries Act Amendment Bill.

QUESTIONS (24): ON NOTICE

1. LYNWOOD HIGH SCHOOL

Completion

Mr. BATEMAN, to the Minister representing the Minister for Education:

As there appears concern amongst all the parents and citizens' associations affected when the building of the Lynwood high school will commence at the corner of High and New High Roads, Parkwood, will he advise—

(a) the date of commencement;

(b) the date of completion?

Mr. T. D. EVANS replied:

It is not possible to nominate actual commencement and completion dates for the new Lynwood high school at this stage. However, it is anticipated that a phased development of the first two stages of the school will commence during 1974 for occupation at the start of the 1975 school year.

2 to 4. *These questions were postponed.*

5. HOUSING

Commonwealth-State Housing Agreement: Tabling

Mr. O'NEIL, to the Minister for Housing:

Would he table a copy of the Commonwealth and State Housing Agreement recently entered into by the State together with any relevant supporting documents?

Mr. BICKERTON replied:

As the second reading of the appropriate Bill has not been made, I will not table a copy of the agreement, but I will make it available to the Deputy Leader of the Opposition.

6. EDUCATION

Libraries: Book Selection

Mr. RUSHTON, to the Minister representing the Minister for Education:

(1) Has the headmaster of each school autonomy in selecting reading books for their school libraries?

(2) Is it expected the individual librarians at the schools employing these librarians will have the right of choice?

(3) Is it understood the various booksellers are eligible to offer their books and make sales on the acceptability of the quality and cost of the books?

Mr. T. D. EVANS replied:

(1) Books are supplied to school libraries under a number of different categories. The method of selection in each case is as follows—

(a) Annual library issues. Schools have the right of selection from an extensive list of books which will subsequently be purchased through a system of tenders.

(b) Acquisition amount. Schools have complete autonomy according to eligibility as published in the *Education Circular*.

(c) Foundation issues to new libraries. Selection is made by the library services branch in the first year but in successive years category "(a)" applies.

(d) Commonwealth issues. Schools are free to select from extensive lists but from 1974 it is proposed that secondary schools be empowered to spend portion of the grant on books of their own choice without reference to the department.

(e) School funds. Schools have complete autonomy to spend school funds for library purchases.

(2) The ultimate responsibility for selection of books rests with the headmaster of the school. It is usual, however, for the selection to be made as a result of consultation with staff members.

(3) Booksellers can offer books for purchase in categories where schools have autonomy or may submit tenders when advertised in all other categories.

7. AGRICULTURE PROTECTION BOARD

Cost, 1972-73

Mr. SIBSON, to the Minister for Agriculture:

How much did it cost in 1972-73 (including salaries of officials) to operate the Agriculture Protection Board section of the Department of Agriculture?

Mr. H. D. EVANS replied:

$2,083,230.

8. FAUNA BRANCH

Cost, 1972-73

Mr. SIBSON, to the Minister for Fisheries and Fauna:

How much did it cost in 1972-73 (including salaries of officials) to operate the fauna section of the Department of Fisheries and Fauna?

Mr. BICKERTON replied:

Approximately $481,000 which represents about 31% of the total departmental budget.

9. MEMBERS OF PARLIAMENT

Staff and Offices

Mr. MENSAROS, to the Premier:

Adverting to the Government's decision to provide offices and staff for Members, could he please give information as to the following—

(1) For what purposes are these facilities being provided, especially are they to be used for party political and electoral campaigning purposes as well as for Parliamentary and proper constituency work, only the latter so far having been accepted to be done by Members with the help of the Government paid staff of Parliament House?

(2) If the facilities are to be used for electioneering and campaigning purposes, will the staff be allowed to canvass outside the office on behalf of the Member?

(3) Will the facilities and staff be allowed to be used only within the Member's present electoral boundaries, or will they be allowed to be used for work outside such boundaries, such as those parts of a new electoral district for which the Member might have been endorsed?

(4) If staff and facilities are meant to be used only for Parliamentary and constituency work within the Member's electorate, how is this going to be checked?

(5) Will the Member who applies for office and facilities be obliged to spend any specified time in the office?

Mr. Taylor (for Mr. J. T. TONKIN) replied:

(1) to (5) Whilst the proposal to provide clerk-typists and office accommodation for Legislative Assembly Members has been agreed to, in principle, other details are still under investigation, in the process of which regard will be had to the procedures now being followed in South Australia and Queensland.

10. TEACHER EDUCATION AUTHORITY

Costs and Grants

Mr. MENSAROS, to the Treasurer:

Adverting to his reply to question 13 on 16th October, 1973 could he say whether grants by the Commonwealth Government for partly or wholly meeting the cost of the Teacher Education Authority have been and will be respectively deducted from the general grants?

Mr. Taylor (for Mr. J. T. TONKIN) replied:

From 1st January, 1974, the State's financial assistance grant will be reduced on this account.

11. LOAN FUNDS

Unexpended Portion

Mr. MENSAROS, to the Treasurer:

Could he please give reasons to the House why the unexpended loan funds at the end of the financial year 1972-73 were $3,449,561,

nearly 7½ times as much as they were at the end of the previous financial year?

Mr. Taylor (for Mr. J. T. TONKIN) replied:

Total expenditure from the General Loan Fund in 1972-73 fell below the estimate by $2,921,554 and loan repayments exceeded the estimate by $528,007, thereby resulting in an unexpended balance of $3,449,561 at 30th June, 1973.

12. BUILDING BLOCKS

Demand in Metropolitan Area

Mr. RUSHTON, to the Minister for Town Planning:

(1) Approximately how many serviced building blocks need to reach the market each year in the metropolitan region to satisfy the demand?

(2) How many individual lots were utilised for years 1970-71, 1971-72 and 1972-73 for buildings?

(3) Considering the large disparity between the actual lots created as shown in Town Planning Department subdivisional statistics—Perth metropolitan region for 1972 (5,728) and 1973 (9,637)—and the far greater need stated by responsible people to be required, will he explain to the Assembly the basis for his confident statement that recent prices obtained for good Dianella building blocks do not reflect a shortage of supply?

Mr. DAVIES replied:

(1) The number of serviced building blocks required in the metropolitan region varies from year to year.

(2) I presume the question relates to new lots on which new buildings were erected. Such statistics are not available. Statistics for building during the periods referred to are—

1970-71—

7,805 house and duplex units.
4,748 flat units.

1971-72—

9,670 house and duplex units.
1,197 flat units.

1972-73—

11,453 house and duplex units.
770 flat units.

Two duplex or several flat units occupy the same lot. Buildings may be erected on old or new lots. The number of new lots used in each of these years was therefore in the order of—which means it is a "guesstimate"—

1970-71—7,100
1971-72—8,800
1972-73—10,400.

(3) The number of lots created is related to housing construction but there is a time lag in the operation of market forces. Building approvals and subdivisional preliminary approvals are indicators of new houses and new lots to come. It is significant therefore that between 1970-71 and 1972-73 the number of building approvals increased by 27% whereas the number of preliminary subdivisional approvals increased by 67%. For reasons such as this and the fact that the Dianella building blocks referred to were particularly attractive sites close to the city, I do not consider that their prices reflect a shortage of supply in the metropolitan region as a whole.

13. PUBLIC SERVICE

Senior Officers: Salary Trends

Mr. RUSHTON, to the Premier:

(1) Are the salaries of the State Government senior employees now out of parity with their private sector counterparts?

(2) Is the Government concerned with the present salary trends for its senior officers?

(3) What options are open to him to change or modify these trends?

(4) If he intends to seek changes, how will he act?

Mr. Taylor (for Mr. J. T. TONKIN) replied:

(1) It is not easy to determine who are the private sector counterparts of State Government senior employees, and to ascertain their salaries and other remuneration.

(2) to (4) The salaries of State Government senior officers follow the Australian Public Service standard for comparable positions. The aim has been to keep them at approximately the average of the other four mainland States, and this is the present situation. It is considered this is a reasonable approach.

Mr. O'Neil: It is not a reasonable approach in respect of workers' compensation.

14. FISHERIES

Assistance to Industry

Mr. RUNCIMAN, to the Minister for Fisheries and Fauna:

(1) Did he see an article in the *Daily News* of 9th October headed "Fishermen's future looks grim"?

(2) As the article was prompted by a report written by the Chairman of the Australian Fisheries Industries Council, does he consider that the statement is a true and realistic one?

(3) If not, what is the true position?

(4) Has the State Government any plans other than research to give more practical assistance to the industry?

(5) If "Yes" can he give details?

Mr. BICKERTON replied:

(1) and (2) Yes.

(3) Not applicable.

(4) Not directly. However, I have made representations to the Commonwealth Minister for Primary Industry and in fact introduced a deputation from the Western Australian rock lobster and prawning industries to him.

(5) Members of the rock lobster and prawning industries were invited to make a submission for compensation to Senator Wriedt. This they have done and I understand is to be considered by the Commonwealth Cabinet.

15. WATER SUPPLIES

Canning Vale: Extension of Mains

Mr. RUSHTON, to the Minister for Water Supplies:

(1) For what purpose is 17,660 feet of 8-inch water main being laid—

(a) in Nicholson Road, between Forrest Road and Acourt Road;

(b) in Acourt Road from Nicholson Road to Wharton Road;

(c) in Nicholson Road from Wharton Road to location 151 in Canning Vale?

(2) What is the total cost of this extension?

(3) What proportion of this cost is being found by other departments, expressed individually?

Mr. Bickerton (for Mr. JAMIESON) replied:

(1) For the provision of a supply of water to the new metropolitan prison complex.

(2) The estimated cost is $108,000.

(3) The total cost is being met by the Public Works Department.

