the plant at first sight, would have said that they were a very poor product. There was no indication that guayule could be grown successfully here. However, we continued and we are continuing our efforts.

Mention has been made of a Mr. Anderson, an interested person from America, who came here and said he was not satisfied with the experimental work which had been carried out. The work which had been carried out by the department had been done under the instructions of Mr. Anderson. He came here with a bookful of ideas and said, "This is the way I want this experiment carried out"; and it was carried out on his instructions.

The department went further than that. It carried out other experiments, using various trace elements and superphosphate under varying conditions in all areas of the State, but without success. Thousands and thousands of pounds were spent by the department. We had men who had nothing else to do but attend these plants to see whether or not it was possible to grow them. I honestly felt last year, after that long period of four to five years' experimental work, in an endeavour to cultivate these plants to a point where they could be successfully grown, that it was a complete failure—that they could not be grown. We have tried everything possible to grow this plant successfully. Information has been made available from other countries, and we honestly believe it will not grow, especially on a basis which would be economical.

If we could find any futher information, I am sure we would be prepared to continue. We are continuing with a limited number of experiments, but even at this stage I cannot honestly say they will prove successful. It is no good trying to establish an industry—even though we are offered $1,000,000—if we cannot grow the raw material successfully. We have made every effort to see whether we can grow guayule successfully.

The member for Gascoyne mentioned that the field day which was held in the Gascoyne area was a success. That illustrates the point I made that very much interest is being displayed by pastoralists and farmers generally in the experimental work which is being carried out on the field days which are conducted in the various areas of the State. He made reference to bean inspections. I know that inspections are being carried out at Carnarvon, but I am not fully aware of the position to which he referred—namely, the packing of the beans here and in the metropolitan area and sending them to Adelaide. However, I will have that matter investigated, and I will seek his advice at a later stage on other matters to which he referred. I thank members for their support.

Vote put and passed.

Votes: College of Agriculture, £69,654; Agriculture Protection Board, £42,531—put and passed.

Progress

Progress reported and leave given to sit again, on motion by Mr. Court (Minister for Industrial Development).

BILLS (2): RETURNED

1. Motor Vehicle (Third Party Insurance Surcharge) Bill.
2. Motor Vehicle (Third Party Insurance) Act Amendment Bill.

Bills returned from the Council without amendment.

ADJOURNMENT OF THE HOUSE: SPECIAL

MR. BRAND (Greenough—Premier): I move—

That the House, at its rising, adjourn until 2.15 p.m. today (Wednesday)

Question put and passed.

House adjourned at 1.35 a.m. (Wednesday)

Legislative Council

Wednesday, the 7th November, 1962

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CONTENTS—*continued*

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 4.30 p.m., and read prayers.

MOTOR VEHICLE (THIRD PARTY INSURANCE SURCHARGE) BILL

Inaccurate Press Report of Debate

THE HON. A. L. LOTON (South) [4.32 p.m.]: Standing Order No. 402 deals with "Precedence to Question of Order or Privilege," and Standing Order No. 403 deals with "Complaints against newspapers." In view of those Standing Orders, I wish to take action. Standing Order No. 402 reads as follows:—

> All Questions of Order and matters of Privilege which have arisen since the last sitting of the Council shall, until decided, suspend the consideration and decision of every other Question.

Standing Order No. 403 reads as follows:—

> Any Member complaining to the Council of a statement in a newspaper as a breach of privilege shall produce a copy of the paper containing the statement in question, and be prepared to give the name of the printer or publisher, and also submit a substantive Motion declaring the person in question to have been guilty of contempt.

I lay on the Table of the House the newspaper in question, and under Standing Order No. 403 I lay a complaint against a newspaper. The newspaper is *The West Australian* dated the 7th November, and the name of the printer is David Henry Melville McCulloch at The West Australian Office, Newspaper House, St. George's Terrace, Perth.

The complaint I make, Mr. President, is that in the news item dealing with the Motor Vehicle (Third Party Insurance Surcharge) Bill, incorrectly referred to as the Motor Vehicle (Third Party Insurance) Act Amendment Bill, which was before the Legislative Council yesterday evening, the statement is made that "Country Party members, Mr. Baxter and Mr. Jones, joined Labor members to vote against the Bill. Mr. Loton (C.P.) abstained from voting."

This implies that I was not prepared to cast a vote, whereas in fact I was paired, as far as the official record in *Hansard* is concerned, with The Hon. H. C. Strickland. Both Ministers of the Crown, the Leader of the Opposition, and both Whips have known all through the session that I had agreed with The Hon. H. C. Strickland to give him, or arrange, a pair while he was away from the House on private business, on all occasions when legislation was on party lines, with certain exceptions. I believe that the Leader of this House (The Hon. A. F. Griffith) and the Leader of the Opposition (The Hon. F. J. S. Wise) will both agree that I have honoured this undertaking at all times.

The report in the newspaper again goes to great trouble to point out that in the Committee stage of the Bill "after another even division, in which Mr. Loton again abstained from voting." No other names were mentioned for the division.

The next paragraph states that the third reading of the Bill was agreed to on the voices "after Mr. Loton had indicated that he would support it."

You will recall, Mr. President, that I did not speak at any stage of the Bill, and if some physical movement of part of my person could be interpreted by the gallery reporters as indicating my support for the third reading, this was entirely supposition on their part, as I would have done entirely the same thing as on the two previous divisions and left the Chamber and had my vote recorded as paired with The Hon. H. C. Strickland.

I have never been ashamed to have my vote recorded, and this is a filthy implication implying that I was not prepared to support the legislation. I move—

> That this House takes a very serious view of the inaccurate and misleading report dealing with the Motor Vehicle (Third Party Insurance Surcharge) Bill as contained in *The West Australian* of the 7th November, 1962, and declares the printer, David Henry Melville McCulloch, to have been guilty of contempt, and directs that an apology be published prominently in tomorrow's issue of that newspaper.

THE HON. A. F. GRIFFITH (Suburban —Minister for Mines) [4.38 p.m.]: It is not my intention to make any comments on the relative merits of the motion moved by the honourable member; or to comment on the words he used. But I do want to make it perfectly clear, since I am, in a way, implicated in this matter, that whilst I knew that Mr. Loton had made a private arrangement with Mr. Strickland, I never at any time concurred in the arrangement. As a matter of fact, I have told Mr. Loton that I did not then and I do not now concur. I had no knowledge of the arrangement until long after Mr. Strickland had left on his journey overseas; and I am rather surprised in a way

that he should have gone without giving me some indication, or passing information to me through my colleague, Mr. Wise, to that effect.

Be that as it may, I am not objecting to that. Last night Mr. Loton was paired with Mr. Strickland, as I understood it, because I saw the note go over the Table of the House to *Hansard* from Mr. Murray. The reason for my saying that I do not concur in the arrangement is, of course, quite obvious. I knew nothing of the details, nor am I even aware at this point of time what the certain exceptions may have been which Mr. Loton mentioned in the words he has just delivered to the House. However, that was an arrangement he made, and having made it I would expect him to do what he has done—and that is, to honour it.

Nevertheless I want to make it perfectly clear that whilst I knew about it, I could not concur in the arrangement which was made; nor would I suggest that it was one which met with my approval as Leader of the Government in this House for the time being.

THE HON. F. J. S. WISE (North—Leader of the Opposition) [4.40 p.m.]: I feel that I, too, must make some comment in connection with what has been read to the House, and the motion which has been presented. I was told of the arrangement which was made in connection with the pairing of Mr. Loton and Mr. Strickland, who had discussed between themselves the responsibilities of such matters. There is nothing new, of course, in the private arrangements which members make in this House, sometimes unbeknown to the Whips or anybody else. In this case I believe that at all times and under all circumstances the arrangement has been wholly honoured. I have known other occasions when promises of pairs have not been honoured. But that does not apply to this one.

Mr. Loton takes very strong exception to the misrepresentation of the position he was in last night in pairing with an Opposition member on a Government Bill—and that fact was not so reported. That was a matter for Mr. Loton's decision, and it was not a matter for anyone else's interpretation. But I think, too, that the matter has been wrongly reported in a manner offensive to the honourable member.

THE HON. H. K. WATSON (Metropolitan) [4.43 p.m.]: I propose to speak to the motion moved by Mr. Loton and to comment on the remarks which he has made in support of it. I must confess that when I read the report this morning it conveyed an interpretation and a construction which left me extremely puzzled, having regard to what did occur in the House last night. I feel that Mr. Loton is not without cause for complaint in the matter which he has raised.

At the same time, accidents will happen. I think it can be fairly said that although the report was grossly inaccurate, it was not done with malice.

The Hon. A. F. Griffith: I am sure it wasn't.

The Hon. H. K. WATSON: I am quite prepared to believe there was no malice at all behind the unfortunate incident, and I just feel this: whilst on the one hand I am always prepared to uphold the rights and privileges of Parliament, I feel, on the other hand, that we should not take ourselves too seriously; and I would have thought that a personal intimation by Mr. Loton to the editor would readily bring forth the apology which I feel is well merited. As to whether we should take the more or less extreme step of passing this motion, I have grave doubts.

THE HON. E. M. HEENAN (North-East) [4.46 p.m.]: I am sure that all of us are concerned that a motion of this nature should be submitted for our consideration. I cursorily read the report in *The West Australian* this morning, and I have also been aware throughout this session that Mr. Loton and Mr. Strickland had entered into an arrangement which, to our knowledge, had been faithfully honoured by Mr. Loton. I am sure we all sympathise with him if the public have been induced to draw any assumptions which would place him in an incorrect position.

I feel, however, that now the matter has been raised it should be capable of correction without the carrying of a motion which, to my mind, is rather more extreme than the circumstances require. We all know that our *Hansard* reports sometimes do not come out exactly as we think they should, and only last night we had Mrs. Hutchison raising that point. But as Mr. Watson has pointed out, we are all prone to make mistakes, and I am sure this has been done largely by inadvertence and with no desire or intention of causing any wrong to Mr. Loton.

I sympathise with the honourable member, and I will do anything to see that his position is vindicated. However, I think he is asking us to go a bit further than the circumstances really warrant on this occasion, and I hope that, perhaps, he will feel disposed to withdraw the motion; and if proper corrections and vindications are not made we can give the matter another thought.

Those are my thoughts on the matter. I have the feeling that the carrying of this motion might in some quarters create the impression, as indicated by Mr. Watson, that we are too easily hurt and are taking ourselves a bit too seriously.

The Hon. H. K. Watson: We do have our occupational hazards.

The Hon. E. M. HEENAN: Yes. I am sure that the young reporter in the gallery who was initially responsible for it made a genuine error.

The Hon. A. F. Griffith: It was a genuine mistake.

The Hon. E. M. HEENAN: He was not here to know all that we know; and, therefore, in all the circumstances I am sure Mr. Loton does not want to do anything that is quite unnecessary. I hope that in the light of the thoughts I have tried somewhat inadequately to express he might think it over. I am sure when we read the paper tomorrow we will see that the position has been rectified.

THE HON. F. R. H. LAVERY (West) [4.52 p.m.]: I am one of those who plead guilty to the fact that I do take myself seriously in this House. When I read the article in *The West Australian* this morning I thought I must be reading it incorrectly, and so I read it a second time. After doing that I discussed it not with one person but with several during the day, and each of them placed the same interpretation upon it that I had done—that Mr. Loton was reported as not voting, or not taking part in the vote.

My interpretation of the Standing Orders is that if a person is paired he is taking part in the vote; and, so far as I am personally concerned, I believe Mr. Loton has been aggrieved and his protest is one that should be brought before this House. I believe that too often has the Press of this State, by innuendo, challenged members' actions both inside and outside Parliament. Therefore I offer my support to the honourable member.

However, I would like to close on this note: I believe in all sincerity that the reporter who reported this matter could have made, and probably did make, a mistake in regard to the situation; or, if he reported it correctly, as he is expected to do, then he is not to blame.

The Hon. A. F. Griffith: Nobody would do a thing like this deliberately.

The Hon. F. R. H. LAVERY: I am not suggesting that. I am making the speech and if the Minister will wait until I have finished he will see that I am trying to do the right and proper thing. I believe that any officer of the Press who is in the gallery to do a job can make a mistake. However, I do know for certain that very often the reporters report what happens in this House and the editors and subeditors tear it to pieces. I hope the young man concerned will not suffer any repercussions from the company because of what occurred last night.

THE HON. A. R. JONES (Midland) [4.55 p.m.]: I hope that Mr. Loton will not withdraw his motion, because I believe he has every justification for doing what he has done. I read the paper this morning, and knowing Mr. Loton, and the arrangements that were made in regard to pairs; and having sat here and discussed things with him, I knew the report was utter bosh. However, that did not surprise me because one often sees utter bosh in *The West Australian*, so one does not take much notice of it.

I can well recall *The West Australian* making all sorts of prophecies about what would happen when the State elections were held—that the Government would have this done to it and the Government would have that done to it, and certain procedures would be followed. But they could not have been further from the point in some things; and if we give the newspaper a jolt, such as this motion might do, it might put somebody on the job who knows Parliamentary procedure and the obligations the Press has both to Parliament and to the people of this State.

The West Australian owes a very great debt to the people of this State because West Australian Newspapers are the only people—the privileged people—in Western Australia who give the news to the public of Western Australia.

Surely we can have our parliamentary proceedings reported properly! Everyone of us should raise a protest about the manner in which this Parliament is treated by *The West Australian* through the reports it makes from time to time.

The Hon. A. F. Griffith: Isn't it possible to make a genuine mistake?

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [4.56 p.m.]: As one who is a colleague of the honourable member concerned, and as one who knows and appreciates the agreement he has with Mr. Strickland, I too was amazed at the report I read in the Press this morning. Like every other member in this Chamber I am in sympathy with the honourable member's intentions with regard to this motion, although I have not had much of a chance to read it. However, after having glanced through it I see nothing much wrong with it although I think he should use some other word instead of the word "contempt."

The Hon. J. M. Thomson: I think so, too.

The Hon. L. A. LOGAN: If the honourable member were to use some other word I would see nothing wrong in the House passing the resolution.

The Hon. A. F. Griffith: And the word "filthy."

The Hon. L. A. LOGAN: The word "filthy" is not used in the motion; that was one of the honourable member's remarks, and I am dealing with the motion which is before the House. In view of what has been said, I think that Mr. Loton would achieve all that he wants to achieve

if he changed the word "contempt" to "misreporting" or "bad reporting," or something along those lines.

If that were done I think there would still be sufficient sting in the motion for the House to carry it and make *The West Australian* appreciate that this House at least demands some genuine attempt by the newspaper to do the right thing, both by this House and by the honourable member concerned. I do not know whether Mr. Loton would consider that, but I offer it as a suggestion to him. If he changed that word I think all members could support the motion without any worry.

THE HON. J. MURRAY (South-West) [4.58 p.m.]: I feel constrained to make a contribution to the debate because I am more or less recognised as the unofficial Whip for the Government parties in this House. Both sides know of Mr. Loton's arrangement with Mr. Strickland, which was made before the honourable member went away; but during the time Mr. Strickland has been overseas Mr. Loton has religiously caught my eye, either from his seat, or from behind the dais, to let me know that he wanted it to be registered that he had paired with Mr. Strickland. I say that because there have been many Bills brought forward in regard to which there is no necessity to have a pair registered and become active.

The honourable member has done that all the time, and he did it last night on the two divisions that were held. There was no division on the third reading of the Bill; it was decided on the voices, so whether he was paired or whether he abstained from voting would not be known to anybody because, as I said, the honourable member was in his seat and he did what everybody else did. No division was taken because the matter was decided on the voices.

I regret very much that Mr. Loton is taking this extreme step, not because he is not justified in doing so in view of the incorrect reporting, or interpretation, of what took place, but because of the Press in the gallery. It will hit back on the young fellow in the gallery, whether we like it or not.

The Hon. F. R. H. Lavery: It shouldn't.

The Hon. J. MURRAY: I agree it should not, but it will; and if this sort of thing is to hit back on the Press reporters here, it will mean that so long as I remain in any unofficial or official capacity as Whip both the Press and *Hansard* will have to be advised of the standing of pairs; because the Press has no means of finding out how members are paired unless some step is taken to inform them.

I realise Mr. Loton is justified in taking the stand he has. I also realise it is unfortunate that the fellow-members from his province appear to be placed in the invidious position of having voted one way on a Bill, while he refrained from voting. There is no doubt that that is the construction that will be placed on his action as reported, and I think it should be rectified. However, I do think the motion is a bit extreme.

THE HON. A. L. LOTON (South) [5.1 p.m.]: In concluding the debate I would like to say that even though I was the person implicated, I have not included myself in the motion at all, because my efforts are directed solely at trying to protect the dignity of this Chamber. I guard this dignity most jealously. I endeavoured to guard it while I was President, and I shall continue to do so; just as you, Mr. President, have done during your term of office. I think it is incumbent on all members to uphold the dignity of the Chamber, and what it stands for.

The Hon. A. F. Griffith: The mistake by the reporter was not filthy.

The Hon. A. L. LOTON: The point is that the reporting was not correct.

The Hon. A. F. Griffith: It was inaccurate, but it was not filthy.

The Hon. A. L. LOTON: I might point out to members that it is not within my province to alter Standing Orders; and in this connection I would like to refer members to Standing Order No. 403 which reads as follows:—

> Any member complaining to the Council of a statement in a newspaper as a breach of privilege shall produce a copy of the paper containing the statement in question—

That is what I have done—

> —and be prepared to give the name of the printer or publisher—

I have done that. To continue—

> —and also submit a substantive Motion declaring the person in question to have been guilty of contempt.

Question put and passed.

THE HON. A. L. LOTON (South) [5.4 p.m.]: I move—

> That the President be asked to convey the terms of the motion to the Managing Editor of *The West Australian* for necessary action.

Question put and passed.

QUESTION ON NOTICE

BUNBURY TECHNICAL SCHOOL

Instruction for Collie Apprentices

The Hon. G. C. MacKINNON asked the Minister for Mines:

(1) If or when the proposed Bunbury Technical School becomes a reality will Collie apprentices have to go to that centre for instruction now obtained in Collie?

(2) If so, what are the proposed transport arrangements and how is the cost to be met?

(3) If the answer to No. (1) is "Yes," will qualified instructors be available for the adult evening classes?

(4) If the answer to No. (3) is "No," what is the future of the Collie Technical School?

(5) If a centralised scheme for apprentice training is envisaged for the south-west area, what consideration has been given to the upgrading of the Collie school for this purpose?

The Hon. A. F. GRIFFITH replied:

(1) Yes, but the facilities will be more extensive and considerably superior to those which it has been possible to provide for the numbers at Collie.

(2) This aspect is still being considered.

(3) All existing evening classes can be maintained and additional classes will be provided according to demand.

(4) Answered by No. (3).

(5) Every consideration was given to Collie's claims, but Bunbury is more central to the bulk of apprentices in the area and this is likely to be increasingly so.

MOTOR VEHICLE (THIRD PARTY INSURANCE) ACT AMENDMENT BILL (No. 2)

Introduction and First Reading

Bill introduced, on motion by The Hon. L. A. Logan (Minister for Local Government), and read a first time.

Second Reading

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [5.6 p.m.]: I move—

That the Bill be now read a second time.

This is quite a short Bill, but it contains two important changes, and, therefore, I desire to bring these to the notice of this Chamber, and I commend the Bill to the careful consideration of all members.

The first amendment proposed in the measure is a change in the definition of what is a motor vehicle for the purpose of the Act. A perusal of the new definition will reveal that it is now confined to motor vehicles which require to be licensed, and, because they comply with the requirements necessary for licensing, are capable of being licensed under the Traffic Act. Provision has, however, been made in section 4 (9a) for the trust to grant a policy of insurance in respect of vehicles, which, although capable of being licensed under the Traffic Act, do not require to be licensed.

The examples to which this could apply are cases where, for instance, a vehicle is being used under permit from a farm to a repair shop or back to the farm or is being driven from the place of purchase in one district to the place of licensing in another district, or is a farm vehicle which is not used on roads at all, but which the farmer would like to cover against third party risks in case visitors passing through his farm should stray off the road and become involved in an accident with the vehicle.

Other cases are where one vehicle is substituted for another whilst that one is under repair, as authorised by section 51 of the Traffic Act, and generally to any unlicensed vehicle being driven under a permit authorised by traffic regulation 10A. Vehicles which do not comply with the Traffic Act, and therefore cannot be licensed under that Act, will be excluded from the definition, and will not be subject to the operation of the Act.

Examples which come to mind are large items of industrial plant such as hoist transporters, etc., which, because of their size or weight, or details of their construction, cannot be licensed for general use, but must be operated only under a permit which imposes rigid conditions on their use, or industrial plant which is used in gravel pits, quarries, etc. to which the public have access, and in respect of which an accident could occur and in regard to which permits can be given under traffic regulation No. 10B.

Another example is the so called "hot rod" racing car, or the go-kart, which has not the necessary fittings to enable it to be licensed. This means that as these vehicles are permitted on roads and public places only under a permit issued under traffic regulation 10B, they will not be covered by a policy of third party insurance issued under this Act, but the Minister, in granting such permits, is in a position to insist that the operator has a comprehensive policy, or some other policy, which will ensure that there is adequate protection for persons who might be injured by the operation of these off-road vehicles.

The reason for this change is that it is considered that the trust should be required to insure only licensed motor vehicles, and that vehicles which cannot be licensed under the Traffic Act should be insured by their owners or operators, and no risk covered by the fund set up under the Third Party Insurance Act.

The second and third amendments are to provide for cases where one of the participating insurance companies is wound up or is dissolved. Provision has been made in the amendment to deal with these cases, and it has been found necessary to make this provision because, in fact, one of the participating insurance companies

is now in liquidation. Provision is being made in sections 3L and 3P respectively in the appropriate places to ensure that where a participating insurer is in liquidation, the trust is able to have the share of that insurer calculated and properly dealt with.

The next amendment is to section 4 (9a), as I have already mentioned, to bring that section into line so that a policy issued for an unlicensed vehicle will be issued only if the vehicle complies with the Traffic Act requirements. There is a further amendment which is most important, and this will provide that in future the liability of the trust in respect of passengers is unlimited in the case of vehicles licensed for the carriage of passengers for hire or reward, but is £6,000 for an individual passenger in a private vehicle, with a maximum of £60,000 for all the passengers carried in the vehicle.

There has been considerable discussion on the question of limits. The Act previously provided a limit of of £2,000 for an individual passenger and £20,000 in all; and it is considered that by increasing this to the present suggested limit of £6,000 and £60,000, justice will be done, in that the change in the value of money will be recognised.

The limits have not been abolished, because it must be remembered that all the funds required for third party insurance are contributed by the owners of motor vehicles who are compelled to take out third party cover under the Act. If unlimited claims are permitted in respect of passengers carried in private vehicles, this means that the great mass of the owners of vehicles must pay additional premiums to provide unlimited cover in respect of those persons who carry passengers who are injured in their vehicles.

It is considered reasonable that passengers being carried in the vehicles of their friends should be prepared to bear some part of the risk involved to hold to a limit of £6,000. As an example let us take the case of friends who are at a party together, and who decided to travel home in the car of one of them, taking the risk which may have arisen because they have been dining too well, when perhaps they would have done better to hire a taxi.

If they should be involved in an accident, there is no reason why the friends as between themselves should not accept some of the financial risk as well as the physical risk; and there is no good reason why the motoring fraternity generally should be forced to pay higher premiums, so that passengers of this type should be able to recover from their friend, through the trust, sums larger than the limit of £6,000 now proposed.

I stress again that when a passenger is carried in a vehicle licensed for the carriage of passengers for hire or reward, there is unlimited cover, and it is only in respect of passengers carried in private vehicles that there is any limitation.

The next amendment is twofold, the first simply bringing the terminology in section 7 subsection (2) into line with the text used in other parts of the Act, and it is done simply for the sake of consistency. The second part of that amendment is consequential upon the amendment to section 6 increasing the limitations. The next amendment again is to bring the language used into consistency with that in other parts of the Act by using the words "as soon as practicable."

The next amendment deletes a proviso to subsection (1) of section 29 and this is followed by a further amendment in clause 10 to insert a new section to be numbered 29A. The reason for this amendment is that the proviso in its present position in section 29 refers only to that subsection, and it is considered that an injured person should have as full protection and as great a civil right for taking action as is reasonable and fair.

The insertion of the new section, therefore, will ensure that failure to give notice or to make the inquiries which are duties cast upon the person injured, will not absolutely debar the person concerned from proceeding with his claim. If he can satisfy the court that his failure to give the notice, or to make the inquiries, was due to a mistake or inadvertence, or has any other reasonable excuse, or that the trust, in any case, is not materially prejudiced in its defence by the failure or defect, the court may allow the case to proceed.

This provision brings the enactment into line with the general provisions of the Limitation Act; and it is considered that so far as is practicable there should be consistency between the various Acts in regard to the making of claims. This is a measure on which I feel sure that both sides of the Chamber will be in agreement and I therefore commend it for the earnest consideration of members.

Debate adjourned, on motion by The Hon. F. J. S. Wise (Leader of the Opposition).

STAMP ACT AMENDMENT BILL (No. 3)

Introduction and First Reading

Bill introduced, on motion by The Hon. A. F. Griffith (Minister for Mines), and read a first time.

LICENSING ACT AMENDMENT BILL (No. 3)

Further Recommittal

Bill again recommitted, on motion by The Hon. A. F. Griffith (Minister for Justice), for the further consideration of clauses 52 and 60.

In Committee, etc.

The Deputy Chairman of Committees (The Hon. A. R. Jones) in the Chair; The Hon. A. F. Griffith (Minister for Justice) in charge of the Bill.

Clause 52: Section 185 amended—

The Hon. A. F. GRIFFITH: I move an amendment—

> Page 22, lines 23 to 28—Delete all words after the word "and" down to and including the word "section" and substitute the following:—
>
> > subject to the rules of the Club in force at the commencement of this subsection no person shall be an honorary or temporary member of a Club unless he is elected as or deemed to be an honorary or temporary member, pursuant to and in accordance with the provisions of this section.

Yesterday evening Mr. Watson queried the final portion of this clause which provided a certain restriction in respect of people who may, by reason of the existing rules of a club, be entitled to become honorary members, and he asked me to check on the wording of the clause to see whether the manner in which it is now worded may have an overriding effect upon those rules.

If the Committee will accept this amendment the situation will be held where the existing rules of a club provide for honorary members; and those people will not run into difficulty in that regard. We cannot hope to provide for the future. We can only have regard for the rules that exist.

Amendment put and passed.

Clause, as further amended, put and passed.

Clause 60: Section 204 amended—

The Hon. A. F. GRIFFITH: Mr. Deputy Chairman, you will remember the Committee agreed to take out certain words from this clause and then there came the question of the number of miles that should be provided for. I gave Mr. Baxter an undertaking that I would inquire about this situation and if necessary effect some change.

According to the Licensing Court, Wundowie is four and a half miles from Bakers Hill; and we are, therefore, obliged to make some change if the clause is not to affect Wundowie. I am wondering just how many other examples there are. This is the only concrete one. I hope we are not going to run into a situation where someone says, "My club is not four and a half miles, it is three and a half miles, so will you go back a bit more." I move an amendment—

> Page 25—Delete the word "five" inserted by a previous Committee in proposed new subsection (4) and substitute the word "four".

The Hon. G. C. MacKINNON: I think this is a clumsy way of getting over the problem. We have agreed that kegs should not be sold by clubs and now we are trying to allow this facility to people living in a town where there is no other means of buying a keg. I am wondering whether the Minister could tell us why we should not use a system whereby all clubs are banned from the selling of kegs, but may receive, on written application to the Licensing Court with proof of lack of local facilities within a reasonable distance, permission to sell them.