16. ROCKINGHAM-KWINANA AND FREMANTLE HOSPITALS

Priority of Work

Mr. RUSHTON, to the Minister for Health:

Adverting to my question without notice on 16th October regarding the Fremantle and Rockingham-Kwinana hospitals—

(1) Will he advise me the total of the estimate and actual sum allocated and expended on hospital capital works for the financial years 1969 to 1973?

(2) Considering the Rockingham-Kwinana hospital was to be completed about now and Fremantle hospital extensions were to be further advanced, was the cause of the delays lack of finance?

(3) Considering the large disparity of hospital beds to people south of the Swan River, why was not portion of the resources ploughed into the Government centralised laundry and Perth Medical Centre redirected to redressing this unsatisfactory situation through advancing the Fremantle and Rockingham-Kwinana hospital works?

Mr. DAVIES replied:

(1) —

	Fremantle		Rockingham	
	Allocated	Expenditure	Allocated	Expenditure
	$	$	$	$
1968/69	267,102	131,871	....	....
1969/70	1,050,777	1,080,563	....	....
1970/71	540,996	377,791	....	....
1971/72	216,200	52,007	696	....
1972/73	1,001,000	825,058	300,000	337,357
	$3,076,075	$2,467,290	$300,696	$337,357

(2) No.

(3) A laundry and linen service is one of the essential elements of hospital service and both the previous Government and this Government have recognised the need to complete the Perth Medical Centre with the minimum possible delay. It is necessary to appreciate that planning such complex facilities as a hospital involves a tremendous amount of work and time.

The provision of additional funds would not have advanced either the Fremantle or Rockingham hospital works.

17. PRICES CONTROL

Submissions to Prices Justification Tribunal

Mr. McPHARLIN, to the Minister for Consumer Protection:

(1) Does he know what industries in Western Australia have had to submit a case for price increase to the Prices Justification Tribunal in Canberra?

(2) If so, who are they?

Mr. HARMAN replied:

(1) and (2) The Prices Justification Tribunal does not divulge information on which companies have applied for increases in prices in private hearings or applications. At present, there are only two public hearings listed, these being for Broken Hill Pty. Ltd. and Australian Paper Manufacturers Limited.

18. POTATOES

Processing Industry

Mr. BLAIKIE, to the Minister for Agriculture:

(1) Relating to the processing of peeled and chip potatoes, would he give details of the companies involved, projected usage of potatoes and areas where and when operations will be based?

(2) Is it a fact that the companies concerned require the Sebago and Kennebec variety of potato?

(3) What is the present production of these varieties?

(4) Has any attempt been made to encourage production of the varieties and, if so, would he give details?

(5) Is it anticipated that importation of these varieties will be necessary in the short term to meet requirements and, if so, would he give advice of tonnages required, cost, etc.?

Mr. H. D. EVANS replied:

(1) (a) Perth Potato Products operating at Spearwood. Projected usage 1440 tonnes annually.

(b) Snow Potato Products operating at Kewdale. Projected usage 1560 tonnes annually.

(2) Both companies have indicated a preference for Sebago and Kennebec varieties.

(3) Approximately 1,500 tons of Sebago were produced during the 1972-73 season.

(4) Certified Kennebec seed originally imported from Victoria has been propagated to the stage where approximately 60 acres will be planted in the coming summer crop. It is estimated production of Sebago during 1973-74 season will exceed 2000 tonnes. Growers have been granted additional acreage as an inducement to produce these varieties. Approximately 90 additional acres have been allocated in the coming summer crop.

(5) No.

19. TRAFFIC

Demerit Points: Proceeding through Amber Lights

Mr. BLAIKIE, to the Minister representing the Minister for Police:

(1) When an offender under the Traffic Act drives through amber lights does this cause demerit points to be recorded?

(2) Would he advise the authority for this and where the scale of points loss for this offence is to be found?

Mr. BICKERTON replied:

(1) Yes, on conviction for the offence or payment of a traffic infringement notice.

(2) The second schedule to the Traffic (Drivers' Licenses) Regulation, 1964.

Information to this effect is also shown in the booklet *A Guide to the Road Traffic Code.*

20. DOGS

Local Government By-laws: Correspondence

Mr. THOMPSON, to the Minister representing the Minister for Local Government:

(1) Has the Minister received a letter dated 25th March, 1973 from Mr. and Mrs. D. Court and Mr. and Mrs. D. D. Jones of c/o 28 Nathaniel Way, Orelia, on the subject of by-laws relating to dogs?

(2) Has he received a letter from solicitors, McCusker, Lawrence and Harmer, dated 14th September, 1973, on the same subject?

(3) Will he table a copy of—

(a) his reply to the letter of 25th March, 1973;

(b) his reply to the letter dated 14th September, 1973?

(4) If no reply was made to—

(a) the letter of 25th March, 1973;

(b) the letter of 14th September, 1973,

will he state why?

Mr. HARMAN replied:

(1) and (2) Yes.

(3) Replies were acknowledgements only pending consideration of the questions raised.

(4) The by-laws, the subject of the correspondence have not yet been fully examined to enable a recommendation to be made.

21. HOUSING

Reduced Cost of Construction

Mr. MENSAROS, to the Minister for Housing:

(1) Has he received any information from the Federal Minister for Housing and Works as to that Minister's ensurance how the building trade will be altered "so that houses would be built less expensively and as quickly as possible", as reported in *The West Australian* on 11th October, 1973?

(2) If not, will he seek information of the formula for the benefit of the State?

Mr. BICKERTON replied:

(1) Not beyond what has appeared in the Press and a communication relating to a proposal for large scale "industrial building".

(2) The State Housing Commission is constantly examining new techniques of building and new materials which could result in lower costs and speedier construction. The Federal Minister appears to be talking of "systems" and/or "industrialised" building techniques which so far have shown little advantage in the relatively limited market in Western Australia if any reasonable degree of architectural diversification is to be achieved.

22. ABORIGINES

Oombulgurri Settlement: Health Report

Mr. RIDGE, to the Minister for Health:

(1) Has he any recent reports from the Kimberley regional health surveyor in relation to the condition and adequacy of the undermentioned facilities at the Oombulgurri Aboriginal settlement (formerly Forrest River Mission)—

(a) water supply;

(b) toilet facilities;

(c) housing;

(d) hospital;

(e) school;

(f) kitchen and dining room?

(2) If "Yes" will he table a copy of the report?

Mr. DAVIES replied:

(1) Yes.

(2) Yes. Tabled herewith.

The report was tabled (see paper No. 423).

23. FORESTS DEPARTMENT

Timber Production, and Plant

Mr. MENSAROS, to the Minister for Forests:

(1) What was the output in—

(a) tons or other measurement of logs;

(b) superfeet of sawn timber,

separately shown for pine and hardwood by the Forests Department during the financial years of 1970-71, 1971-72 and 1972-73 (or if it is more convenient from statistical point of view during the calendar years of 1970, 1971 and 1972)?

(2) What was the value of buildings and equipment, such as sheds, factories, offices, motors, machinery, sawbenches, saws, blowers, trucks, fork lifts, owned and used by the Forests Department to—

(a) cut timber and prepare and deliver logs;

(b) cut sawn timber from logs and deliver it,

at the end of each of the three years in relation to which answers to (1) are given?

(3) What was the value of new plant acquired by the Forests Department during each of the three years (in relation to which answers to (1) and (2) are given) and used for cutting sawn timber from logs and the delivery of such sawn timber shown separately in categories of—

(a) sheds, factories, offices, other buildings and fixed plant;

(b) motors, machinery, saw benches, saws, blowers and other equipment;

(c) trucks, fork lifts and other motor vehicles?

Mr. H. D. EVANS replied:

(1) (a) Pine log production—

	Cubic feet
1970-71	3,045,420
1971-72	3,204,765
1972-73	3,545,779

Hardwood log production—

	Cubic feet
1970-71	1,279,742
1971-72	1,290,028
1972-73	1,189,786

(b) Sawn pine production—

	Super feet
1970-71	5,334,648
1971-72	5,653,368
1972-73	6,490,044

Sawn hardwood production—

	Super feet
1970-71	464,736
1971-72	1,026,072
1972-73	936,384

			$
(2)	(a)	1970-71	65,150
		1971-72	74,150
		1972-73	66,350
	(b)	1970-71	445,497
		1971-72	432,557
		1972-73	414,638

			$
(3)	(a)	1970-71	Nil
		1971-72	10,286
		1972-73	4,935
	(b)	1970-71	16,500
		1971-72	5,200
		1972-73	8,050
	(c)	1970-71	Nil
		1971-72	26,400
		1972-73	50,500.

24. SCHOOLS AND HIGH SCHOOLS

New Establishments and Additions: Completion Dates

Mr. RUSHTON, to the Minister representing the Minister for Education:

For the areas requiring new schools or major accommodation additions for commencement of 1974 school year—

(1) Which new schools will not be completed in time?

(2) Which schools with over $100,000 worth of additions will not be completed in time?

(3) Which schools will need demountable classrooms for the start of the 1974 school year?

(4) How many demountable classrooms will be needed at each school?

(5) What is the average cost of transporting, installing and removing a demountable classroom in—

(a) metropolitan area;

(b) country districts—

(i) south-west;

(ii) great southern;

(iii) eastern wheatbelt;

(iv) north-west?

Mr. T. D. EVANS replied:

(1) At this point in time it is expected that all new schools programmed for completion prior to the commencement of the 1974 school year, will be completed.

(2) (i) Wyndham junior high school—additions.

(ii) Kewdale high school—additions.

(iii) Morley high school—additions.

(iv) South Fremantle high school—additions.

(3) and (4) It is too early to determine with any accuracy the number and location of demountable classrooms required at Government schools for the start of the 1974 school year. However, the situation, with respect to the need for demountable classrooms to accommodate children in schools where permanent buildings may not be completed or where enrolment growth exceeds space available, is being kept constantly under review.