It would then mean that the court could provide this facility whether the club was situated six miles, three miles, or any other distance from licensed premises. People may get into their cars and travel five, six, or seven miles to a golf, tennis, or squash club; and if such a club has a license it is unreasonable that it should be unable to supply kegs if it is in the middle of a district where there is no habitation. But there could be a town situated only three miles from another town. One town could have a hotel and the other only a club; and in that town, despite the fact that it was only three miles away, it would be reasonable that the club should sell kegs, but unreasonable for the golf club, six miles out to sell them. The people in the town might decide to have a keg party, but we know that no one lives around a golf course.

The Hon. W. F. WILLESEE: I have felt all along that it would have been better if we had been able to retain the *status quo* and allow clubs to sell kegs of beer. If the member of a club wants to purchase a keg of beer from the club he should be able to do so. It seems the further we go the more obstructive the position is.

The Hon. A. F. GRIFFITH: Last night we accepted the principle that the dealing in kegs should belong to hotels, gallon licensees, and wayside-house licensees. The question of five miles came up and the clause was amended because Wundowie happens to be four and a half miles from the nearest premises the subject of a publican's general license, a wayside-house license, or a gallon license. Only for that circumstance I do not think this matter would have been raised again. We would have given it a trial. I repeat, we might run into other difficulties, but the suggestion put forward by Mr. MacKinnon could be just as difficult; and certainly it would cause a lot of work for the Licensing Court. I am trying to avoid that work being done by the court.

Here we have a clearly defined situation. If a club is situated within a distance of four miles from premises the subject of one or other of the three types of licenses, it can sell kegs. I suggest we give this a try, and if it does not work out we can alter it.

The Hon. N. E. BAXTER: I thank the Minister for the consideration he has given to the matter. To my knowledge the townsite of Wundowie would be the only one of its size in Western Australia that has a club but no hotel. It does appear that the four-mile limit will suffice for the State, otherwise I would have thought some other member would raise the issue in respect of his district. I trust the Committee will agree to the amendment.

Amendment put and passed.

Clause, as further amended, put and passed.

Bill again reported, with further amendments.

STATE FORESTS

Revocation of Dedication: Motion

Message from the Assembly received and read requesting the Council's concurrence in the following resolution:—

> That the proposal for the partial revocation of State Forests Nos. 4, 15, 22, 24, 25, 36, 37, 42, 64 and 65 laid on the Table of the Legislative Assembly by command of His Excellency the Governor on the 6th November, 1962, be carried out.

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [5.34 p.m.]: I move—

> That the resolution be agreed to.

A dedication of Crown Land under section 21 of the Forests Act, 1918-1954, may be revoked only in whole or in part in the following manner:—

> Firstly, the Governor is required to cause to be laid on the Table of each House of Parliament, a proposal for such revocation.
>
> Secondly, after the proposal has been laid before Parliament, the Governor on a resolution being passed by both Houses that such proposal was carried out shall, by Order-in-Council, revoke such dedication.
>
> Finally, on any such revocation, the land shall become Crown Land within the meaning of the Land Act.

The foregoing explains the reason for the corresponding resolution being submitted in this Chamber. The proposed excisions comprise 14 areas, one of which is now being withdrawn—that is, proposal No. 11. This reduces the area covered by these revocations to 466½ acres. In all, 10 State forests are affected.

The area which has been withdrawn, comprises approximately 11,600 acres of State Forest No. 61, which is situated about 11 miles in a northerly direction from Bindoon, and is part of an area required for exchange for the present Avon Valley Army training site. The withdrawal of this proposal became necessary as a temporary measure only, pending the receipt of written confirmation from the Department of the Army that cutting rights over the area would be retained by the Forests Department for three years. The area is to be made the subject of a separate proposal to be submitted to the next meeting of Executive Council, and to be dealt with later in this session.

A brief description of the areas the subject of the resolution, is a follows:—

Area No. 1:

> About one mile east of Collie railway station. Approximately 16 acres of isolated non-forest country proposed for addition to the townsite.

Area No. 2:

> About three miles south-east of Collie railway station. A strip of land three chains wide and comprising approximately 15 acres required for a deviation of the Collie to Cardiff railway line.

Area No. 3:

> About four miles north of the Collie railway station. A disused tramway strip applied for by the adjoining landholder.

Area No. 4:

> About four miles south-easterly from Byford. A strip of severe dieback country comprising approximately 12 acres, isolated by a forestry road and applied for by the adjoining landholder.

Area No. 5:

> About 3½ miles south of Muja. A strip of land two chains wide and comprising approximately 30 acres required for a railway link between the Muja power station and the Muja-Centaur coalmine railway.

Area No. 6:

> About one mile east of Nittarni townsite. Approximately half an acre required for a church site at Wellington Mills.

Area No. 7:

> Adjoining Nittarni townsite. Approximately six acres required for a new school site.

Area No. 8:

> About six miles south-west of Manjimup. Approximately 15 acres required by an adjoining landholder for a dam site on an exchange basis for an equal area of good forest country.

Area No. 9:

> About six miles north of Manjimup. Approximately five acres required as a recreation reserve by the Manjimup Motor Cycle Club.

Area No. 10:

About eight miles east of Walpole. A salient into private property comprising approximately 33 acres of poorly timbered land applied for by a nearby landholder.

Area No. 11:

Withdrawn.

Area No. 12:

About three miles north-east of Denmark. Approximately 50 acres of mostly non-timbered flats applied for by an adjoining landholder.

Area No. 13:

About four miles north-east of Wanneroo. Two salients into private property comprising approximately 260 acres of poorly timbered flats and swamp land applied for by an adjoining landholder.

Area No. 14:

About four miles east of Wanneroo. An isolated area of approximately 22 acres not required for pine plantation.

Members may be assured that those charged with the responsibility for the preservation of our forest areas have very closely examined all these proposals before recommending that the action now desired be taken.

Debate adjourned, on motion by The Hon. F. J. S. Wise (Leader of the Opposition).

BILLS (2): RECEIPT AND FIRST READING

1. Acts Amendment (Superannuation and Pensions) Bill.
2. Royal Visit Holiday Bill.

Bills received from the Assembly; and, on motions by The Hon. A. F. Griffith (Minister for Mines), read a first time.

STAMP ACT AMENDMENT BILL (No. 2)

Second Reading

Debate resumed, from the 1st November, on the following motion by The Hon. A. F. Griffith (Minister for Mines):—

That the Bill be now read a second time.

THE HON. F. J. S. WISE (North—Leader of the Opposition) [5.41 p.m.]: I intend not to address myself at any length to the Bill, which was handled on this side by Mr. Teahan and which has been spoken to by other members. There is no need for, nor is there any advantage in, repetition or insistence upon the points that have been made, particularly those made by Mr. Watson whose views, as expressed, I strongly support.

The Bill, if passed, will provide that as from the 1st January, 1963, additional tax will be levied by way of stamp duty in many and varied ways. There is no consistency in the alterations proposed. As mentioned several times by the Minister when introducing the Bill, the objective is to raise more money to help bridge the gap between expenditure and revenue; and also—and this was mentioned many times in the course of the Minister's comments—to have this State levied *per capita* the amount paid in stamp duty to somewhere near the average of other States, and particularly to have it brought more in line with the two standard States which were mentioned several times by the Minister—New South Wales and Victoria.

If the Bill is passed it will cure some of the disparities between the rates applying in Western Australia and those in the other State, but it must of necessity leave many disparities in that field. Also, in my view, several new problems will be created.

Mr. Teahan raised some pertinent points on serious aspects of the Bill in regard to stamp duties on transfers of home properties, a subject also raised by Mr. Watson. Illustrations were given that on the purchase of a modest home by a young couple—perhaps the first home in their married lives—for, say, £3,000, the existing amount of stamp duty, namely, £30, would be increased by £7 10s. if the Bill is passed.

One aspect mentioned by more than one speaker was the serious impact which will be made on the ordinary citizen as a result of the variation in the rates that will be charged to effect hire-purchase transactions. Because they would have been approached in some way or another by representatives of hire-purchase companies, most members will know that they are seriously concerned with certain aspects of this Bill, some of which were mentioned by Mr. Watson.

Attention has been drawn to the endeavours by these people to interview the Treasurer to state their case and the difficulties they have experienced in trying to have their points of view considered. As I understand the situation there are 11 member companies operating in Western Australia, all of which are national companies. They are companies which have brought considerable capital to Western Australia before using Western Australian capital in the establishment and conduct of their businesses.

These companies are extremely concerned that the increase in the rates will prejudice their businesses in this State, despite all the comparisons made by the Minister when introducing the Bill that the rate imposed is not of a substantial character. Apart from stamp duty, it has been pointed out that there are other aspects involved. If we take the figure of £400 as being the average or normal loan that is financed, the stamp duty of 1½ per cent. that is now to be levied would

represent £6, the stamp duty on the duplicate would be 5s., and the registration of the hire-purchase agreement would be £1. This would bring the duty payable, on such a transaction, to 1.8 per cent. on a £400 proposal.

I spoke to a representative of one of the hire-purchase companies during this week. He was a man who appeared to me to be very earnest in his business; earnest in his presentation as a salesman; earnest in his approach to the difficulties the member companies will encounter. Even though the Victorian rate appears to be 2 per cent., the hire-purchase companies aver it will be more attractive to invest a great deal of their money outside Western Australia because of other incidental difficulties associated with business in a sparse community as compared with an extremely busy and compact community.

The Hon. A. F. Griffith: Would you say that the same would apply to New South Wales?

The Hon. F. J. S. WISE: The comparison that was given to me was based on the Victorian figure. It is never my practice to indulge in repetition on matters of this kind and on argument that has been raised previously. Therefore, I will confine myself to saying that I am in support of the contentions raised by Mr. Watson, and I would strongly point out the difficulties associated with certain transactions as between bills of sale and hire-purchase agreements on which stamp duty may be paid by the one individual. Take, for example, the transactions of a farmer purchasing stock. On the purchase of 1,000 sheep under a bill of sale, he will pay 2s. 6d. per £100 in stamp duty, but in purchasing harvesting machinery to take off his crop on the same property as he is running the sheep he will, under the new proposal, pay 30s. per £100 for the money outstanding on the purchase of machinery under a hire-purchase agreement.

Before last year, of course, the stamp duty on such a transaction was 2s. 6d. on £100. Last year it was raised to £1 per £100, and in this proposal contained in the Bill it is to be increased to 30s. per £100. That is a very steep increase, particularly when one considers the relativity of the use and the need for financial accommodation. In one instance three stock firms were involved; and very rarely does a stock firm engage in hire-purchase transactions of its own and on its own paper.

So the individual is paying for purchases for the one piece of property quite a differential rate; and after making some inquiries, and having had some personal experience on this point, I have come to the conclusion that a very serious and exhaustive examination would be made at every opportunity on how to avoid hire-purchase agreement transactions and to have them converted into some other form of instalment payments, according to the individual. One would thus avoid the payment of stamp duty of 30s. on every £100 which this registration is seeking to collect.

I think that will apply in all cases where sharp increases in taxes are imposed in all the operations where they are raised—not where they are equalised and altered—specifically by the action of the passing of this Bill. There is one individual who has not been mentioned and I think he is a very important individual. That is the person who is on wages; the person who receives payment of his earnings once a week or once a fortnight. He is the person who pays stamp duty on his earnings; who has, over the years, paid the lowest possible rate. Indeed, when the basic wage was on an extremely low rate he was exempt from stamp duty, but gradually he became involved and was paying about a penny on every pay he collected. Very few people can avoid the payment of twopence because of the second schedule not having been altered in regard to that rate, and some will now pay more. In that regard it will affect all wage earners.

I cannot understand—and other members have voiced their views strongly on this—why the receipts for life insurance premiums have complete exemption. Why is that field avoided?

The Hon. A. F. Griffith: The explanation is very simple really.

The Hon. F. J. S. WISE: I think a satisfactory explanation will not be simple, particularly when other classes of insurance, including workers' compensation insurance, are the subject of provision for an added impost. The field of life assurance, as pointed out by Mr. Teahan and Mr. Watson, covers not only the humble person paying premiums on a policy of a few hundred pounds, but also the person of better means who enjoys an exemption of up to £400 in regard to his income tax.

The Hon. J. D. Teahan: And he does not have to pay tax when he receives his final payment.

The Hon. F. J. S. WISE: That is so: and although it is definitely a compulsory saving, it is a laudable means for every person to provide for the future of his family—indeed, for himself, in some instances. However, he is providing for his family when he pays stamp duty on his wages cheque and by the payment of stamp duty on every form. At every stage where a tax is levied in paying for his living, the comparison is direct; there is no valid reason why the vast number of life assurance policy transactions should be exempted. That is my view.

As I have mentioned, there is a differential rate in the case of workers' compensation insurance. That was specifically referred to by the Minister in the course of his speech. That field shows an increase which has to be levied and which

will assist in the contribut[illegible] collection, in total, of £10[illegible] 1st January next to the 30th Ju[illegible]

All of these levies and all of these additional taxes are anticipated to bring in, through stamp duty under this one single item, £200,000 for a complete financial year. If one goes back to follow through the changing *per capita* rates in recent years—and one does not need to go back very far; perhaps not more than six years—one will find that Western Australia, in regard to the payment of stamp duty, was in a distinctly advantageous position in camparison, *per capita*, with the stamp duty levied in other States.

Gradually, however, New South Wales and Victoria overtook Western Australia so far as enjoying advantages in this field was concerned; and, in fact, went far ahead of this State. They are States which have exceptional advantages in industrialisation; in transactions of great magnitude and of great numbers; and in transactions which, as a result of their secondary and manufacturing industries particularly, and their export trade to other States, involve considerable stamp duties on documents.

They are advantages enjoyed by the States of New South Wales and Victoria to the detriment of this State. It is swelling their revenue to the direct disadvantage of costs in this State; and, secondly, a disadvantage by a comparison made between the *per capita* amounts of the various States.

I know that last year Western Australia lagged in regard to the Australian *per capita* average—not the average of the standard States—by about £1 per head of population in respect of stamp duty. One has only to go back four years to 1958 to find a different situation. By going back a further three years one will find a very different proportion altogether. In the four years from 1958 to the present time the figure for Victoria has increased from £1 19s. 9d. *per capita* to £4 6s. 10d. for this year. Are we expected to keep pace with that increase?

The Hon. H. K. Watson: I should hope not.

The Hon. F. J. S. WISE: When Western Australia is forced to take into consideration the favourable adjustments made by the Grants Commission, within which category this particular tax still comes, and the unfavourable adjustments, it is time that Western Australia was favoured heavily for the very high collections in certain directions, for example, from the tax collected on horse racing. Such taxes imposed in Western Australia are enormous, compared with similar taxes imposed in the standard States and other States.

On the question of stamp duty, I simply say that the return in the twenty-fifth report of the Grants Commission for 1958 shows the figures I have mentioned and the large increase by pounds between the figure for the two standard States and the figure for Western Australia. I suggest that this State cannot be expected to keep pace with the large increases which have been imposed in the other States; that cannot be done either by the desires of the Treasurer in his endeavours to raise additional revenue, or by the Grants Commission in keeping Western Australia in step, as near as practicable, with the standard States.

As Mr. Watson said by interjection, it is to be hoped that Western Australia is not expected to keep up to the levels of the standard States. I see in this Bill all the objections raised by Mr. Watson, plus one or two which I raised of my own volition. I do not like the Bill at all.

THE HON. N. E. BAXTER (Central) [6.3 p.m.]: I do not particularly like any taxing measures, but I realise there are times when the Government has to impose additional taxes to pay for various functions of the Government. The Stamp Act was enacted a long time ago, and the 1921 reprint shows that the Stamp Act of 1882 to 1920 was repealed. There was the 1921 repeal and re-enactment, followed by 24 or 25 amending Bills. I suppose the majority of those amendments brought about an increase in the stamp duty. One wonders where these increases in stamp duty will end; and year after year taxes under various Acts are being increased.

In view of the large increases in taxes over the last few years, as revealed by the report of the Grants Commission, and in view of the large amount of money raised from the tax on horse racing, Western Australia should be given more favourable consideration. This State should not be placed in an unfavourable position by the Grants Commission because the rate of stamp duty in Western Australia *per capita* is not as high as that of the standard States.

I want to refer particularly to one aspect of the Bill; that is, the provision seeking to increase the stamp duty on hire-purchase agreements. I understand the increase has to be borne by the hire-purchase companies, because under the legislation they are not allowed to pass on the increase. I am given to understand that the margin of profit of those companies is a figure below 2 per cent., and from that margin of profit they have to bear the impact of the proposed increase in stamp duty. I do not want it to be inferred from this statement that I am a lover of hire purchase. We should look at this matter from the viewpoint of the State, and of its finances and development.

The Government, or the Treasurer, was remiss in introducing the Bill which seeks to increase the stamp duty on hire-purchase agreements without having discussed the increase with the parties concerned, so as to arrive at some agreement. It is all very well for the purchaser who can

pay cash for an article, but a large proportion of the community has to use hire purchase. Many of the farming community have no alternative but to purchase their machinery under hire-purchase terms.

With the additional impost proposed in the Bill, small as it may seem, the burden will be passed on in one form or another to the purchaser by an increase in the price. I maintain that this type of tax eventually falls on to the people producing the wealth of this State; that is, the primary producers. The business interests which will have to pay the additional impost in stamp duty on hire-purchase agreements have the opportunity to pass on the increase; but the primary producer cannot increase the price of his products, and he has to accept the price offering on the world market or on the home market. He cannot demand a higher price as a businessman can.

Sitting suspended from 6.8 to 7.30 p.m.

The Hon. N. E. BAXTER: Prior to the tea suspension I was remarking that these increased imposts in taxation fall back upon the primary producers of the State. There have been an increasing number of these rising costs and I have seen the impact of them on the farming community. I just wonder when they are going to cease or reach some basic standard in order that the primary producers might know what their economic situation is. Increased taxation on hire-purchase agreements can affect the primary producers just as much as, if not more than, any one else.

In dealing with taxation generally we should consider what the taxation revenue *per capita* was in the various States during 1961. In New South Wales the amount was £16 18s. 1d.; in Victoria, £18 4s. 3d.; Queensland, £14 7s. 8d.; South Australia, £12 12s. 10d.; Western Australia, £13 0s. 10d.; Tasmania, £13. From those figures it is evident that the two claimant States are on a level. The average amount is £15 19s. 9d.

Taking a review of these figures, it appears that in comparison with the highest standard State, Victoria, we have over £5 *per capita* to catch up; and in the case of New South Wales, a matter of £3 7s. 3d. If we are going to continue to try to catch up all the time with the standard States so that we will not receive unfavourable treatment from the Grants Commission, I can visualise these imposts being made year after year and never ceasing.

The Hon. A. F. Griffith: Is this on a *per capita* basis?

The Hon. N. E. BAXTER: Yes.

The Hon. A. F. Griffith: We are not expected to raise our tax on that basis.

The Hon. N. E. BAXTER: No; but it can apply in some instances of taxation.

The Hon. A. F. Griffith: It cannot apply.

The Hon. N. E. BAXTER: The whole situation is that certain of these taxes are applicable to the Grants Commission's review each year. With regard to stamp duties alone, New South Wales is £3 18s. 1d. against our £2 13s. 8d. There is still a lag there to catch up.

The Hon. A. F. Griffith: Is that a *per capita* basis?

The Hon. N. E. BAXTER: Yes.

The Hon. A. F. Griffith: But I have said that it does not apply on that basis.

The Hon. N. E. BAXTER: It may not apply, but we are up with the standard States to a good degree. The point is that some of the standard States are spending huge sums in certain directions and they must raise additional taxation to find those sums. One of the projects which has involved millions of pounds is the great Snowy River scheme, which involves both of the standard States. Money must be raised for that project, and how is it raised? It is raised the same way as we raise our money—by taxation. If we are expected to keep up with those States which are spending huge amounts in projects such as the one I mentioned, we will never stop imposing these taxes. That is the whole situation as I see it.

If we look at the stamp duty figures contained in the Estimates for the year ending the 30th June, 1963, we will find that the Estimate for 1961-62 was £1,929,500 which was an under-estimate of £191,803 because the actual sum received was £2,121,304. Yet we are going to add to that figure which was already underestimated during the last financial year by the fresh impost of stamp duty taxation.

We must also face the fact that not only will this additional impost or increased impost bring in an estimated greater revenue for the Government, but if the value of property keeps increasing as it has done over the years, an even greater figure than is anticipated will be received by the Government. Under this legislation the Government will be always underestimating the amount it will receive from stamp duty.

As I have said before, we must take another look at the State's financial position. We must put the thumb down on some State expenditure and be very careful that all the money is spent judicially. I again ask the Government to look at this angle and study the situation in every department in order that the strictest economy is practised and the greatest attention given to tenders for public buildings. Some sort of committees, bodies, or boards should be appointed to keep an eye on these projects to ensure that we get value for our money, otherwise the public of Western Australia is going to keep on paying and paying year after year until Western Australia is priced right out of the world's markets.

We all know that secondary industry is always struggling to compete in this State and in the Eastern States, let alone the markets overseas. It is our duty to ensure that everything possible is done to keep costs down to enable our industries to compete on the Australian and overseas markets. If we do not we could very easily reach a state of recession, which is not a very pretty picture to contemplate.

I do not know whether members heard the report over the air the other night on the dairying industry; that is, the butterfat and cheese side of it. A very dismal prospect was painted for the next two years. That industry alone will not be able to stand the slightest increased costs over the next few years if the prediction of those concerned is correct—and I believe it is. The over-production of dairy industry products has reached a high peak, and our dairying industry will be lost to this State unless the costs can be kept down to an economic level.

We do not have very wonderful dairy country compared even with the Eastern States. I know from the 15 years I spent earlier in the industry what a struggle it is, and I visualise that unless the situation improves, either people will have to get off their properties or the properties will have to be amalgamated into larger concerns and turned into grazing properties. That will mean the loss of most of our dairy industry—the butterfat and cheese side of it. We must give a lot of thought to this situation.

While I am prepared to support this Bill with certain reservations at present, I would ask the Government to make every effort during the coming 12 months to ensure that economy is practised in our financial affairs in the best interests of the State.

THE HON. F. R. H. LAVERY (West) [7.41 p.m.]: I preface my remarks by saying that I am not a member of any hire-purchase firm in Western Australia or Australia. However, I do believe that the taxation to be imposed upon these people will have the same effect as did increases in the fares charged by bus companies. For many years I worked for the Metropolitan Omnibus Company—not the trust—and every time fares were increased, certain patronage was lost.

There is not much argument in the statement that hire-purchase companies are fringe bankers. We are told that we need to encourage as much money as possible into the State and I am in favour of doing this. However, I am wondering whether in the best interests of everyone concerned, the Premier did the right thing in not acceding to the request of the hire-purchase people to meet him or some of his officers. Let me say I am not casting any reflection on any of the Treasury officers, because I know they are men of the highest ability.

With regard to firms selling goods on hire-purchase, I take this opportunity of speaking in connection with Ron Shaw Pty. Ltd. That is a very big concern here which does a substantial hire-purchase trade—or which did do so. It is now finding a way around the Act. Now, instead of issuing a hire-purchase agreement to a customer who purchases a machine from the company, it attaches an agreement to a loan. The firm is not now concerned about repossessing a TV or a fridge or some other commodity. The situation is not as it used to be. Now the firm lends a sum of money. I am not sufficiently up in financial affairs, but I am wondering whether the Treasury is not going to lose out along the line in that regard.

However, my main reason for speaking was to ask the Minister whether he is able to tell us why the Premier did not receive the members of the Australian Hire Purchase Conference.

THE HON. A. F. GRIFFITH (Suburban —Minister for Mines) [7.45 p.m.]: The Premier saw the hire-purchase agreement people this morning. I am told that at that interview a very frank discussion took place, and I believe that as a result a better understanding now exists between hire-purchase people and the Government.

The Hon. F. R. H. Lavery: I am very pleased to hear that.

The Hon. A. F. GRIFFITH: Before answering the criticism which was raised both tonight and when the Bill was previously before the House I would like to make the Government's position quite clear in respect of this taxing measure, and the other taxing measure with which we have already dealt—and also in respect of the one which will follow a little later.

I would like to make it quite clear that the Government derives no benefit from increasing taxation. It certainly does not derive any popularity from among the people. If it were popularity we were seeking, we would try to go along in the best way we could, and we would not impose any taxation; and therefore we would not incur any displeasure. But that is not our purpose. The purpose of the Government is to live up to the responsibilities which it believes it has.

I could say to Mr. Baxter that somebody has to have the responsibility of raising the money to provide the wherewithal to give us the services we need. If we are required to finance revenue deficits from capital funds, it is apparent that the Government will be unable—completely unable; or unable to a limited extent—to provide the needs for the community and for the electorates about which we hear so many members speak on so many occasions when we are dealing with the Supply Bill, the Address-in-Reply, the Appropriation Bill, or at any other opportunity of which members avail themselves

in the parochial manner which is expected of them. These needs include schools, hospitals, public buildings, and services of all kinds and descriptions.

If we want these increases; and if we wish to live in a growing community, we have to expect some increases. I cannot subscribe, in the slightest extent, to the view expressed by Mr. Baxter that Western Australia has a dismal future. We have a very bright future—a very bright future indeed. In a growing community such as ours we have to expect this sort of thing to take place. The Grants Commission has finalised its grants for 1961-1962.

We know that we lag behind by two years in the finalisation of grants, because we have met with an unfavourable adjustment with respect to the operations on the Consolidated Revenue Fund. We are required to use £895,000, which includes a sum of £22,000—which is a debit correction —of loan funds to clear the deficit which will remain in the revenue fund after receipt of the Commonwealth grant for that year. If corrective action is not taken by way of increasing taxation or, alternatively, by reducing expenditure, then it is clear that even a greater sum will be required in future years to meet the needs of our State.

I do not know of anyone in this House who would welcome the advent of reduced expenditure in connection with supplying the various needs of his electorate. All we have to do is to look at the report of the Grants Commission, and we will see, on page 76, that Western Australia has a net adjustment of minus £873,000. We have to add to that the £22,000 to which I referred, which gives us a total of £1,205,000. The actual grant which we receive under this assessment is £310,000. That is the grant by the Grants Commission, after taking into consideration everything, including the matter—which I heard mentioned a while ago—of our betting tax. Therefore, we have a deficit of £895,000, which includes this £22,000, and we have to set about raising that figure somehow.

There is a false impression that Western Australia is expected to use a method of raising taxation on a *per capita* basis. Under the methods used by the Grants Commission our capital collections of State taxes have not the slightest bearing on the adjustments made by the Grants Commission. Western Australia is not expected to match the average collections per head of population in New South Wales or Victoria. All that is required of us is that our scale of taxes should approximate the average of those in New South Wales and Victoria, and that exemptions should not vary materially in those two States, which are referred to as the standard States.

The Hon. F. J. S. Wise: Approximate average on a *per capita* basis.

The Hon. A. F. GRIFFITH: No; I do not think that is correct.

The Hon. F. J. S. Wise: Have a look, for example, at Social Services, paragraph 157.

The Hon. A. F. GRIFFITH: I will check that to make sure that I am correct. In calculating the adjustments, the commission takes the volume of business in Western Australia as its basic figure and then determines the tax on duty which would have been collected if the standard rates and exemptions had applied. The result is then compared with the State's actual collections and the difference in the favourable or the unfavourable adjustment is made as the case may be.

In this figure of £310,000 we have calculated both the favourable and the unfavourable adjustments, including a figure of something of the order of £400,000 for the betting tax. The fact that Western Australia has a lower taxable capacity in many fields than New South Wales and Victoria is therefore taken into full account by the commission, and we do not suffer in any way from this lower capacity to raise funds.

Mention was made of the betting tax. I have already indicated that the commission has given full credit in the 1961-1962 compilation for the adjustment of £400,000; which has helped considerably, of course, in the adjustment. If we had not had that credit we would have been that much worse off. Without this credit for betting tax we would indeed have been in a very sorry plight. The fact remains that we have had the credit for the betting tax.