(5) (a) $800 if it is possible to move by jinker.

$1,600 if it is required to dismantle and then reassemble.

(b) As it is rarely possible to use jinkers for removal in the country, the following figures are on the basis of dismantling and reassembling—

(i) $1,900

(ii) $3,000—$4,000

(iii) $3,000—$4,000

(iv) $3,500—$4,500.

QUESTIONS (3): WITHOUT NOTICE

1. RAILWAY SLEEPERS

Timber: Price Comparison

Sir CHARLES COURT, to the Minister for Forests:

Last night I addressed a question to the Minister acting for the Minister for Forests, in his absence, in connection with a statement made by the Commonwealth Minister for Transport that the difference in favour of concrete sleepers was only 2.5 per cent. This did not seem to add up with the announced figures given by the Minister in his statement about the tenders. Has the Minister been able to ascertain the basis on which the 2.5 per cent. was arrived at?

Mr. H. D. EVANS replied:

I appreciate the notice which was given in connection with this question but I am unable to advise

the details of the claim by the Commonwealth Minister for Transport (Mr. Jones) that concrete sleepers would be 2.5 per cent. cheaper than timber sleepers, until such time as the Minister's letter and the latest report of the Bureau of Transport Economics are to hand.

As soon as the clarification is available the Leader of the Opposition will be advised.

2. HOUSING

Commonwealth-State Housing Agreement: Tabling

Mr. O'NEIL. to the Minister for Housing:

Will the Minister accept that my reason for refusing to accept his offer to let me have a copy of the Commonwealth-State Housing Agreement is mainly because of the fact that, if it is made available to me under those circumstances, I would be inhibited from commenting on or quoting from such a document?

Mr. BICKERTON replied:

I would have to rely on parliamentary procedure, because I am not sure. I would say that the offer has been made in this House many times before.

Mr. O'Neil: Do you accept that the reason I refused your offer is because I would be inhibited from quoting any information from it?

Mr. BICKERTON: That is a matter of honour, not offer.

3. SALES TAX

Exemption: Fruit Juices

Sir CHARLES COURT, to the Minister for Agriculture:

Is he in a position to indicate to the House how far studies and research have proceeded by himself and/or with the Commonwealth Government in respect of the effect of the withdrawal of the sales tax on fruit juices, with particular reference to the impact on the apple industry of Western Australia?

Mr. H. D. EVANS replied:

I indicated when I last replied to a question on this subject asked by the Leader of the Opposition that one of the problems associated with ascertaining the full effect of the remission of sales tax has been that the manufacturers themselves are not in the position of fully knowing their precise situation.

As soon as the whole area has been cleared and the total impact is known the matter will be fully presented to the Commonwealth. I understand it will come up on the agenda at the next meeting of the Agricultural Council in November.

APPROPRIATION BILL (CONSOLIDATED REVENUE FUND)

Second Reading

Debate resumed from the 16th October.

MR. McPHARLIN (Mt. Marshall) [4.26 p.m.]: Approximately 12 months ago we debated the previous Budget and at the time I made certain observations. I recall I said that on the surface it did not appear that that Budget would create a great deal of discontent because it did not show any significant increase in taxation. I then went on to make the point that the Government had offset this by the number of increases in charges which had been made earlier in the year, and that those increases did not actually show up in the Budget itself.

Once again, I think we could say that history is repeating itself so far as the present Budget is concerned. We are confronted, once again, with a Budget which does not propose any major increases in taxation—or, at least, we are led to believe that there have been no increases in taxes or charges. In actual fact there have been increases in a number of directions and I will come to these later on.

At the outset I wish to concede one point to the Premier. Perhaps the most praiseworthy part of the Budget is that he has resisted what perhaps could have been a strong temptation; namely, to toss out a few election bones, if we may call them that, in a pre-election Budget. The Premier has not yielded to this temptation.

I think this could have added to the already rather serious inflationary problem which is with us. This problem is due largely to the action being taken by his colleagues in the Commonwealth Government who seem to be dedicated to, and hell-bent on, spending money at a very fast rate—at a faster rate it would seem than it can possibly be printed. In this regard, probably we could coin a slogan and say "It's time they were stopped." Apart from making the concession to the Premier that the Budget will not contribute to inflation, I do not think there is a great deal to become excited about.

One could say it is rather dull and unimaginative and does not offer the State very much at all. In fact, I say it offers very little. It certainly does not offer positive leadership into the future. Perhaps it mirrors the lack of imagination which we see reflected in the Government generally. This situation will be rectified —and will be rectified with the assistance

of the Country Party—next year when I am quite certain that the people will reject the present Administration. I think they will show their dislike for socialism. They will show their dislike for nationalism. They will vote and express their wish for the return of a Government which is based on private enterprise.

On many occasions in the past we have seen this Government declare a policy. Prior to the last election, in his policy speech the Premier said that he would face up to all farmers' problems. This is not so long ago, and I feel it is relevant. He said—

> I will pledge my Party to face up to the farmers' problems, especially debt problems.
>
> We propose to endeavour to institute a form of payment from the Treasury to the farmer to bring his nett income to a stated minimum.

Of course, the Premier's remarks were repeated in the Press and the Labor Party campaigned on policies such as this.

Mr. T. D. Evans: Is there a need for that now?

Mr. McPHARLIN: I will come back to that later. The Premier adopted this policy because of the situation at that time. In *The West Australian* of the 11th September, 1970—only a few months prior to the election and three very short years ago—an article appeared headed, "3,000 W.A. farmers may be forced off land", and the article gave details about the desperate situation.

Mr. Taylor: What was the date of that?

Mr. McPHARLIN: The 11th September, 1970. Of course, the Premier made capital out of that and gained support from the rural sector because of his promise to help the farmers in difficulty. That promise was never honoured because at no time did the Government offer to purchase any of the properties as the Premier stated it would do. There is no evidence to say that he did or will honour that promise. At no time have I seen the Government go out of its way to honour the Premier's promise.

In our State we see a vastly improved rural situation and I would say the Government's contribution to this is virtually nonexistent. The recent Federal Budget shows nothing but a callous disregard for the disabilities the rural community has suffered over the last few years. The Premier also made observations in his Budget speech in regard to the value of the rural production for 1972-73. He said a record level of $417,000,000 had been reached—an increase of nearly 30 per cent. on the previous year.

The Premier then said that we faced the possibility of a record wheat harvest. He commented that instead of a falling away of wool prices, there is a very strong demand for wool.

I also want to refer to some comments made by the Labor Party prior to the last Federal election. The claim was made that the previous Federal Government had not acted quickly enough to promote an orderly marketing scheme for the wool industry, or to aid the farmers who had suffered badly because of the low wool prices. Labor Party members travelled around the countryside and obtained a great deal of publicity from their criticism of the Federal Government. Members will recall that the Australian Wool Commission at that time bought in a large quantity of wool—almost one million bales. It is interesting to note that criticism was made by some of the prominent Labor Party members at that time, one of whom was Dr. Patterson. I will quote Dr. Patterson's remarks from the 1971 Federal *Hansard* of the 17th March. At page 980 he said—

> The Australian Wool Commission has panicked because of its failure to bludgeon the wool market into accepting higher prices. Grave fears are now arising that the Commission's activities could wreck the entire economic foundation of the wool industry.

Criticisms of this type came from members of the present Commonwealth Government who condemned the actions of the wool commission, saying that the commission would wreck the whole foundation of the wool industry. The Labor Party members said that the commission was using taxpayers' money to buy the wool, and then campaigned before the election to the effect that they would see that an orderly marketing scheme of some description would be forthcoming as quickly as possible.

As this type of technique was used in the Labor Party campaign, it has come as a shock to many people to know that the Federal Government is procrastinating about this scheme. As late as Royal Show time of this year, when Senator Wriedt, the Federal Minister for Primary Industry, was here, he was asked about the Government's intentions. He said at that time he could not say, but that he did not think that the Federal Government was committed to an acquisition scheme for wool, but saw no hurry for such a scheme.

I have here a *Primary Industry Newsletter* written by Mr. Ronald Anderson. I think a number of members will know this gentleman. He is considered efficient and his analyses of various situations are well received. This newsletter is dated the 7th February of this year, and Mr. Anderson said this—

> It seems the Whitlam Labor Government does NOT regard itself as having any commitment to wool acquisition.

And a little later he says—

> . . . . last week in discussion with new Primary Industry Minister, Senator Ken Wriedt. Discounting a widespread belief, in the wool industry and elsewhere, that his Government was firmly committed to acquisition as rapidly as possible, Senator Wriedt said: "I don't think the ALP has any particular commitment to wool acquisition . . . "

That statement was made in February of this year. I understand the Australian Wool Corporation has made further inquiries, but when Senator Wriedt was here at Royal Show time he was asked the question again and he made similar comments. He did not think the Australian Labor Party was committed entirely to wool acquisition, and he did not see the need for any great haste to institute an orderly marketing scheme, whether it be called acquisition or anything else.

Prior to the Federal election, members of the Labor Party criticised the previous Government and asked it to hurry up the establishment of such a scheme knowing full well that as much as could be done was being done. We then have this procrastination which again illustrates the Federal Government's callous disregard for the farming community.

Mr. McIver: What has this to do with the Premier's Budget?

Mr. McPHARLIN: The Premier referred to the buoyant wool industry. The member for Northam would not know much about it, or perhaps he was not listening.

Sir Charles Court: Wool is one of the most stable products in Western Australia.

Mr. McPHARLIN: Yes, that is so.

Mr. McIver: Are all farmers unanimously in favour of the acquisition of wool? They are not even unanimous.

Sir Charles Court: The member for Northam represents a farming area and he is not even aware of the Premier's Budget comments.