So far as reductions in expenditure are concerned, I think I should make it clear that we are largely limited here to the field of social services; and a careful analysis of the current level of expenditure on taxation like education, hospitals, and the like, reveals that there is very little scope for economies in this regard unless we are prepared to reduce the standard of service which is being given in this State. Of course, the higher basic wage in Western Australia in comparison with New South Wales and Victoria is impacting very heavily on our Budget, to the extent that I daresay any member of this House would support any move to bring about a reduction in the living wage; and I am therefore of the opinion that we must accept this situation.

The only other field available to the Government for offsetting the excess cost of social services and basic wage payments in Western Australia is State taxation; and although our present adjustment is favourable under this heading, an increase in the favourable adjustment is essential to offset the adverse adjustments in other sectors.

This is the course which the Government decided to pursue. There is room for argument as to whether the increases of

taxation should be applied; but I think we could go on indefinitely weighing the pros and cons of an increase under one particular heading of taxation as against others. It is largely a matter of Government opinion as to which specific item of taxation shall be increased.

Mr. Jones mentioned the contribution made to Western Australia by primary industry. I agree with him fully; primary production has made an enormous contribution. But I think it is fair to say that the taxation laws of this country give primary producers some advantages which other people do not enjoy. The Government feels that the selection which is made in the field of stamp duty is the most appropriate selection at this point of time.

Several members expressed concern at the proposed increase in the stamp duty on hire-purchase agreements. Mr. Watson particularly dealt with this point of view —but perhaps I should not mention only Mr. Watson, as the matter was also dealt with by other members. The point raised concerned the increasing of stamp duty in excess of 1 per cent. The point made by Mr. Watson was, I think, that the other charges which would be made would have the effect of increasing the rate in excess of 1½ per cent. If I remember rightly, he mentioned a figure—taking into consideration these other factors—of 1.8 per cent. A little later I will give the House an interesting exercise on that statement.

These other charges to which he referred are not connected with stamp duty, but they are, of course, registration fees payable to the Bills of Sale Office when a hire-purchase agreement is registered. If we see what happens in New South Wales we will be able to compare their figures with Western Australia. These fees have nothing more to do with stamp duty than have the fees payable to the Titles Office on the registration of a mortgage or on the transfer of land. These fees are payable for services given in registering the transaction—the action which is taken by a person effecting the registration, for the purpose of protecting his security. I might add that there are many hire-purchase transactions which are not registered at the Bills of Sale Office.

Mr. Watson, Mr. Teahan, and Mr. Wise mentioned the fact that no levying of stamp duty was made on life assurance policies. The Government's view in the field of life assurance generally is that it is a form of saving and it is very often the means whereby people make provision for retirement for their old age; and it is therefore an undesirable type of investment on which to levy a tax.

The Hon. N. E. Baxter: Non-recurring annual policies, too. You can only get one tax.

The Hon. A. F. GRIFFITH: It simply means that it is another field of tax. That is the view the Government has taken and therefore it has not encouraged taxation on life assurance policies. In this respect, New South Wales and Victoria exempt life assurance policies from stamp duty and we are therefore not obliged to consider a levy in this State.

Mr. Watson expressed the thought that stamp duty at the existing rate would of itself have been quite adequate to look after the extra revenue which could be expected to be derived from stamp duty, and he quoted the increases in collections over the past few years. It is a fact that stamp duty collections have increased considerably over the last few years, but in this respect the Grants Commission is concerned with what the collections would have been had the rates been equal to the average of New South Wales and Victoria. If, for example, our rates are below the standard, then the higher the collections the higher is the adverse adjustment handed out by the Grants Commission.

It will be apparent that an increase in collections from stamp duty is all the more reason why we should bring our rates into line with the standard in order to prevent a corresponding increase in the adverse adjustment, and that is one reason why corrective action is required at this stage; because it is obvious that as the State expands, and the State is going to expand, and our business transactions increase, as they must increase, our relative financial position *vis a vis* the Grants Commission will deteriorate. So we simply have to live up to our responsibilities.

Queries were also made in relation to the Government's proposal to vary stamp duty on receipts. The decision to abolish the 1d. stamp duty on receipts for amounts below £5 followed representations from many persons and organisations, and there was certainly no pressure exercised on the Government. In fact, the greatest number of people likely to benefit as a result of removing this will be the small person—the small businessman himself. He will be relieved of a considerable amount of inconvenience in affixing revenue stamps to this type of receipt.

However, it is not possible to abolish duty on receipts up to £5 and leave it at that, because the State's revenue would be reduced by approximately £93,000 per annum—that is the assessed figure—which would, of course, lead to an adverse adjustment by the Grants Commission. It was therefore necessary to increase the rate of duty on receipts for amounts between £5 and £50 to a uniform rate of 3d. per receipt.

Mr. Watson made some comparison with the rates in New South Wales and Victoria, and pointed out that in those States the same rate of duty, namely, 3d., is payable on a receipt for £2 or a receipt for £2,000,000; whereas in Western Australia, he said, the rate is 3d. per £100 of the receipt. It is agreed that our rate is

higher for receipts in excess of £100, but I must point out that in New South Wales and Victoria a duty of 3d. is collected on receipts for amounts between £2 and £5 which, under the proposals in this Bill, will not attract duty in this State.

It is estimated that the extra duty payable in Western Australia on receipts for amounts over £100 will offset the loss of duty on receipts for amounts between £2 and £5, and that by and large our collections will approximate somewhere near the same.

The proposed increase in stamp duty on land transactions was also criticised. May I say again: Nobody likes to pay taxation. Nobody likes to find that he has an imposition of some form of duty placed upon him. However, the finances of the State must be looked after, and the result is that we cannot carry on unless we have the necessary money.

I would like to make it clear that the rate proposed in this Bill, which is equivalent to 1½ per cent., is lower than the rate imposed in New South Wales and Victoria. In Victoria a rate equivalent to 1¼ per cent. is applied to land transfers of a value of less than £3,500. On transfers of land valued above this figure the rate is 1½ per cent. In New South Wales the current rate is 1¼ per cent., and the Government of that State proposes to increase the duty to 1½ per cent. on transfers of land where the consideration is in excess of £7,000.

In his second reading speech Mr. Watson also pointed out that during my introduction of the Bill I gave the impression that Western Australia is or appears to be hardly taxed in comparison with the Eastern States. The Government very much regrets the impression gained by Mr. Watson, because in fact the Grants Commission indicates that we are above standard in the field of State non-income taxes; and this is due to the fact that the betting taxes in Western Australia are more severe than those applying in the standard States.

However that is a situation that can change overnight because, as most members know from reading the Press, investigations are now going on in New South Wales and there is a possibility of that State introducing legalised starting-price bookmaking under a totalisator scheme, or some other scheme, similar to our own.

The Hon. L. A. Logan: They also have a tax on one-armed bandits which we do not have.

The Hon. A. F. GRIFFITH: That is very true. In New South Wales there is a machine which, in the common jargon, is called a one-armed bandit; and it is a very fruitful form of taxation.

The Hon. F. R. H. Lavery: God forbid it should ever come to this State!

The Hon. A. F. GRIFFITH: I agree so far as I personally am concerned. There seems to be little doubt that either one or other of those two alternatives will be adopted which will then result in a reduction in our favourable adjustment for betting taxes, and that would have the effect of converting the net favourable adjustment for State non-income taxes into an adverse adjustment. In any case, I think I made it clear that an even greater effort is required of Western Australia in the field of State non-income taxation than at the present time in order that we can offset the adverse adjustment made by the Grants Commission in respect of our social service and basic wage costs.

In the end result we are concerned with the net adverse adjustment made by the Grants Commission and not so much with its component parts. As I started to say earlier, it is the end result that we are concerned with after receiving both the favourable and unfavourable adjustments. What we have to avoid is being left with a deficit which has to be met from State loan funds—

The Hon. W. R. Hall: Ugh!

The Hon. A. F. GRIFFITH: —thereby reducing the State's capacity to proceed with its developmental works and the provision of such essential requirements as schools, hospitals, water supplies, harbours, and all types of facilities. I am glad Mr. Hall agrees with that.

The Hon. W. R. Hall: I did not say I did. I was wondering who prepared all this for you.

The Hon. A. F. GRIFFITH: Would the honourable member like me to tell him that?

The Hon. W. R. Hall: Did you?

The Hon. A. F. GRIFFITH: I have not the slightest hesitation in saying who prepared the notes. Naturally when a Bill of this nature is criticised, and when statements are made in the House I have them examined by the Treasurer, the Under-Treasurer, and by his departmental officers so that I can convey the information to members for their edification, and so that I can point out where errors, if any, are made. I think the honourable member will agree that that is fair enough.

The Hon. W. R. Hall: Anyone would think that you prepared them yourself from the way you are going on.

The PRESIDENT (The Hon. L. C. Diver): Order!

The Hon. W. R. Hall: You would lead me to believe you did, at any rate.

The Hon. A. F. GRIFFITH: I would lead the honourable member to believe that as the Chairman of Committees he is interjecting a lot tonight.

The Hon. W. R. Hall: That is not so.

The Hon. A. F. GRIFFITH: I have made inquiries about the statements made by Mr. Jones regarding the delay in dealing with titles at the Stamp Office, and I have been informed that an ordinary transfer of land takes approximately a fortnight to be completed, and it is stamped immediately it goes to the Stamp Office. I know there are delays which I would not attempt to explain, but they may be peculiar to a particular land transaction.

The Hon. N. E. Baxter: They have to be lodged at the Stamp Office for 14 days.

The Hon. A. F. GRIFFITH: If Mr. Jones has any specific complaint I would be very pleased to look into it for him to see whether I can help him in the matter.

It has been levelled at me by way of interjection that perhaps I received some assistance in the preparation of some of this material. I do not for one moment deny that I have, and I think the source from which my information comes is a very reliable one. When I quote these notes I am sure Mr. Hall will be in better possession of the facts in relation to stamp duty in Western Australia, Victoria, and New South Wales, particularly as it applies to hire-purchase agreements.

I would like to comment in relation to the claim that Western Australian finance companies had to face additional charges not levied in other States, and in this respect particular reference was made to the registration charges under the Bills of Sale Act. Perhaps we could deal with New South Wales and Victoria separately in order to determine the relative position of Western Australia. During the course of this debate we have dealt with a figure of £400, and for the sake of convenience that is the figure I will continue to use.

Examples have been given by the hire-purchase companies which demonstrate, on the basis of an amount of £400 to be financed, that the effective rate of duty under the proposals in this Bill will amount to 1.8 per cent. Then Mr. Watson demonstrated how he thought that would be done. This consists of 1½ per cent. stamp duty, stamp duty on the duplicate, 5s., and a registration fee of £1 under the Bills of Sale Act. As the stamp duty in Victoria is 2 per cent., the calculated percentage rate of 1.8 per cent in Western Australia, including all these additional charges on transactions of £400 is obviously below that in existence in Victoria.

In New South Wales stamp duty on hire-purchase agreements is 1 per cent. and this leads to the claim that the new proposed rate for Western Australia will be greatly in excess of the situation in New South Wales. However, I think there is one very important aspect of this matter that has been overlooked. In making comparisons in this respect I would like to refer to the Budget speech of the Premier of New South Wales when introducing the Budget in the Parliament of that State. On the 26th September, 1962, he said—

> It has been decided to extend the provisions of the Stamp Duties Act to provide for an *ad valorem* stamp duty of 10s. per cent. upon certificates evidencing the initial registration or transfer of registration of motor vehicles.

That is a half per cent.

Going back to Western Australia's example of a moment ago, where I referred to the financing of £400, there will in New South Wales in the future be a stamp duty of £2 payable on the registration of a vehicle where this is its second-hand value. In the case of a motor vehicle valued, at say, £1,200, the stamp duty payable will be £6; and when this vehicle is sold, say for £800, a further stamp duty of £4 will be payable.

This new stamp duty in New South Wales will have the effect of course of greatly increasing the yield to the New South Wales Government from the present 1 per cent. on hire-purchase agreements covering motor vehicles.

In comparison with the situation in New South Wales, our proposed rate, inclusive of registration fees under the Bills of Sale Act, is modest; and accordingly it will still leave us in the situation of suffering an adverse adjustment, because we are in that position. The Grants Commission will deal with us on that basis, when it makes a comparison between ourselves and New South Wales.

It may be argued that the new stamp duty payable on the registration of motor vehicles, either new or secondhand, in New South Wales is an impost on the motorist, and not on the hire-purchase companies; and for that reason it is not altogether relevant to the matter under consideration. However, I would point out that the Grants Commission is concerned only with the yield to the Treasury from stamp duty. It has no regard to the source of the supply of the money. In other words, whether the hire-purchase company, or the individual, pays the tax, is of no concern to the Grants Commission. It does not consider that to be at all material.

Let us have a look at an example of what will take place in Western Australia, New South Wales and Victoria. If this Bill becomes law a motor vehicle worth £600—and I understand the average deposit on a secondhand motor vehicle is something in the vicinity of one-third; perhaps Mr. Hall could verify that—

The Hon. W. R. Hall: How would I know?

The Hon. A. F. GRIFFITH: Well, let us say it is one-third. That means with a £200 deposit £400 would be left to be financed. In Western Australia our stamp

duty would be £6. We will pay a registration fee on the bill of sale of £1, and the duplicate will be stamped 5s.; that will make £7 5s. In New South Wales, for the same motorcar at the same purchase price and the same deposit, the stamp duty will be £3. New South Wales does not charge for the registration of the bill of sale. I think that State charges 5s. for the duplicate; but I am not sure. That makes a total of £4 5s.; and in the words of the Premier of that State he will impose ½ per cent. *ad valorem* duty on the £600, which is the purchase price of the car, which will mean that the total tax in New South Wales will be £7. In Victoria, it is 2 per cent., or £8.

The Hon. A. R. Jones: Does that follow in the case of a person who pays cash?

The Hon. A. F. GRIFFITH: So far as we are concerned it would not attract stamp duty, but it would in New South Wales. When we add the totals of Victoria and New South Wales—namely, £8 for Victoria, and £7 5s. for New South Wales—we get a sum of £15 5s. The average of that amount is approximately £7; whereas our duty will be £7 5s. Is it so very dreadful? Can we believe that the hire-purchase companies will rush to the Eastern States because of the better conditions that prevail there? Of course that would not be the position.

To conclude my remarks, I would like to state what the situation is in the three States with reference to the premiums on insurance, stamp duty, etc., on a Holden motorcar. We find that in New South Wales the third-party insurance premium amounts to £13 8s.; in Victoria, it is £9; and in Western Australia it is £4 6s. There is no third-party insurance surcharge in New South Wales; though we must not forget that that State put up the cost of its drivers' licenses by £1. The third-party insurance surcharge in Victoria is £1, as it is in Western Australia. Drivers' licenses in New South Wales cost £2, which includes the proposed increase of £1; in Victoria, they cost 10s.; and in Western Australia £1.

A stamp duty on new registrations or transfers is £3 5s. in New South Wales; nil in Victoria, and nil in Western Australia.. The stamp duty on comprehensive insurance benefits is 5s. 3d. in New South Wales; 10s. in Victoria; and 10s. in Western Australia. In New South Wales the stamp duty on third-party insurance is 1s. 6d.; nil, in Victoria, and 2s. 6d. in Western Australia. The totals are: £18 19s. 9d. in New South Wales; £11 2s. 2d. in Victoria; and £6 18s. 6d. in Western Australia.

The Hon. W. R. Hall: There is nothing wrong with that.

The Hon. A. F. GRIFFITH: I think that is pretty good. Yet we are told that this situation will be so disadvantageous from Western Australia's point of view. That is all I want to say in reply. I think I have covered most, if not all, of the points that have been raised. If I have missed any it has not been intentional.

The situation resolves itself in a manner which indicates that we have to do something about this adverse adjustment we have of £895,000. This Bill is one of the measures the Government has introduced to ask Parliament's approval to enable the Government to do that very thing. In a full year this legislation will yield to the Government £200,000. The Bill that has passed, and the other Bill that will follow, will raise amounts slightly in excess of the estimated deficit of £895,000; and the Treasury has budgeted for a slight increase to take into consideration the growth of the State in the next 12 months; bearing in mind that all the time we are two years behind in our adjustments. I hope that on considering the situation, the House will pass this measure, in order that the Government can obtain the money it requires to carry out the functions of government which are its responsibility.

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

Ayes—16

Hon. N. E. Baxter	Hon. J. Murray
Hon. A. F. Griffith	Hon. H. R. Robinson
Hon. J. G. Hislop	Hon. C. H. Simpson
Hon. A. R. Jones	Hon. S. T. J. Thompson
Hon. L. A. Logan	Hon. J. M. Thomson
Hon. A. L. Loton	Hon. H. K. Watson
Hon. G. C. MacKinnon	Hon. F. D. Willmott
Hon. R. C. Mattiske	Hon. C. R. Abbey
	(Teller.)

Noes—12

Hon. E. M. Davies	Hon. H. C. Strickland
Hon. J. J. Garrigan	Hon. R. H. C. Stubbs
Hon. W. R. Hall	Hon. R. Thompson
Hon. E. M. Heenan	Hon. W. F. Willesee
Hon. R. F. Hutchison	Hon. F. J. S. Wise
Hon. F. R. H. Lavery	Hon. J. D. Teahan
	(Teller.)

Majority for—4.

Question thus passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (The Hon. E. M. Davies in the Chair); The Hon. A. F. Griffith (Minister for Justice) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Commencement—

The Hon. F. J. S. WISE: I want to clear up a misstatement made by the Minister when Mr. Baxter was speaking. The Minister said that *per capita* consideration had nothing to do with the basis of adjustment used by the Commonwealth Grants Commission. Does the Minister recall that?

The Hon. A. F. Griffith: I will check the notes given me on this point.

The Hon. F. J. S. WISE: The Minister may check them all night. It is a misstatement; and I cannot believe it would

be in the notes which from the source of them must be wholly reliable. It is not right to say the Grants Commission does not use a *per capita* basis in considering the adjustments between States. The Grants Commission's report uses the phrase *per capita* as the basis several times on individual pages; and at least 150 times throughout the report. To prove my point may I refer to one adjustment only on pages 72 and 73 of the report where social service figures and expenditure of all States are discussed?

In paragraph 151 the Grants Commission refers to the *per capita* expenditure and the purpose of calculating by way of the *per capita* expenditure of the social service levels of the States. It goes on to say how it excluded the *per capita* expenditure on education and in the final adjustment of social services expenditure. To show that the generalisation the Minister used was wholly wrong—the interjection he made to Mr. Baxter—

The Hon. A. F. Griffith: I thought I was speaking at the time.

The Hon. F. J. S. WISE: No. I remember the words used, and the Minister was not using notes at the time, or I would say he would have been correct. The Minister said, "It is not true to say that the *per capita* rates between the States are used by the Grants Commission in making these calculations." We will see whether I am not approximately right when *Hansard* appears. Paragraph 157 of the report of the Grants Commission reads as follows:—

> The simple average of the net *per capita* expenditure on social services in New South Wales and Victoria, this being the standard adopted in this Report, was 508s. 10d. The adjustments in respect of expenditure on social services are arrived at in the following way. For each claimant State, the standard *per capita* expenditure is multiplied by the mean population. To the amount so obtained, a percentage allowance is added for providing comparable services in that State.

I am sorry Mr. MacKinnon is not in his seat in case he thinks there is something fishy about this statement of fact. Continuing—

> The percentage allowances made for the claimant States are 14 per cent. for Western Australia, and 17 per cent. for Tasmania. The resultant amount for each State is then compared with the actual expenditure by that State, and an adjustment is made for the difference. The relative calculations are—
>
> Western Australia—
>
> 729,769 persons at 508s. 10d. a head.

That is the basis on which the adjustment for social service contributions of the weighted disadvantage in unfavourable adjustment is made. For Tasmania the basis is for 350,077 persons at 508s. 10d. a head.

I do not wish to waste the time of the Committee but I wish to emphasise the point that these paragraphs from which I have quoted show the adjustments for our social service contributions are made on a *per capita* basis; and it is nonsense to say otherwise. If one follows through the report carefully and reads the severity of State non-income tax one will find that the Grants Commission refers to the *per capita* contributions of the standard States and the average of the States.

The Hon. H. K. WATSON: I rise in my customary role of one who pours oil on troubled waters. I would say the Minister in making the statement he did was correct; and that Mr. Wise in making the statement he made was also correct.

The Hon. A. F. Griffith: Because we were talking about two different things.

The Hon. H. K. WATSON: The expenditure in respect of social services and so on is made on a comparative basis of *per capital*. There is no question about that, as Mr. Wise has clearly pointed out.

However, in respect of various items of non-income tax, as I understand it the position is this: it is not made clear in the report but I understand the Grants Commission inquires of the State Treasury for any extensive sample of the number of transactions or documents that have gone through the Stamp Office during the year and says, "How much did you collect on these documents?" Having ascertained that information the commission looks at the Stamp Acts of New South Wales and Victoria and works out what stamp duty would have been payable on the transactions under consideration if the duty had been on the basis prescribed by the Stamp Acts of New South Wales and Victoria. To that extent, *per capita* does not come into the picture.

It seems a very elaborate method, but notwithstanding its elaborateness I cannot help feeling there is quite an element of estimation as well. For instance, I think the commission would have regard for the sale of a motorcar or a block of land and say, "In Western Australia that would produce a stamp duty of £X, while in New South Wales under the rates prescribed by the Stamp Act of New South Wales and the exemptions and so on it would have produced a duty of £Y and the difference is so-and-so."

The point that has to be borne in mind is this: we have been told what happens in New South Wales and Victoria in respect of stamp duties and what happens in Western Australia; and I would not like

the Committee to get the idea that non-income tax collections in Western Australia are lighter than in the Eastern States and that we, therefore, have to increase them to stop a penalty being imposed.

The position is quite the contrary. It is clearly stated in paragraph 160 of the report of the Grants Commission when referring to the system I have just mentioned—a comparative basis—as follows:—

> The Commission's calculations show that, in 1960-61, if the claimant States had raised taxes at the average rates and with the average exemptions applied in the standard States, Western Australia would have raised £217,000 less and Tasmania £218,000 less than was actually raised.

In other words, at the moment we are levying taxes at a higher rate than is being done in New South Wales. The Grants Commission says so, and has allowed us a favourable balance of £250,000 on that account.

The Hon. R. C. Mattiske: What about motor taxation?

The Hon. H. K. WATSON: Motor taxation and the things we were discussing last night are higher here and we are given a favourable balance of £250,000. Where the trouble does come in, and where I would suggest special attention should be directed is in respect of our scale of social services expenditure where we are penalised £430,000, and in respect of the deficiency impacts on the financial results of State undertakings where we are penalised £687,000. In that last item one of the principal elements causing that penalty of £687,000 is our basic wage—the excess of the basic wage in this State over the basic wage in the other States.

It seems we are going about this at the wrong end in increasing an item where we already have a favourable balance. The Minister has indicated to us what the Treasurer of New South Wales proposes in his Budget which has just been introduced and which includes the rather startling proposition that all license fees in respect of motorcars are to carry, in addition to all other license expenses, a stamp duty of a half per cent. on the total purchase price of the car; and not only on the purchase price, but if it is again sold, a half per cent. on the second-hand price.

The Hon. F. J. S. Wise: That is in addition to all Commonwealth levies?

The Hon. H. K. WATSON: Yes. That raises this question in my mind: Where is all this going to stop? One could have a reckless or improvident Treasurer who might produce every devilish device he could think of to extract money from the motorist.

The Hon. F. J. S. Wise: Why go to New South Wales?

The Hon. H. K. WATSON: It will be extraordinary if we do reach that position; and it really worries me. I can sympathise with the Treasurer and with his principal officer. I have said on more than one occasion during the last 15 years that the most unenviable position in Western Australia is that of Under-Treasurer; and in a political sense I would say it is that of Treasurer. Their task is a wearying one; but I think it should be made clear to the Grants Commission that the formulas they concoct—if I may use that word, being unable to think of a better word on the spur of the moment—should really be looked at.

The Hon. J. G. Hislop: Does the Grants Commission look at the income level *per capita* in the various States?

The Hon. H. K. WATSON: The expenditure is *per capita*.

The Hon. J. G. Hislop: The commission does not look at the *ability* of income, *per capita*, to repay.

The Hon. H. K. WATSON: Yes; it purports to take that into consideration, but how it takes it into account, like the peace of God, passeth all understanding!

The Hon. A. F. GRIFFITH: I do not want to delay the House. All the way through we have been dealing with non-income taxation, and I tried to convey to Mr. Baxter that the Grants Commission did not take the *per capita* basis into consideration when dealing with non-income taxation.

The Hon. F. J. S. Wise: You wait until you see *Hansard*.

The Hon. A. F. GRIFFITH: If I conveyed any other intention, it was unintentional. The point Mr. Wise was making was in connection with social service expenditure; and that, I find, is where the *per capita* basis is taken into consideration.

The Hon. F. J. S. Wise: I will keep you here a long time if you want me to recite them all.

The Hon. A. F. GRIFFITH: No; I do not. Paragraph 159 of the Grants Commission's report states—

> In arriving at its adjustments for relative severity of State non-income taxation in 1960-61, the Commission has followed the same procedure as in recent years. This procedure is to calculate the revenue which would have been raised by each claimant State if it had levied taxes at the average rates and with the average exemptions applied in the standard States, i.e., New South Wales and Victoria. The revenue which would have been raised by each claimant State is then compared with the revenue which that State actually raised.

The Hon. F. J. S. Wise: Read the preceding paragraph and you will see the tie-up.

The Hon. A. F. GRIFFITH: I will not do that; because if I made an incorrect statement it was not made deliberately.

The Hon. F. J. S. WISE: So that this matter may be seen in its true perspective I shall quote the paragraph preceding the one read by the Minister. The paragraph quoted by the Minister uses the words "average rates and with the average exemptions applied in the standard States." The preceding paragraph refers to—

> The total, and the *per capita*, revenue raised by each State from motor tax, estate duties, stamp duties, land tax, liquor tax, racing tax, entertainment tax, lottery revenue, poker-machine licence fees, and licences.

And it goes on to refer to the summary of these *per capita* amounts on which the commission makes adjustments as affecting the method used in arriving at the adjustments detailed in paragraph 159.

Clause put and passed.

Clauses 3 and 4 put and passed.

Clause 5: Second schedule amended—

The Hon. A. R. JONES: The Minister said that the New South Wales Treasurer had decided that certain fees should apply in regard to hire-purchase agreements. I do not know what evidence the Minister has to support his comments, but I do not doubt his word. I take exception to the fact that, apparently, we are to be governed by Victoria and New South Wales. Are we always going to have to consider what those States do?

The Hon. F. J. S. Wise: The answer is in the way we vote for this sort of legislation.

The Hon. A. R. JONES: Are we going to let the Grants Commission tell us all the time what we are going to do? I would prefer that we should look for other sources of revenue; because it seems to me that these imposts fall on the same persons all the time, in the main the motorist, because he is not even going to escape this tax if he purchases a motorcar on hire purchase.

Would it not be just as well if we said to the fellow who purchased a car—or a washing machine or anything else—for cash that he should pay an extra £7 or £10 according to the value of the transaction? Mr. Baxter said that these costs must finally be met. Even though the Act provides that they shall be borne by the companies, it is possible that companies which finance their own hire-purchase agreements add something on to the cost of each article.

The Hon. G. C. MacKinnon: What you are suggesting is a sort of State sales tax.

The Hon. A. R. JONES: I do not know what to suggest. There are 10 men in Cabinet, and they have their paid officers to devise the best ways of raising taxes. Surely it should not be hard for them to suggest something that would apply equally to everyone rather than picking out a section of the community all the time and banging them to leg for as much as possible.