Mr. McPHARLIN: The Premier's comments in the Budget are very relevant because he referred to the demand for wool. However, the industry is still in a state of unrest because of the Federal Government's procrastination. The Premier said the economy is buoyant, and this is due in the main to the fact that the wool industry is buoyant. No-one can deny that.

Mr. McIver: The woolgrowers have never been better off than they are now under the Labor Government.

Sir Charles Court: Do not forget the years when they were very badly off—and during the term of your Government, too.

Mr. McPHARLIN: Do not forget the years when the woolgrowers were very badly off.

Mr. McIver: The Labor Government changed that.

Sir David Brand: That is said with tongue in cheek.

Mr. Taylor: Do you not agree that 1953 to 1959 was a very good period for the wool industry?

Sir Charles Court: I am just referring to the interjections. All the Labor members are overlooking the bad years.

The SPEAKER: Order!

Mr. Taylor: Wool prices were high whilst we were the Government.

Sir David Brand: How high?

Mr. McPHARLIN: This brings me to another point, and I wish the Attorney-General were present.

Mr. Taylor: He is absent only for a moment or two.

Mr. McPHARLIN: Then I will come back to this in a minute. The difficulties presently being experienced by the woolgrowers is due mainly to the lack of orderly marketing.

Mr. Davies: I did not think you liked regulation or control. You were complaining of it just now. Where is the private enterprise?

Mr. H. D. Evans: You are inconsistent.

Mr. McPHARLIN: We see an increasing world demand for meat, and of course it is very welcome because the meat producers will have better export opportunities. We all endorse this view, so we can provide that the people dependent on the industry receive the returns they are looking for. The rural and primary industries have always been subject to floods, fires, poor markets, hardships, and drought, but at all times they are prepared—and they have exhibited this many times in the past—and always will be to take the good with the bad. The farmers know it is not all good or all bad and the highs and lows tend to even things out a bit. It is a hazard of the industry that it has good seasons and bad seasons, and that the price paid for its produce may be good or bad. With some form of orderly marketing, we could attempt to balance the industries and bring them onto a more stable plane. We could then budget ahead.

Mr. H. D. Evans: Isn't this control against free enterprise? Dear, dear!

Mr. McPHARLIN: We are talking about orderly marketing, and the Minister should know that 95 per cent. of our wool is sold overseas. We are dependent on overseas markets for our wool sales.

Mr. H. D Evans: You know my views on orderly marketing, or you should.

Mr. Stephens: Yes, you want everything controlled by the Department of Agriculture. We want control by the farmers who produce the goods.

Mr. McPHARLIN: As soon as an industry becomes buoyant, what happens? The Federal Government comes in with a harsh Budget and it squeezes the rural community even harder. This indicates that the Federal Government to some extent dominates the States. We know now the true attitude of the Labor Party and the Federal Government to the country people, because the application of the Budget proposals on them can only be described as quite vicious.

Until today one would have thought that one need not be concerned about the State Budget which we are now discussing and which was brought down by the Premier last week, but today we have heard the comments of the Attorney-General when he introduced the death duty legislation. That again illustrates that the Government is attacking the rural community and it is contrary to what the Premier said in his policy speech in 1971. He has said that there will no general tax increase in the 1973-74 Budget, but rail freights and pay-roll tax have already been increased. So it would appear that by increasing rail freights the Government is receiving a bit each way, because not only will it obtain greater income from a vastly improved wheat production, but also the increase in rail freights will add to its estimated revenue. In fact the figures in the Budget indicate there will be an increase of something like 70 per cent. on the figures for last year and the improved finances of the Railways Department will be apparent.

I do not think any of us were unduly critical of the railways, because we knew that the department was facing a deficit of something like $17,000,000 and that at some time or other consideration would have to be given to increases in rail freights. As I have said, this year there will be tremendous increases in the quantity of produce to be transported, particularly wheat and other cereals, and this will return a far greater amount of revenue to the railways. Therefore the Government will receive benefit both ways.

Mr. H. D. Evans: You must admit the Government did a good job in leaving freights as they were in this State because they were definitely in favour of the primary producers, especially when you compare the rail freights in this State with those in other States. It is a creditable performance by the Government.

Mr. McPHARLIN: I do not think rail freights have been increased since 1965. I did say that the position had been reached where consideration would have to be given to an increase in rail freights, but as it so happened the Railways Department will obtain increased revenue from two directions; there will be an increase in income from rail freights because of an increase in the wheat production. There has been an increase in the price of wheat, and enhanced export opportunities are being presented by a demand for wheat throughout the world because of short supplies.

In his policy speech the Premier mentioned that during the year under review the gross value of livestock had risen by 35 per cent. to $95,500,000, and he has made the forecast that further growth in this direction is assured. I think that his forecast can be realised as long as current market conditions continue. At present they show no sign of weakening; in fact it would appear that they will strengthen. I would suggest that the Premier's approach to this endorsement of the export market trade would perhaps bring him into conflict with his Federal colleagues and other members of his party, because they appear to have been waging a war against exports on, I think, the false grounds that the volume of exports is influencing the price on the home market.

So we see that the Federal Government has sought to introduce a special levy on all meat exported. This demonstrates that it is showing some ignorance of the real issue involved. We know that an all-party committee consisting of 10 members was appointed to investigate the price of meat. The voting was six to four in favour of its recommendation, but the voting was on party lines.

We have heard a great deal of comment to the effect that the rural industry has never been in a better position. I think it was the member for Northam who made the remark that at the present time, because of the dramatic change in the wheat situation, the wool situation, and the meat situation, farmers have never been in a better position.

Mr. McIver: That is right.

Mr. McPHARLIN: I invite the member for Northam and other members to listen to some figures I had prepared because they are very interesting in the light of the recent Federal Budget which had a direct bearing on the primary industries. The information accompanying the figures pointed out that, in the light of the recent Budget, the general drift of which was to hit the rural sector, on the assumption that primary industries could take it due to boom conditions, the following figures seem relevant—

	$
Farm Income	1,500,000,000
No. of Farmers (250,000)	
Average Annual Farm Income	6,000
Average Weekly Farm Income	115.3

In comparing the figure of $115.30 with the average national weekly earnings of $107 one can readily judge how little better off the farmers are.

Mr. Taylor: Is that the net figure after allowing for depreciation on motor vehicles, telephone, and other expenses?

Mr. McPHARLIN: The $115.30 is merely given as being the average weekly farm income. It does not mention depreciation or any other expenses.

Mr. Taylor: That is very important because a worker cannot claim any deductions for the running of his motor vehicle.

Mr. McPHARLIN: A farmer would, of course, have a great deal of capital invested.

Mr. Taylor: That is true, but I think you would agree that a farmer could not purchase his plant and run his farm on an income of $115 a week.

Mr. McPHARLIN: Taking the matter a little further, I point out that the annual farm income is susceptible to many fluctuations. In boom conditions we see that there is only a difference of $7.50-plus, according to the figures I have here, and so it can be seen that the assumption that the farming community is well off is hardly valid.

These figures are most interesting because some people seem to think that all farmers are making a fortune at present.

Mr. Brady: From where did you obtain those figures?

Mr. McPHARLIN: From volume 26 of the report by the Commonwealth Bureau of Agricultural Economics. I could go on quoting other figures in regard to the annual losses of those engaged in primary industry but I think some of them were used last night and there is no point in quoting them again.

I would like to devote some time to other issues which are most important and there is one that transcends all others. It is the question of inflation. The Premier specifically referred to it on page 26 of his notes when he made reference to the problems of State finances. On analysis I think it will be found that the issue goes far deeper than that. The Premier also mentioned the trend of the consumer price index rising at an annual rate of more than 11 per cent. I do not think any of us would accept that this is desirable.

The Premier went on to say that there is a need in the community at large and for those engaged in business to co-operate in an endeavour to bring prices down to a more acceptable level so that the rate of inflation can be controlled. I will now quote from *The West Australian* of the 12th October, 1973. Firstly I would point out that Dr. Coombs has been appointed as the special economic adviser to the Prime Minister of Australia. This article comes from Canberra and it reads as follows—

> Dr Coombs said that the Government was "unwise" to stick to a pre-election promise not to increase income taxes.
>
> The community would have to pay for a number of proposals that the Government had introduced.
>
> "They pay either through taxes or inflation and if you have a choice my vote goes to taxes," Dr Coombs said.
>
> Speaking at a National Press Club luncheon, Dr Coombs said that inflation was running at a dangerous rate in Australia.
>
> "A continuing rate of inflation, whether modest or tremendous is dangerous," he said.
>
> The expectation of inflation was capable of destroying the entire Western economic system, he said.

He went on to say—

> The Government could not blame inflation on influences outside Australia.
>
> "Our economic problems are not all caused by nasty foreign men," he said. "Inflation is not imported."

Another interesting report was published in *The West Australian* of the 16th October. It relates to a statement by Dr Cairns. The headline is—

> Inflation imported

So on the one hand we have the special economic adviser to the Prime Minister saying that inflation is not imported and on the other we have Dr Cairns claiming it is imported. Is it any wonder the Commonwealth Government is confused? Further, if it is confused what chance has anyone else to find a solution to the problem of inflation? I will now quote two paragraphs from that same article which are as follows—

> Mr Lynch said Dr Cairns had stated in Parliament today that excessive demand was a factor in Australia's inflation.
>
> But he had previously stated that cost pull and demand pull were not the inflationary pressures and that 60 per cent came from overseas.

So we have two of Australia's top men expressing conflicting views on the cause of the high rate of inflation in Australia. After hearing the opinion from men of such calibre, no wonder we are confused. We would all like to see inflation controlled.

After hearing the Premier's remarks I think it is evident that one control should be exercised; namely, control over the price of wages. I know we have had arguments on this issue previously and that a referendum is proposed on prices and

income. I say here and now that I will be one who will oppose the referendum in regard to both issues, and I am sure there will be many others who will do the same. The rapidly rising wages and the persistent and expensive demands for more increases in wages are important factors in the inflationary spiral. I do not think any one of us would begrudge a man or woman getting a fair day's pay—

Mr. Lapham: What do you consider is a fair day's pay?