I have put up the proposition that to try to encourage the development of this country, and to raise sums of money, we should have a look at the question of imposing a land tax on unimproved land so that people who now hold large estates will be compelled either to improve the land or to sell it to someone else. In the interim the Government could collect a handy taxation.

The Hon. C. R. Abbey: You mean undeveloped land?

The Hon. A. R. JONES: Yes.

The Hon. N. E. Baxter: You do not mean on the unimproved capital value?

The Hon. A. R. JONES: No; land that is not returning anything. I do not know how many acres of such land there would be between Perth and Bunbury.

It was with reluctance that I voted for the second reading of the Bill; and many people will be inconvenienced if paragraph (c) is carried, because many farmers will be paying a lot more for machinery; and farm machinery, apart from some ploughs and drills which cost from £500 to £700, costs between £2,000 and £3,000; and a half per cent. on that sum amounts to an extra £10 or £15. Is a finance corporation going to stand all that, or will it be passed on to the producer? I have previously said that the producer cannot stand any more of these charges; and if the country wants all the production possible from the soil for sale overseas, we must not put further charges on the producers. For that reason I move an amendment—

> Page 3, lines 11 to 17—Delete paragraph (c).

The Hon. A. F. GRIFFITH: I have tried to the best of my ability, and in accordance with the advice given to me, to explain the situation; namely, the amount of tax that will be raised by the Bill, the purpose for which it is being raised, and all the rest of it. I do not think the Committee would welcome any further words from me; and they would not alter the situation, in any case.

The Hon. H. K. WATSON: When I was discussing this item on the second reading I expressed the view that the hire-purchase companies had made out a case which required answering. This duty—and I refer to the point made by Mr. Jones—is not directly imposed on the individual; it is imposed on the hire-purchase company, because when we imposed the original 1 per cent. it was expressly stated that the duty was payable by the company and

could not be passed on to the hirer. That is the position in respect of this also. I was extremely pleased to hear the Minister say that the Premier had seen the representatives of the hire-purchase companies and had apparently satisfied them to some extent in regard to this proposed increase.

The Hon. A. F. Griffith: I said there had been a very frank discussion.

The Hon. H. K. WATSON: I am still not happy about the Bill. Having regard to the circumstances in which it has been brought down, I do not know whether I would be prepared to vote for it at the moment. If it is carried I will make an earnest plea to the Government to consider carefully its application. It may be found that the Government will be killing the goose that lays the golden egg. It seems to be an extraordinary position that a comparatively small group of companies, already being mulcted to the tune of £40,000 a year, will now be asked to find another £120,000 a year. There is a limit to which even the most prosperous business can be hit to leg with taxes.

Perhaps the one redeeming feature of this tax, as imposed in this State and in the Eastern States, is that I understand the hire-purchase companies are prepared to challenge its validity on the grounds that it infringes that section of the Constitution which provides that excise duty, or anything approaching excise duty—in whatever guise it may be imposed—shall be imposed only by the Commonwealth Parliament and not by a State Parliament.

All I can say is that I wish the hire-purchase companies well in their appeal to the High Court because if this 1½ per cent. is upset in Western Australia we would then suffer no disability in comparison with the Eastern States, because the 2 per cent. in Victoria and the 1½ per cent. in New South Wales would also be upset and that might restore a little sanity in this particular section of the taxing Acts in all States.

The Hon. F. R. H. LAVERY: I intend to support the amendment moved by Mr. Jones. My reason is purely because of what I have said before and that which I am about to say. Mr. Jones referred to the cost of farm machinery. It must be accepted that anyone who knows anything about farming is well aware that in days gone by one could buy farming machinery on a bank overdraft. That cannot be done now with firms such as Massey Harris, the International Harvester Co., and so on. Farm machinery must now be purchased on terms and under a hire-purchase agreement. I know, because I have been a victim of these companies. It also must be borne in mind that a number of banks are now operating these finance or credit companies. For example, the National Bank is responsible for the finance behind Custom Credit, and other banks supply the finance for the operation of different finance organisations. Another finance institution known as Credit House is backed by the various service station proprietors.

If, as explained by the Minister, the Premier this morning met the representatives of the hire-purchase companies, I do not think that is any answer to the complaint made by these people. They applied to the Premier for a discussion to take place to arrive at some amicable arrangement which could be suitable for all concerned. If that is correct and the Premier has met them, I ask why a Government which claims to support private enterprise refused to meet an organisation which has such power and strength in the community and which literally provided millions of pounds to commercial houses in Western Australia until this morning. If that is the position it seems to be unpalatable to me.

The Hon. A. F. Griffith: It was not a straightout refusal to see them.

The Hon. F. R. H. LAVERY: When I asked a question in a straightforward and clear-cut manner the Minister assured me that the Premier had met these people this morning and that a frank discussion had taken place. I am not sure of the Minister's words, but he implied that following the discussion many misunderstandings had been cleared up.

I suggest that the Minister would probably not be able to answer me in the way I would like to be answered, but I think we are entitled to know the result of the discussion between the representatives of the hire-purchase companies and the Premier. We have received two letters from the association of hire-purchase companies, and I am extremely anxious to know the result of the meeting that was held this morning, because at the moment we have not been given any information as to what the present position is. All we have is a letter condemning the Premier for not receiving them.

Point of Order

The Hon. F. J. S. WISE: Mr. Deputy Chairman, would you read the amendment for the information of the Committee?

The DEPUTY CHAIRMAN (The Hon. E. M. Davies): Yes. Mr. Jones has moved an amendment as follows:—

> Page 3, lines 11 to 17—Delete paragraph (c).

The Hon. F. J. S. WISE: Is that amendment in order, Mr. Chairman? I would like to see the Bill defeated, but I do not want to follow any procedure that is unconstitutional. Subsection (2) of section 46 of the Constitution Acts Amendment Act, which appears on page 136 of our old copy of the Standing Orders clearly states that the Legislative Council may not amend Loan Bills or Bills imposing taxation.

The Hon. A. F. Griffith: I was not told about this.

The Hon. F. J. S. WISE: That subsection reads as follows:—

> The Legislative Council may not amend Loan Bills, or Bills imposing taxation, or Bills appropriating revenue, or moneys for the ordinary annual services of the Government.

My question is: Is the proposed amendment in order?

Deputy Chairman's Ruling

The DEPUTY CHAIRMAN (The Hon. E. M. Davies): I will have to uphold the point raised by Mr. Wise. The correct procedure would be for the Legislative Council to request the Legislative Assembly to delete paragraph (c) appearing on page 3 of the Bill. Therefore, I cannot accept the amendment moved by Mr. Jones that paragraph (c) on page 3 be deleted.

Committee Resumed

The Hon. A. F. GRIFFITH: Mr. Lavery has asked me a question and I think I should reply to it. I have told Mr. Lavery, and I repeat, that the Premier saw the people referred to this morning. I do not know how many were present, but Mr. Gosling was one. I said that a frank discussion took place and I believe they parted with better understanding.

The Hon. F. R. H. Lavery: I accepted that.

The Hon. A. F. GRIFFITH: I did not indicate that the discussion had resulted in a satisfactory manner so far as the hire-purchase companies were concerned because if it had it would have been reflected in the Bill. I was not present at the discussion and therefore I am unable to disclose the details of the matters discussed. That is as far as I can go.

The Hon. A. R. JONES: I am not going to oppose your ruling, Mr. Chairman. However, from this Chamber I would like to request the Legislative Assembly—which is all we can do—to consider clause 5 further and delete paragraph (c) which appears on page 3. I do not know whether I should move that request now.

The Hon. F. J. S. Wise: You may move it now.

The Hon. A. R. JONES: I move—

> That the Legislative Assembly be requested to make the following amendment:—
>
> > That paragraph (c) on page 3 be deleted.

The Hon. A. F. GRIFFITH: I would like to take the opportunity of thanking Mr. Wise for drawing the attention of the Committee to the fact that this amendment was not in order. I do not propose to say anything more in reply to Mr. Jones because I repeat that I have already said everything I can. If another place deletes this paragraph in response to the motion that has just been moved the effect will be to reduce the amount of tax the Government will receive.

The Hon. A. R. Jones: That is the whole idea.

The Hon. A. F. GRIFFITH: Obviously. The idea would be to defeat the whole Bill, but I hope the Committee will not do that.

Amendment put and a division called for.

The DEPUTY CHAIRMAN (The Hon. E. M. Davies): Before the tellers tell, I give my vote with the Ayes.

Division taken with the following result:—

Ayes—14

Hon. N. E. Baxter	Hon. F. R. H. Lavery
Hon. E. M. Davies	Hon. H. C. Strickland
Hon. J. J. Garrigan	Hon. R. H. C. Stubbs
Hon. W. R. Hall	Hon. J. D. Teahan
Hon. E. M. Heenan	Hon. W. F. Willesee
Hon. R. F. Hutchison	Hon. F. J. S. Wise
Hon. A. R. Jones	Hon. R. Thompson
	(Teller)

Noes—14

Hon. C. R. Abbey	Hon. H. R. Robinson
Hon. A. F. Griffith	Hon. C. H. Simpson
Hon. J. G. Hislop	Hon. S. T. J. Thompson
Hon. L. A. Logan	Hon. J. M. Thomson
Hon. A. L. Loton	Hon. H. K. Watson
Hon. G. C. MacKinnon	Hon. F. D. Willmott
Hon. J. Murray	Hon. R. C. Mattiske
	(Teller)

The DEPUTY CHAIRMAN (The Hon. E. M. Davies): The voting being equal, the question passes in the negative.

Amendment thus negatived.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Mines), and passed.

INSPECTION OF SCAFFOLDING ACT AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. L. A. Logan (Minister for Local Government), read a first time.

LICENSING ACT AMENDMENT BILL

Second Reading

Debate resumed, from the 31st October, on the following motion by The Hon. A. F. Griffith (Minister for Justice):—

> That the Bill be now read a second time.

THE HON. W. F. WILLESEE (North) [9.22 p.m.]: This is a further Bill in the series of taxing measures which are before this House, and it seeks to impose a tax which can be termed a sectional tax. It is easy to tax in this manner, with the

emphasis being placed on the opportunity to tax the people for smoking cigarettes, for driving motorcars, or, as in this case, for consuming alcohol.

The Bill proposes to increase the fees payable on liquor licenses, and in support of its action the Government claims this imposition is being introduced as a result of the report of the Grants Commission. The purpose of the Bill is to bring the charges in Western Australia more into line with those of the other States.

It is claimed that at present this State is only charging two-thirds of what the other States are charging. The proposed increase amounts to 1d. per bottle of liquor, and undoubtedly this increase will be passed on to the consumer. Probably the increase in price as a result of this additional tax will be more than 1d.

The principle of this type of tax is having a serious effect on the economy of the State. There is a danger of too many indirect taxes being imposed, and they tend to take away from the section of the community which has to bear the tax proposed in the Bill more than a fair proportion of the money which that section should normally spend on consumer goods, particularly the necessary consumer goods. So it is absolutely essential that in the overall picture of direct taxation the four canons of taxation should bring about a balance with the charges that are imposed by way of indirect taxation. It would appear to me that in this State we are moving fast towards a disequilibrium in in this regard.

Much has been said during the last two sittings of this House with regard to the effect of increased taxation generally, and a repetition of those remarks by me is neither worthwhile nor essential to prove the point I am making on this Bill.

The four principles of taxation I referred to are, as enunciated by Professor Adam Smith, as follows:—

1. The amounts people paid in taxes should be equal by which in fact he meant proportional to their income.
2. There should be certainty with regard to the amount to be paid, for it shall not be a tax gatherer's business to squeeze as much as he can out of the taxpayer.
3. There should be convenience of payment and collection.
4. Economy should be observed, so that taxes should not be imposed of a kind where the cost of collection was excessive.

Those four principles make up the basic feature of the income tax measures, whereby with progressive and regressive adjustments a standard is determined on an Australia-wide basis.

The imposition proposed in the Bill is far too severe in view of what is happening in the other fields of indirect taxation. The present liquor license fee should remain on the existing level for the time being, until the effect of the other taxes which have been imposed can be determined; that is, the effect on the internal economy of Western Australia. I propose to vote against the measure.

THE HON. A. F. GRIFFITH (Suburban —Minister for Justice) [9.28 p.m.]: There is not much purpose in my endeavouring to make a lengthy reply. Mr. Willesee has been quite outspoken in his attitude, and no doubt he must represent the opinion of his party in respect of this matter. Criticism has been levelled against the Bill as being a taxing measure, and I cannot deny that. The fact is that we have not been taxing as severely in this field as many of the other States in Australia—New South Wales, Queensland, Victoria and Tasmania. Those States have been taxing in the manner proposed in the Bill for some time, therefore Western Australia should not lag further behind.

The Grants Commission does not instruct any State to make adjustments by increasing taxation; it has no authority to do that. It merely points out where discrepancies exist. If a State does not take action to rectify the situation then it will suffer by having an adverse adjustment in the grant. I cannot say any more than I have said during the second reading.

Since the introduction of this Bill, the tax in New South Wales has been increased by 1 per cent., from 5 to 6 per cent. That makes the tax in Western Australia lower again than the standard of the other States. I trust that the House will agree to this Bill as it is one of the measures mentioned in the Budget designed to give effect to the increases to which I have referred.

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

Ayes—15

Hon. A. F. Griffith	Hon. H. R. Robinson
Hon. J. G. Hislop	Hon. C. H. Simpson
Hon. A. R. Jones	Hon. S. T. J. Thompson
Hon. L. A. Logan	Hon. J. M. Thomson
Hon. A. L. Loton	Hon. H. K. Watson
Hon. G. C. MacKinnon	Hon. F. D. Willmott
Hon. R. C. Mattiske	Hon. C. R. Abbey
Hon. J. Murray	*(Teller.)*

Noes—13

Hon. N. E. Baxter	Hon. R. H. C. Stubbs
Hon. E. M. Davies	Hon. J. D. Teahan
Hon. J. J. Garrigan	Hon. R. Thompson
Hon. W. R. Hall	Hon. W. F. Willesee
Hon. E. M. Heenan	Hon. F. J. S. Wise
Hon. R. F. Hutchison	Hon. F. R. H. Lavery
Hon. H. C. Strickland	*(Teller.)*

Majority for—2.