Mr. McPHARLIN: —provided that man or woman did a fair day's work. There seems to be far too many people who expect a fair day's pay but who are not prepared to do a fair day's work.

Mr. Lapham: It all depends on what you regard as a fair day's work.

Mr. McPHARLIN: This is becoming more evident every day.

Mr. Hartrey: Where?

Mr. McPHARLIN: I think the employers have a right to say they are just as entitled to consideration as those making excessive claims in wages. It is impractical for workers to demand shorter hours and better pay, because they should realise that the employers do not have a bottomless pit from which to draw the money. The employers have to meet the demands of industry and the weekly pay cheques. With the increase in wages the employers are forced to increase prices, and so the spiral continues.

The Premier has said that those engaged in industry, commerce, and government should co-operate in an attempt to control the rapid rate of inflation. The Federal Government which allows wages to rise higher and higher in many directions has a vested interest, because it derives greater revenue from income tax when there is a rise in wages. For that reason the Federal Government cannot lose. It has to raise extra money to meet the extravagant promises it has made to the people; and this is one way in which it is raising the money. One wonders how much longer this state of affairs will continue.

The Federal Government, by its actions, seems to be destroying confidence in private industry, and every day we see evidence of this trend. Its actions are scaring off investment, and are bringing existing industries down almost to their knees. It seems there is a socialist proposal to centralise a juggernaut radiating from Canberra, and it is coming in this direction. The promotion of initiative and the recognition of reward for extra work do not seem to be present, and incentive is taken away from the people.

On many occasions when the Federal Government proposes to take some action, Mr. Bob Hawke and the trade unions say the Government cannot do this or that. We find that many workers are looking for shorter hours but are demanding greater rewards; however, they are not prepared to give the service for the added rewards. It seems they are prepared to go to any length to achieve their objective, irrespective of how much it costs the nation, and even if the amount totals hundreds of milions a year.

I would like to refer to what is contained in a bulletin published by the Institute of Public Affairs. Mention is made of a booklet that has been published by one of the greatest names in American trade unionism, Mr. Samuel Gompers. This publication makes the point that companies without profits mean workers without jobs; and that the people should remember when the boss is in financial trouble the worker's job is not safe. Members opposite would be well advised to take note of that type of philosophy.

Mr. T. D. Evans: How many companies and how many bosses are in that position today?

Mr. McPHARLIN: It will not be long before many companies consider folding up or discontinuing their operations, because the incentive is being taken from them.

Mr. T. D. Evans: You are having a nightmare.

Mr. McPHARLIN: The Attorney-General is perfectly right. I am having a nightmare, and so are many other people.

Mr. T. D. Evans: That is your imagination.

Mr. McPHARLIN: I wish it was only my imagination.

Mr. McIver: Do you think we should vote for the Country Party?

Mr. T. D. Evans: Invite us to the wedding with the D.L.P.

Mr. McPHARLIN: Now that the Attorney-General is back in his seat I wish to raise a matter of which he may have some knowledge. I was criticising the lack of an adequate wool marketing scheme.

The SPEAKER: The honourable member has five more minutes.

Mr. McPHARLIN: I was criticising the Federal Government for not introducing an orderly marketing scheme more quickly.

Mr. T. D. Evans: I did not think you believed in orderly marketing schemes. That is socialism!

Mr. McPHARLIN: An orderly marketing scheme is vastly different from socialism.

Mr. T. D. Evans: You believe in socialising your losses and capitalising your gains.

Mr. McPHARLIN: That is not correct, and the Attorney-General knows it.

Mr. T. D. Evans: I know it is very true.

Mr. McPHARLIN: I want to make this point: it is the question of forward selling of wool at auctions. The Attorney-General

may have some knowledge of what has been going on. In the wool catalogues some clips are listed for forward sale on the auction floor. The practice is for the buyers to buy the other wool listed on the catalogues, and when the wool which is listed for forward sale is reached they refuse to bid.

However, after the auction sales some of the buyers have approached the farmers, even on the same night after the particular sale, and offered a price to them. This is a form of private buying of the wool on the property. In many cases the price offered by the buyers is lower than the price fetched at the auctions. This sort of practice should be frowned on.

Mr. T. D. Evans: Is this not private enterprise—the buyer and the seller willing to negotiate?

Mr. McPHARLIN: The prices which the buyers generally offer are lower than those that are fetched at the auctions.

Mr. T. D. Evans: That is enshrined private enterprise—the buyer and the seller willing to negotiate. You do not believe in it, when the occasion does not suit you.

Mr. McPHARLIN: There are specialist buyers operating on the wool markets, and they have the best possible information available from overseas contacts. They are constantly in touch with overseas markets by telephone. These people make approaches to farmers, many of whom do not know what is going on. The farmers are placed at a disadvantage.

Mr. T. D. Evans: So is the working man placed at a disadvantage through hire-purchase practices.

Mr. McPHARLIN: The time is overdue when a form of wool marketing should be introduced to stop this sort of practice.

Mr. T. D. Evans: That is socialism.

Mr. McPHARLIN: It is not socialism.

Mr. T. D. Evans: You know it is.

Mr. McPHARLIN: I know it is not. Under the Government's socialistic doctrine it will take full control of everything, and it will direct people to do this and that. What I am referring to is not socialism but an orderly marketing scheme.

Mr. T. D. Evans: Perhaps you have the wrong picture.

Mr. McPHARLIN: The Attorney-General knows that what I am saying is very true.

Mr. T. D. Evans: I do not know that.

Mr. McPHARLIN: Is it possible for the Attorney-General to make investigations into these practices?

Mr. T. D. Evans: Investigations are already being made—not through representations from you but from somebody else.

Mr. McPHARLIN: I do not mind who has made the representations as long as there is some investigation.

Mr. T. D. Evans: Investigations have already been made.

Mr. Hartrey: I agree there must be some restraint on capitalism.

Mr. McPHARLIN: In many cases the farmers are receiving far less than they are entitled to. These practices are keeping the better types of wool from the market. When these types of wool are not placed in the auction the best possible price is not obtained. I am glad to hear that inquiries are being made, and I hope the Attorney-General will give us the information which we would like to have.

I said earlier that I thought the dominance of the Federal Government over the State was making the State more reliant on Commonwealth finance. We see finance being allocated to the State by the Commonwealth Government, but always with strings attached.

Mr. T. D. Evans: That has always been the situation, and you know it.

Mr. McPHARLIN: Not to the same extent as at present. In recent times, on each occasion when a financial allocation is made to the State more strings are attached. This is in line with the centralist policy of the Federal Government.

Sir Charles Court: Now it is direction by the Federal Government, but previously it was co-operation.

Mr. T. D. Evans: Play with your yo-yo. It has never been thus, and the Leader of the Opposition has said that himself.

Sir Charles Court: Previously it was co-operation, but now it is direction.

Mr. McPHARLIN: By this means the Federal Government is endeavouring to take over the control of the States, and that is quite evident from the policies of the Labor Party. The Federal Government wants centralised control at Canberra, and it is achieving that by tying strings to funds provided to the States.

The SPEAKER: The honourable member's time has expired.

MR. B. T. BURKE (Balcatta) [5.11 p.m.]: Mr. Speaker, firstly I would like to pay tribute to one who is no longer with us. I refer to my late father, Tom Burke, who on the 28th September, 1943, delivered his maiden speech to the House of Representatives at Canberra.

At that time he paid tribute to a great Labor movement; today I do the same. I say that any credit that is mine is due to him, and one of my great disappointments is that he is not present today. I am proud to be his son.

I am also proud and humble to accept the trust and responsibility that the people whom I represent have placed on me. To them I pledge loyalty and sincerity of effort on their behalf.

The electorate that I represent has one vivid feature, and that is the very marked presence of the State Housing Commission.

The commission's charter is to provide accommodation, and this is being done most efficiently — provided we regard efficiency as being measured in terms of money alone. Less than 5 per cent. of the commission's total revenue is spent on administration, but I believe that measuring stick to be false.

I am of the view that successive Governments have perpetuated a terrible mistake. They have regarded people seeking housing assistance as numbers, over whom roofs are to be placed, regardless of the type. Almost 20 per cent. of the accommodation provided by the commission in the Balga-Nollamara area consists of flats, and about 21 per cent. of those flats are empty today. That is the evidence of the mistake that has been made.

Many excuses, some of which are valid, can be produced to explain why these flats are, in fact, vacant, but there is only one answer, and that is the Government's housing policies must be humanised. It is no good telling the people they want too much; it is no good trying to impose an unacceptable life style on people; and it is no good trying to tell me that any Government has done the right thing in building multi-storey flats for the people who are lucky or unlucky enough to come within the ambit of Government assistance. To ignore the fact is to create a rod for one's own back.

In the past I have been known to criticise the Stirling City Council. The Local Government Act lays down quite clearly the responsibility for the provision of community facilities on local authorities. If the Stirling City Council refuses to fulfil its responsibility it should be called on to explain. If it is unable to fulfil its responsibility then it is incumbent on the Government to provide the finance that is needed to relieve the socially disastrous situation that develops when people are denied facilities for leisure time outlets.

I believe very strongly that the present system of electing councillors to represent specific wards militates against the proper management of the affairs of the people. The primary interest must always be the welfare of an area as a whole, and I would far prefer to see councillors elected to represent the ratepayers, not just by a ward but by an area as a whole. This would remove sectional pressures which could cause desperately needed development money to be spent unwisely.

I also believe quite firmly that councillors of local authorities should be paid; but at the same time it must be acknowledged that the City of Stirling has been placed in an almost untenable position in at least one respect.

Successive Governments have presented the City of Stirling with instant suburbs, and it has been the task of the council to match those instant suburbs with instant community facilities. That has been an unenviable task.

Accordingly, Mr. Speaker, I am pleased to say that the State Government—through the State Housing Commission—is prepared to make available to the Stirling City Council a loan of $60,000 to develop community facilities.

Mr. T. D. Evans: Hear, hear!

Mr. B. T. BURKE: The money is to be offered at a rate of only 6½ per cent. and I think it could be ideally used in starting a swimming complex adjacent to the community hall planned for the 42-acre reserve in Princess Road, Balga. The offer is attractive; the decision rests with the council.

In another important matter affecting my electorate the Government has promised the City of Stirling full support. I refer to the upgrading of Wanneroo Road. The project, to cost more than $1,000,000 is to be financed partly by the State Government and I have been assured by the Premier that all steps will be taken to ensure completion of the dual carriageway as soon as possible.

As you are aware, Mr. Speaker, I was a journalist prior to entering the State Parliament. As a journalist I was aware that enlightened decisions were most often made by informed minds. To this end I would suggest that television and radio facilities be installed in both the Legislative Assembly and the Legislative Council Chambers for the benefit of the public. Although a continuous coverage of proceedings could not be expected, crucial debates—if broadcast or televised—would add greatly to the knowledge of the people concerning the proceedings of Parliament.

While on the subject of the Press, I would like to make my position perfectly clear on one particular matter. It has become quite fashionable to criticise the Press and accuse the Press of bias. If the accusations are true it has been my experience that individual journalists bear none of the blame.

News gathering organisations represent vested interests, but I praise those journalists with whom I have come in contact. Invariably, they have been interested only in reporting the facts as they see them.

Finally, Mr. Speaker, I want to make quite clear the philosophical differences which place me squarely on this side of the House. While it is not my brief to criticise the Opposition on this occasion, I refer to the debate which occurred on the workers' compensation legislation. During that debate one member from the opposite side of the House made it quite plain that his opposition to the proposal was influenced to some degree by the deterrent

effect compensation premiums would have on investment. I do not deny the honourable member his right to hold that view, but I make it quite clear that it is not mine. The difference crystallises the gulf between us.

Having studied the Appropriation Bill (Consolidated Revenue Fund), and the financial statement, I congratulate the Government on its handling of the finances of the State.

[Applause.]

MR. BROWN (Merredin-Yilgarn) [5.20 p.m.]: I also rise to support the Appropriation Bill (Consolidated Revenue Fund). Before commenting on the Budget I would like to congratulate the member for Balcatta on his maiden speech in this Parliament. I wish him well in his career, both in the Government and in the Parliament of Western Australia. I consider he will serve the present electorate of Balcatta, and the future electorate of Balga, in a manner which will reflect credit on him and on the Parliament of Western Australia.

I am gravely concerned, not with the Budget as presented to this Parliament, but with the comments which have ensued following the presentation of the Federal Budget on the 21st August, 1973. My concern is with the reports of the effect of the Federal Budget on primary producers. At the outset I must say that the reports which are circulating throughout the rural areas of Western Australia are not only incorrect, but misleading. They do nothing but undermine an industry which is of tremendous importance, not only to the people who live in the country areas of Western Australia, but to the people of Australia as a whole.

Mr. McPharlin: Can you prove that statement?

Mr. BROWN: I certainly can prove it, and I will be glad to enlighten the Leader of the Country Party.

Mr. McPharlin: You do that.

Mr. BROWN: I will do that by illustrating how misleading statements are issued by way of publications and utterances, and even by way of questions asked in this Parliament.

Let us reflect on the Budget presented by Mr. Crean, and its effect on the primary producers. When the Budget was presented *The West Australian* published an article under the headline, "Budget shock". Towards the end of the article it was stated that there would be a rural levy of 1c per pound on all meat exports. That was the only comment to appear on the front page of *The West Australian*.

Mr. Rushton: The increase in the P.M.G. charges were against country people.

Mr. BROWN: I will deal with P.M.G. charges as I come to them.

Sir Charles Court: But did not that 1c prove to be, in actual fact, 1.65c?

Mr. BROWN: But the 1c levy has been withdrawn. In the same issue of *The West Australian* the rural community of Western Australia rated a comment at page 8 under the headline, "Big increase in country phone rents." There was no mention of the deductions available to primary producers, but a statement that telephone rentals would be increased from between $27 and $35 to $60.

Mr. O'Neil: That is true is it not?

Mr. BROWN: Actually, it was false because the increase is to $55.

Sir Charles Court: What about the line charges?

Mr. BROWN: The increase is to $55, the same as the metropolitan rentals which are to remain unchanged.

Sir Charles Court: That is a great thing for decentralisation!

Mr. BROWN: The newspaper article did not state that charges to country subscribers within 50 kilometres were to be reduced from 19c to 15c.

Mr. O'Neil: A good farmer could yell that distance and would not need a phone.

Mr. BROWN: It also did not state that calls outside of business hours were to be reduced from 15c to 10c.

Mr. Stephens: What about the construction of lines over eight kilometres?

Mr. BROWN: With the exception of the removal of the investment allowances those were the only comments made in *The West Australian* concerning the effect on rural producers.

Sir Charles Court: What about the tax concessions which were taken away?

Mr. BROWN: The Leader of the Opposition and the Leader of the Country Party are misinformed.

Sir Charles Court: I would pit my knowledge of taxation against that of the member opposite.

Mr. BROWN: I would have thought so, but the Leader of the Opposition demonstrates his ignorance.

Sir Charles Court: You tell us we are wrong; give us some proof.

Mr. BROWN: The Leader of the Opposition has demonstrated his ignorance of rural matters and the manner in which the economy of the primary producer is affected. I will refer to the firm of C.C.H. Australia Ltd. I had never previously heard of the firm, and probably the firm has never heard of a chopper. It would probably consider a chopper to be a helicopter. I have made some inquiries through our library and I am pleased to announce that the firm of C.C.H. Australia Ltd. is well skilled in taxation matters. It has issued a publication *Australian Income Tax*

Guide. The publication contains a detailed comment on the Federal Budget, and it was issued on the day that the Federal Budget was introduced. The comment, in part, reads as follows—

> The accelerated 20% primary producers' depreciation rate under sec. 57AA and 57AB will cease to operate in relation to expenditure incurred after 21 August 1973. Instead, ordinary depreciation will be allowable on plant and structures, and depreciation at 10% will be allowed for other units of property.

I have no quarrel with that comment.

Mr. McPharlin: That is cutting it in half.

Mr. BROWN: I will give the full report.

Mr. McPharlin: I have some figures too, so the member opposite should be careful.

Mr. BROWN: I have facts.

Mr. McPharlin: So have I.

Mr. BROWN: It is important to have the facts, and to present them. I will continue the comment as follows—

> Further, the deductions allowed to primary producers under sec. 75 (land clearing and preparation, internal fencing, irrigation pipes, grain storage structures etc.) and sec. 76—

And this is, in fact, an income tax deduction. To continue—

> (animal pest fences) are to be withdrawn in respect of expenditure incurred after 21 August—

Sir Charles Court: That is right.

Mr. McPharlin: That is right.

Mr. BROWN: That shows the complete and utter ignorance of members opposite. The Leader of the Opposition interjected and said "That is right". I want to demonstrate clearly that on the 31st August C.C.H. Australia Ltd., in the publication *Australian Income Tax Guide*, under the heading of "Primary producers' concessions cut", commented as follows—

> Of individual taxpayers, primary producers have probably been hit the hardest by the Budget. They have had the following concessions taken away from them:—
>
> the special 20% investment allowance;
>
> the accelerated 20% depreciation rate under sec. 57AA and 57AB;
>
> the deductions under sec. 75 and sec. 76.

The operative words are in the final paragraph, which is as follows—

> The concessions will not apply to expenditure incurred after 21 August 1973, unless under a contract entered into before that date. In future deductions will be allowed as ordinary depreciation for plant and structures, and over 10 years for other items . . .

Sir Charles Court: That is a mighty difference, against the farmers.

Mr. BROWN: That is right, it is a difference. In the first instance it is claimed that the concessions under sections 75 and 76 will no longer apply, and the concessions which had been available to the farmer previously were to be taken away.

Mr. McPharlin: To be reduced.

Mr. BROWN: To be taken away: the Leader of the Country Party does not know what he is talking about.

Mr. McPharlin: I have the figures.

Sir Charles Court: Will the member for Merredin-Yilgarn make this speech during the election campaign to help us, and make the election easy for us?

Mr. BROWN: I do not know why the Leader of the Opposition should make that comment because I certainly do go around my electorate telling the people what I believe is happening.

Mr. Thompson: Good.

Mr. BROWN: It is good; I am telling the truth.

Sir Charles Court: First of all, they would know that you were not their friend; and secondly, they would know you did not know what you were talking about.

Mr. BROWN: I would be the first to say that the Federal Budget was not the panacea to all our problems, but I would also be the first to point out that with the exception of the 20 per cent. investment allowance no other concessions whatsoever have been taken away from the primary producers.

Mr. Moiler: Stony silence!

Mr. BROWN: The 20 per cent. investment allowance was introduced by Sir Arthur Fadden when he was Federal Treasurer and it was designed for one purpose only; to help the manufacturing industry and not the primary industry. Farmers, over the years—in a restricted area—have been able to obtain a 120 per cent. deduction on something which cost 100 per cent. It seems they were hoodwinked into indulging in avoiding tax by spending more money.

Sir Charles Court: That is not avoiding tax. It was intended to speed up production.

Mr. BROWN: It was issued to the farmer as a gimmick. It was applicable only to new farm equipment—not second-hand equipment. I will be able to demonstrate later on how it affects the new-land farmers and the struggling farmers —the 3,000 people mentioned by the Leader of the Country Party. It was not designed to help them. Their taxation deductions were 10 per cent.

Mr. R. L. Young: What about dams and things like that?

Sir Charles Court: One hundred per cent. reduction.

Mr. McPharlin: It has been going now for 33 years.

The SPEAKER: Order!

Mr. BROWN: Several areas were not touched at all by the Federal Treasurer, and one of the most important of them was the averaging system.

Mr. R. L. Young: What about fences?

Mr. BROWN: I will cover it all. I have it all listed. The averaging system has not been taken away from the farmer, and that is one of his most valuable possessions because of the fluctuation in seasonal conditions.

Sir Charles Court: You are not upset that it was not taken away, are you?

Mr. BROWN: Another matter is the indefinite carry-on of losses. Other than for primary producers, the carry-on of losses has a limitation of seven years. There is an indefinite carry-on of losses for primary producers.

Sir Charles Court: There is a good reason for that—circumstances over which they have no control.

Mr. BROWN: Another matter which has not been touched at all by the Federal Budget is estate duties. Rural estates up to $48,000 are exempt if willed to close relatives but outside the farming industry the limit is $40,000. There is an estate duty exemption up to $24,000 on rural estates not willed to close relatives; on other estates the exemption is up to $20,000. Furthermore, rural producers are entitled to a 50 per cent. rebate up to $140,000, and thereafter it is on a diminishing scale up to $240,000. This is not available to any other section of the community. These are areas of taxation which have not been touched.

I want to mention capital expenditure on nondepreciable items such as clearing and soil conservation. The relevant section is section 75. On Thursday, the 11th October, the member for Roe asked the following question of the Minister for Agriculture—

> Has he made representations to the Federal Treasurer to review the policy of cancelling taxation concessions to primary producers in the following categories—
>
> (a) new land farmers whose developmental programme is dependent upon concessions for clearing, water supplies and fencing;
>
> (b) primary producers generally to maintain and improve existing water supplies, soil and fodder conservation?

He suggests they were cancelled.

Sir Charles Court: They were.

Mr. BROWN: They were not cancelled. They were modified.

Sir Charles Court: It took away all the incentive for a farmer to make himself self-reliant.

Mr. Hutchinson: The man was not killed, he was executed.

Mr. BROWN: They are now spread over 10 years. I recently opened a field day at the Cunderdin Junior High School. I spoke to the young people—who, I believe, have a progressive outlook—and told them that they should view their operations as farmers and farm managers over a decade, not just as year in, year out operations.

Mr. R. L. Young: Did they swallow it?

Mr. BROWN: In 1960, General Motors-Holden had a projected delivery until 1985, so the attitude of that company is to look at its operations over a quarter of a century. I merely suggest that farmers do not look at their operations on a year in, year out basis but on the basis of a business undertaking over a period of at least 10 years. All Governments have recognised that the farmer is entitled to average his income over a period of five years. I do not think my words were inappropriate or that they fell on deaf ears.

Mr. Thompson: Those who go broke will be pleased with you.

Mr. O'Neil: They are not allowed to go broke for 10 years.

Mr. BROWN: The Leader of the Country Party said the rural economy of the State was very buoyant indeed and at its highest level. Throughout the length and breadth of Western Australia, and particularly in the Merredin-Yilgarn electorate, I have never seen crops and feed of such an outstanding standard.

Mr. Thompson: Is the Government responsible for that?

Mr. BROWN: The Government can take its share of credit, not because of the good rains and seasons but because the Government encouraged the farmer to stay on his farm. We did not subscribe to the philosophy of "get big or get out". We had regard for people and human values. So I say the Government can claim a share of the credit for the fact that farmers are enjoying a buoyant period.

The member for Balcatta mentioned journalists and their responsibility as individuals. I endorse his remarks. Journalists have their job to do and what appears in the papers is not their responsibility. However, some sections of the profession are either lax or ignorant. I want to refer to the issue of *The Countryman* of the 23rd August.

Sir David Brand: I think it is a very good journal.

Mr. BROWN: I have subscribed to *The Countryman* for as long as I can remember, back to the days when it was *The Western Mail*.

Sir David Brand: Many of us did.

Mr. BROWN: I feel it has a responsibility to print facts. The leading article in *The Countryman* on the 23rd August is headed "Concessions cut", and it reads—

> If the budget does nothing else for the farmer, it shows him where he rates on the Federal Labor Government's priority list.
>
> The pruning of tax concessions and the increase in cost items are loadings against rural industry, not balanced by any helpful measure. They come at a time when farmers could see prospects of regaining what they lost through the years of rural recession.
>
> Worse still, the budget holds no tangible anti-inflation provision—and it is the eroding effect on inflation which most threatens the primary producer.

It is purely a play on words.

Mr. Stephens: What is wrong with that?

Mr. BROWN: There is nothing right about it. The writer is endeavouring to say the farmer has been penalised, and that is far from the truth. I will not read what the Leader of the Country Party in the Federal Parliament said but I am rather concerned about what was said by the President of the Farmers' Union of Western Australia, which is a nonpolitical organisation. Mr. Eckersley used some rather extravagant words and they were rather meaningless. He said—

> After coming through five years of recession the farmer has been given no chance to find his feet. The Government has swooped on him like a vulture coming in for the kill.
>
> This was how Farmers' Union general president, Mr D. P. Eckersley, described the Budget.
>
> It was blatantly insulting to rural industry, rural areas and people, taking as much as possible from them and giving nothing in return. It was, in fact, a totally centralist Budget.

His final comment was—

> Mr Eckersley said the Government seemed bent on destroying the dairy industry, and putting the farmer back ten years on the telephone issue.

The Farmers' Union is a nonpolitical organisation, and I believe Mr. Eckersley has a right to speak for primary producers. I would like to say in this House that I have a high regard for Mr. Eckersley and the way he faces up to his responsibilities. Whilst I do not appreciate his utterances, I believe he has a right to say the things he says so that he can be given the correct answers, and that is what I am endeavouring to do.

Mr. McPharlin: I have all his figures. I did not have time to present them.

Mr. BROWN: On Thursday, the 6th September, the headline of the leading article in *The Countryman* was "The wrong bunny", and it reads—

> In its zeal to prevent the Pitt-street farmer from using agriculture to avoid taxation, the Federal Government has done the genuine farmer a serious disservice.
>
> The 'Pitt-street' farmer has continued to develop farming land over the past five years and enjoyed the concessions while few genuine farmers had the income to do so . . . a result of the rural recession. And these 'Pitt-street' farmers are not fools. With the advent of a Labor Government, they could see the end of the concessions, and many accelerated their development to finish it before the Budget was brought down.
>
> It is the genuine farmer the Government has caught in its well-intentioned trap. With a change in his fortunes at last, he has money to spend on expanding or consolidating his family business, to equip him better to cope with the inevitable fluctuations in his income.
>
> It is up to farmers' oganisations to enlighten the Government on the inequities of this section of the Budget, before the legislation is framed.

He says the Federal Budget did not affect the Pitt Street farmer. My opinion is completely different from that of the writer of that leading article in a journal which is read extensively throughout the country. The Federal Budget is doing what it was designed to do. It is encouraging farmers to be tenant farmers instead of Pitt Street farmers or St. George's Terrace farmers, and these measures, which are modified and in some cases long-term measures, are designed precisely to encourage resident farmers.

Mr. E. H. M. Lewis: What is wrong with St. George's Terrace farmers?

Mr. BROWN: I did not say there was anything right or wrong with them. I have read what the papers said and what the Federal Treasurer said, and I am saying the Federal Budget is designed to have people operating on their farms in Western Australia instead of having outside or overseas interests operating the farms. I applaud this measure.

Mr. McPharlin: How many St. George's Terrace farmers are there?

Mr. E. H. M. Lewis: What is wrong with them?

The SPEAKER: Order!

Mr. BROWN: I want to read another extract from *The Countryman* of the 6th September. The headline is "Budget effects still unknown", and it is written by John Lawson, who, I understand, is the editor of *The Countryman*. I believe he would be responsible for writing the leader articles in that newspaper—articles which I say are misleading. I will point out how misleading this article is. It states—

> What has the primary producer really lost in tax concessions as a result of the Budget? This was what 300 accountants wanted to know when they met the Deputy Commissioner for Taxation, Mr. J. Slattery, on Monday.
>
> They got no direct answers, because the Taxation Department has not yet been told how it should interpret the relevant sections of the Budget. And this too must wait until the legislation has been tabled.

Mr. R. L. Young: That was true at the time.

Mr. BROWN: I took the opportunity to visit the Deputy Commissioner of Taxation (Mr. Slattery), and he told me I could quote him in the House.

Mr. R. L. Young: When did you go?

Mr. BROWN: Last Tuesday.

Mr. R. L. Young: Oh, come on! At the time the Budget came out the State Taxation Department did not know what it meant.

Mr. BROWN: This is in reference to the article which appeared on the 6th September.

Mr. R. L. Young: He may well have known last week.

Mr. BROWN: I showed Mr. Slattery the article and asked him to comment upon it.

Mr. E. H. M. Lewis: Let us have what he said.

Mr. McIver: If you are patient you will get it.

Mr. BROWN: He said, for a start, he did not know that a reporter was present at the meeting. He said he did not go into the details of the Federal Budget—and quite rightly so—and that he did not make any claims to the 300 taxation consultants. I do not know whether or not the member for Wembley attended that meeting.

Mr. R. L. Young: No.

Mr. BROWN: He said he did not know what the reporter was talking about and that when the consultants were present—and, incidentally, they were there for only 1½ hours—there was a general discussion on taxation, and this measure was discussed briefly in conjunction with other items.

Mr. R. L. Young: What was the date of the meeting?

Mr. BROWN: The report appeared in *The Countryman* on the 6th September; but I do not know the date of the meeting.

Mr. R. L. Young: Did Mr. Slattery say when he would be able to inform the 300 accountants of anything of substance regarding taxation in the Budget?

Mr. BROWN: I made no attempt whatsoever to investigate the meeting. I showed Mr. Slattery the report, and he said that he did not think it was accurate, and that the information must have been gained secondhand.

Mr. R. L. Young: It may be inaccurate; but isn't the important question whether or not he could throw some light on the situation?

Mr. BROWN: I showed him the report, and that was his opinion. He also confirmed my comments in respect of the removal of investment allowances, which I consider to be a gimmick, and that no concessions whatsoever were taken away from the primary producers.

Mr. R. L. Young: Would you write to him and ask him to write to you stating—

Mr. Taylor: You go and see him yourself as the honourable member did.

The SPEAKER: Order!

Mr. BROWN: I would like to refer to another article in *The Countryman* of the same date. This article appeared on the same page as the leading article to which I have referred, and it is headed, "Union will go to Government". It states—

> The Farmers' Union is obtaining expert opinion on the total implications to agriculture of the recent Budget.
>
> The Union's executive director, Mr. T. E. Sullivan, said yesterday that once the effects of the Budget could be fully assessed, the Union would be in a better position to make strong representation to the Government.

I think that is a fair enough comment. I believe that farmers—as they were told at a recent seminar by Mr. Bob Whan, the agricultural secretary for the Federal Labor Caucus—must be more positive and united in their outlook. Then in the Royal Show issue of the *Farmers' Weekly* of the 13th September we find the heading "Rise in farmers' tax bill". The article in *The Countryman* of the 6th September indicated that the union was going to make some investigations.

Mr. E. H. M. Lewis: Right on the ball.

Mr. BROWN: This is what the newspaper stated—

> The following is a list of expenditure no longer allowed as a tax deduction under Section 75 of the Income Tax Act:—
>
> The extermination of animal and vegetable pests from the land.

> The clearing of timber and scrub from the land.
>
> The destruction of weed or plant growth detrimental to the land.

The list continues in respect of section 75; but the newspaper was not satisfied with that mistake, because the article then refers to section 76 as follows—

> Expenditure no longer allowed as a tax deduction under Section 76 of the Income Tax Act is:
>
> 1. That relating to the purchase of fencing materials for use in the construction or alteration of a fence to prevent animal pests entering upon the land used by the taxpayer in the production of assessable income; and
>
> 2. That relating to expenditure incurred by a primary producer in fencing off land adversely affected by naturally occurring deposits of mineral salts.
>
> The special 20 per cent. investment allowance.

Obviously the newspaper did not bother to find out the effect of the Budget on the primary producer. Then *The Countryman* —which I support as a journal—in its issue of the 11th October, which reached my place in Merredin last Friday, printed a letter to the editor on page 6. The letter was printed in a prominent position and if you look at the page I am holding up I am sure you, Mr. Speaker, will be able to read the heading, "Who benefits from Federal Budget?" The letter is as follows—

> T. C. MEADOWS, Williams: Federal authorities and some of our city economists are so sure that the new Federal Budget, as far as it affects rural people, is based on sound, economic and logical principles.
>
> Let us try and analyse some of the new aspects of the budget as I see the picture. Some of the items of farm expenditure that have, up till August 21, been claimable as tax deductions but are now not allowable, are: Costs of clearing land for agriculture; costs of controlling plant and animal pests; expenditure incurred in water conservation, dam sinking expenses for soil conservation, prevention of erosion and the like.

The letter continues for three columns, indicating many things which, it is claimed, are not tax deductible; but the writer is not telling the true facts.

Mr. E. H. M. Lewis: It is quite true.

Mr. BROWN: These people are ill-informed, and are using extravagant language to try to tell the farmers what is going on.

The farmer has got out of the mushroom club and is no longer kept in the dark; he is no longer fertilised with loose talk so that he does not know where he is going. He is a responsible citizen who is compelled to be a Jack-of-all-trades so that he may be the master of his own destiny. Therefore I say the reporters who write such articles have a responsibility—just as every member of Parliament has—not only to tell the truth but also to relate all the facts.

Let me refer back to *The West Australian* newspaper and say that what it printed on the morning after the Budget was delivered referred to only one of the matters affecting the rural community. That newspaper referred to telephones on page 8, but did not say that the proposed beef export tax was withdrawn.

Mr. McPharlin: Are you charging the newspaper with false reporting?

Mr. BROWN: I would like to tell the House what benefits are available to beef exporters. The cost of agricultural implements and plant is allowable as a 10 per cent. deduction over 10 years.

Mr. E. H. M. Lewis: It used to be 20 per cent.

Mr. BROWN: No, this is on new equipment only.

Mr. McPharlin: It was 20 per cent. depreciation.

Mr. BROWN: It used to be 20 per cent., but the farmers still have their deductions. It is the effective life of the machine that is important. In addition to that the Federal Treasurer has enabled farmers to claim on diminishing values. He has enabled them to claim as a tax deduction 15 per cent. depreciation on agricultural implements and plant on diminishing values.

But I have another surprise in store for members opposite. Trucks, tractors, bulldozers, etc. are allowable deductions at the rate of 15 per cent. The member for Moore interjected not long ago and said these were allowed at the rate of 20 per cent. under the old system. No-one denies that; but they are still allowed at the rate of 15 per cent. and farmers still have the power to write off their machinery. That 15 per cent. relates to the prime cost. So an astute farmer who is thinking of going into leasing is a fool—

Mr. O'Neil: He is not very astute if he is a fool.

Mr. BROWN: —because under the provisions of the Federal Budget he is entitled to a deduction of 22½ per cent. of the prime cost, which is 2½ per cent. more than he was allowed under the old system.

Mr. E. H. M. Lewis: On what is he entitled to that?

Mr. BROWN: If the member for Moore was not listening I will repeat it again for his benefit. The primary producer is allowed 22½ per cent. on tractors, trucks, and motor-powered units such as bulldozers, etc.; and that deduction is allowed on the diminishing value.

Mr. E. H. M. Lewis: How do you work that out?

Mr. BROWN: If the member for Moore cannot work out 22½ per cent. of the diminishing value I certainly do not intend to do his arithmetic for him. However, I say here and now that this is a tremendous benefit to the farmer and will make him understand better his own situation. I think it is appropriate that boring plants will be the subject of 10 and 15 per cent. concessions.

Mr. E. H. M. Lewis: What about dams?

Mr. BROWN: I will refer to dams if that is what the member wants. Dams are to be allowed at 10 per cent.

Mr. E. H. M. Lewis: That is right. What were they?

Mr. BROWN: They were a complete write-off.

Mr. Bickerton: The farmers are crying all the way to the bank.

Mr. BROWN: I would like to mention this point: the farmer places a dam on his property in the first instance not for the purpose of taxation savings, but to store water; that is his prime concern when he puts a dam on his property. He is forced to do that because of the attitude of the Federal authorities for the past 23 years and their lack of enthusiasm for extending areas of Western Australia about which the member for Avon and I both know so well.

Government Members: Hear, hear!

Mr. BROWN: So the first concern of a farmer is to save water.

Mr. Gayfer: What did you do about the representation made in respect of the spread of water under the C.W.S.?

Mr. Taylor: The Minister for Works made representations to the Commonwealth Government about that.

The SPEAKER: Order!

Mr. BROWN: So water is the farmers' most urgent need. I admit I am gravely concerned about water supplies and I believe greater encouragement should be given in regard to deductions. I have already made my own representations to the Commonwealth. I have also made my representations to the Minister for Agriculture to bring this matter to the attention of the Commonwealth so that we can overcome the serious problem that is facing those people in the remote areas of the State who rely on water catchments.

The SPEAKER: The honourable member has another five minutes.

Mr. BROWN: I make the point that the 10 per cent. deduction allowed for dams has given insufficient but some relief to the primary producer.

Only 3 per cent. of the prime cost is allowed for fencing. Some fences are still standing after 40 years but the minimum allowed is still 3 per cent. of the prime cost, or 4½ per cent. on diminishing values. I believe that this is another area that causes concern to the primary producer. Fencing is most important to all primary producers but I do not think that the deduction allowed is equitable. We have been told through the C.C.H. organisation that these items are not deductible by primary producers under sections 75 and 76. I reiterate that except for the investment allowance, the farmer has retained all the deductions he was allowed previously, acknowledging, of course, that there have been modifications.

I will now refer to an important comment that was made on the Budget, not by the Deputy Commissioner of Taxation, but by the Commissioner of Taxation in Canberra. He said—

> It should also be noted that income tax deductions for ordinary recurring business expenditures that are not of a capital nature (e.g. seasonal ploughing or seeding of pastures or expenditure on work necessary to maintain cleared pastures free of weeds, pests, etc.) will not be affected. These business outgoings will remain deductible in full in the year they are incurred.

Mr. McIver: What a Government!

Mr. BROWN: These items are deductible in full in the year they are incurred. Following a question asked of him that was the answer given by the Commissioner of Taxation in Canberra. Therefore, when people state that they will not be eligible for deductions for spraying crops or destroying weeds they are not correct. In the general course of their business, farmers are receiving full deductions for those items.

Mr. R. L. Young: On what date was that said?

Mr. BROWN: The 5th October, 1973.

Mr. R. L. Young: Did you notice the ambiguity of the Treasurer's speech three weeks later?

Mr. BROWN: Those are my comments in relation to the Budget. This Government came into office during a period of gloom, but I am pleased, as the member for the electorate of Merredin-Yilgarn, to state that we are on the eve of great expansion which I feel sure will benefit not only my electors, but all the other people in Western Australia and Australia as a whole.

Debate adjourned, on motion by Mr. R. L. Young.

House adjourned at 6.03 p.m.