Question thus passed.

Bill read a second time.

In Committee

The Chairman of Committees (The Hon. W. R. Hall) in the Chair; The Hon. A. F. Griffith (Minister for Justice) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Section 73 amended—

The Hon. N. E. BAXTER: If all the taxes are collected at the end of the 1963-64 financial year, and we receive a favourable adjustment from the Grants Commission exceeding £250,000—which is the figure given for 1960-61—would the Government be prepared to reduce some of these taxes?

The Hon. A. F. GRIFFITH: I do not understand that the Government received a favourable adjustment of any amount in 1960-61. If the honourable member will refer to the commission's report from which I quoted earlier, he will see that the actual grant by the Grants Commission to the State as an adjusted Budget result was a deficit £310,000. I do not know where the honourable member gets this total favourable adjustment from. I just cannot comment any further.

The Hon. N. E. BAXTER: If the Minister would look at paragraph 162 on page 75 of the report he will see where I ascertained the favourable adjustment.

The Hon. A. F. GRIFFITH: But that is not the whole story, of course. That is purely one figure.

The Hon. N. E. Baxter: One figure, and part of the adjustment.

The Hon. A. F. GRIFFITH: No. One figure only. Would the honourable member be good enough to look at page 76? He will see there the situation. Western Australia had an unfavourable adjustment of £873,000 and the Grants Commission decided to fund that amount to the amount of £310,000 which left us with £895,000 which we are now trying to raise. The passage of this Bill will assist us in that effort.

The Hon. N. E. BAXTER: I will not proceed with the matter further because the Minister does not want to understand.

The Hon. A. F. GRIFFITH: I resent that statement. I resent it completely. To say that I do not want to understand is just stupid in the extreme. I assure the honourable member that that is not the point at all. If I am at fault at any time I do not like to receive that treatment, and I do not think I deserve that treatment. I try to be as co-operative as I can and give all the information possible even if I have to go away to ascertain it.

The Hon. N. E. BAXTER: The Minister has quoted the total unfavourable adjustment.

The Hon. A. F. Griffith: You told me I did not want to understand and that is what I resent.

The CHAIRMAN (The Hon. W. R. Hall): Order!

The Hon. N. E. BAXTER: The figures on page 76 show a severity of non-income taxation with a favourable adjustment of £250,000.

The Hon. A. F. GRIFFITH: I do not propose to labour this, but the honourable member told me I just did not want to try to understand, and that is the remark I resent. I do try to understand. If I have failed I am sorry; but I resent that sort of implication.

Clause put and passed.

Clause 3 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Justice), and passed.

ACTS AMENDMENT (SUPERANNUATION AND PENSIONS) BILL

Second Reading

THE HON. A. F. GRIFFITH (Suburban —Minister for Mines) [9.40 p.m.]: I move—

That the Bill be now read a second time.

The passing of this measure will remove anomalies in the benefits payable under existing legislation. There is provision also for increases in the rates of pension for all pensioners covered by three Acts; namely, the Superannuation and Family Benefits Act of 1938-1961, the Superannuation Act of 1871-1960, and the Government Employees Pensions Act, 1948-1957. It will be seen, therefore, that the Bill comes to us in three separate parts.

The first part amends the Superannuation and Family Benefits Act which provides superannuation benefits for persons following upon retirement on or after the 1st July, 1939, from permanent Government employment. This is a contributory scheme, the extent of benefits depending on the number of units elected by the contributor.

It is anomalous that pensioners who have contributed for seven units or less, and commenced to receive a pension after the 1st January, 1958, actually receive a smaller pension than those who retired prior to that date. Differences range from 2s. 6d. per week, in the case of seven units of pension, to 15s. per week where the entitlement is for only two units.

Such differences come about through units being valued at 15s. per week, plus a flat supplementation of pension by £1 per week where pension commenced before

the 1st January, 1958, as compared with a unit value of 17s. 6d. per week without supplementation in those cases where pensions commenced after the 1st January, 1958. Needless to say, such anomaly has caused a great deal of dissatisfaction, which is persistently being conveyed to the Government. In effect, then, contributors who have contributed equal amounts over a similar period of time, at present receive unequal benefits.

The passing of this Bill will increase the value of each of the first two units to 28s. 9d. per week, and fix the value of each of the next five units at 15s., while units in excess of seven are to remain at their present value of 17s. 6d. The appropriate amendment will provide, not only a modest increase in all pensions, irrespective of the number of units, but also remove the anomaly.

The effect of the proposal is quite interesting. It will vary the average value of each unit according to the number taken out by the contributor. In future, the average value of each unit will be as follows:—

28s. 9d. per week for two units;
21s. 10½d. per week for four units;
19s. 7d. per week for six units;
18s. 9d. per week for eight units;
18s. 6d. per week for ten units;
18s. per week for twenty units;
17s. 10d. per week for thirty units; and
approximately 17s. 9d. per week for forty-two units, which is the maximum pension entitlement under the Act.

An increase of 7s. 6d. per week will be paid to former contributors with an entitlement of seven or less units, who retired before the 1st January, 1958. The increase will be 10s. per week where the entitlement is eight units or more.

The increase in the weekly pension for those who retired after the 1st January, 1958, will extend from 10s. where the entitlement is for seven units or more, to £1 2s. 6d. where the entitlement is for only two units.

The explanation why former contributors with seven or less units, who retired after the 1st January, 1958, and are to receive greater benefits, lies in the fact that those who retired prior to that date have already drawn supplementary benefits in past years, but they were not applicable to those who retired after the 1st January, 1958.

The new scale will place all pensioners on exactly the same footing. The passing of this measure will benefit a total of 2,792 pensioners, and will cost the Consolidated Revenue Fund £66,000. This figure will increase as existing contributors for the higher rates of pension retire.

It is further proposed to remove an extraordinary anomaly in widows' pensions brought about by the flat supplementation of pensions prior to the 1st January, 1958. This will be done by adjusting widows' rates to 22/35ths of the rate now proposed for former contributors.

The provisions in this Bill will eliminate completely all anomalies in respect of payment of widows' pensions. Increases to widows will extend from 1s. 2d. per week to 14s. 2d. per week, according to individual unit entitlement and the commencement date of the pension.

Similar factors to those affecting other pensions because of supplementary benefits will affect the greater benefits which will accrue to widows. Altogether, 1778 widows will benefit at a cost of £32,000 at the present time to Consolidated Revenue.

The second part of the Bill deals with the Superannuation Act of 1871-1960 and will maintain the principle adopted in the 1960 legislation; that is, the relating of the 1871 pensions to the 1938 pensions. As a result, each 1871 Act pensioner with an equivalent entitlement of seven or less units will receive an increase of 7s. 6d. per week. Pensions which are equivalent to eight or more units will be increased by 10s. per week.

Again, the reason for the higher increase in the many unit entitlements than in the entitlement for seven or less units, lies in the fact that the latter have been receiving higher benefits in the past, because of supplementary payments. Under the new provisions, twenty of the 1871 pensioners will receive increases of 7s. 6d. per week, and the remaining 147 will have their pensions increased by 10s. a week, with an annual added cost to Consolidated Revenue of £4,200.

Part III of the Bill deals with the group of pensioners who receive pensions under the Government Employees' Pensions Act, 1948-1957. Free personal pensions equivalent to a four-unit pension under the Superannuation and Family Benefits Act are provided under the 1948 Act to wages employees who were employed prior to the 17th April, 1905.

There are, at present, 15 pensioners under that scheme, and they will receive an increase of 7s. 6d. per week parallel with the provisions proposed with respect to four-unit pensions under the 1938 Act, which are to be lifted to £4 7s. 6d. per week. The cost of the proposals under the 1948 Act will approximate £300 per annum.

In conclusion, it has been estimated that the total annual cost of implementing the proposed increases provided in this measure, will approximate £102,500, and will benefit 4,762 persons. I might say that is another example of why the State needs further moneys.

The Hon. R. F. Hutchison: That is long overdue.

The Hon. A. F. GRIFFITH: I think the honourable member should sit out this one, because I have taken a great deal of personal interest in this question of pensions. The principal amendments which have been made in order to bring these various pensions Acts into line with what they ought to be have been made during the last three or four years; and they have been very considerable.

The new rates of pension in the 1938 and 1948 Acts are to operate on and from the 29th December, 1962, and the increased benefits for pensioners under the 1871 Act will commence from the 1st January, 1963. The Budget for 1962-63 contains an amount of £50,000 to meet commitments for this financial year, which will approximate £51,000.

Debate adjourned, on motion by The Hon. W. F. Willesee.

STAMP ACT AMENDMENT BILL (No. 3)

Second Reading

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [9.48 p.m.]: I move—

That the Bill be now read a second time.

This is a very short Bill which is being introduced. I think it would be safe to say that it is being introduced at the specific request of Mr. Watson, and it is being done as a result of an undertaking I gave on behalf of the Treasurer when we were dealing with the Companies Bill. Section 433 of the old Companies Act—the 1943 Act—gave the Treasurer the right in respect of the *ad valorem* duty to give concessions. With the passing of the 1961 Companies Act, this particular clause was left out of that Act. Mr. Watson drew my attention to this fact at the time. After discussing the matter with the Treasurer, I said the Government would give effect to the particular clause in the next Bill which was brought down to amend the Stamp Act.

I regret that, due to an oversight, the clause was not contained in the Stamp Act which was passed earlier this evening; and I am hastening, by the introduction of this measure, to give effect to the undertaking. Furthermore, it was not considered practicable to introduce another amendment to the Stamp Act with which we have already dealt; and I am introducing this separate Bill. I consider this a matter which should not be controversial, and I see no reason why we should not let it pass; because it simply gives effect to an undertaking which was given.

THE HON H. K. WATSON (Metropolitan) [9.50 p.m.]: The Minister has explained the purpose of this Bill. It is incidental to the alterations which were made to the Companies Act. It was generally accepted that the proper place for this provision was in the Stamp Act rather than in the Companies Act. I did suggest—I think it was when I was speaking to the Stamp Act—that the provision in this Bill might be rounded off a little more completely than it was in the old Act. In the old Act it was confined to the reconstruction of a company. I suggested it was equally applicable in principle where a wholly-owned subsidiary transferred its assets to the parent company or, likewise, any wholly-owned subsidiary. I notice that the rounding off is not included in this particular section. I would suggest that the Minister postpone the Committee stage of this Bill until tomorrow, to allow me to have a more complete look at it.

The Hon. A. F. Griffith: That will be all right.

THE HON W. F. WILLESEE (North) [9.52 p.m.]: I see nothing against the Bill. I am wondering if it might be better if I adjourned the Bill until tomorrow.

The Hon. A. F. Griffith: Having made your speech, I do not think you can now adjourn the Bill.

The Hon. W. F. WILLESEE: I was making a personal explanation!

The PRESIDENT (The Hon. L. C. Diver): The honourable member cannot move to adjourn the debate.

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

VERMIN ACT AMENDMENT BILL

Second Reading

Debate resumed, from the 31st October, on the following motion by The Hon. A. F. Griffith (Minister for Mines):—

That the Bill be now read a second time.

THE HON. G. C. MacKINNON (South-West) [9.58 p.m.]: I understood that the honourable member who had adjourned this Bill anticipated speaking to it. I notice that the first Act was introduced in 1909. It is therefore one of the oldest Acts on our statute book. It is interesting to note the figures which were quoted in those early years in connection with the depredations caused by dingoes. I notice that the sheep population in one district of New South Wales was reduced from 43,000 to nil because of the activities of dingoes. It was because of the depredations caused by certain vermin at this time that this particular Act was introduced.

Later we had other pests, such as rabbits, which swept this country; and it has been necessary to amend the Act from time to time. One of the provisions is to amend the rate. Various other matters are dealt with. In the main, I find myself in accord

with the purpose of this Bill as, I think, are all of us. We can deal with each clause as it comes up in the Committee stage. I intend to support the second reading.

Point of Order

The Hon. F. J. S. WISE: Mr. President, I am wondering if this Bill is in order. Clause 14 deletes from the parent Act an existing rate and imposes a further rate or tax, and I refer once more to section 46 of the Constitution. This principle has been dealt with by Parliament on many occasions—and when I refer to Parliament I mean both Houses—in regard to Bills imposing taxation but dealing with more than the imposition of the tax. Such Bills have been ruled out of order. In the last five minutes I have seen the definition of "rate" in *Webster's Dictionary*, and there it is defined as a tax.

Paragraph 7 of section 46 of the Constitution Acts Amendment Act states—

> Bills imposing taxation shall deal only with the imposition of taxation, and any provision therein dealing with any other matter shall be of no effect.

I inquire, Mr. President, whether in your view this Bill, as it seeks to impose taxation, and levy a rate which is a tax—

The Hon. A. F. Griffith: Increasing the rate.

The Hon. F. J. S. WISE: It levies a new rate.

The Hon. A. F. Griffith: Doesn't it increase the existing rate?

The Hon. F. J. S. WISE: It deletes the existing rate and prescribes a new one. Therefore it imposes a tax.

The Hon. L. A. Logan: It only increases the old one.

The Hon. F. J. S. WISE: As this Bill is not dealing solely with a tax, and since we always have to introduce separate Bills when prescribing a rate of tax, and the purpose for raising a tax, I am asking whether this measure is in order. We introduce a separate taxing measure as it affects all things that are taxed and are taxable, and therefore I claim that this Bill is out of order. I feel sure there will be rulings on this matter. *Webster's Dictionary* gives an interpretation of the word "rate" as a noun and it states—

> Rate: is a tax or sum assessed by authority on property according to its income or value, etc., such as parish rates, town rates, etc.

I simply ask whether in your view, Mr. President, this Bill is in order.

The PRESIDENT (The Hon. L. C. Diver): I shall leave the Chair until the ringing of the bells.

Sitting suspended from 10.5 to 10.49 p.m.

President's Ruling

The PRESIDENT (The Hon. L. C. Diver): The Hon. F. J. S. Wise has asked whether clause 14 is in order. In my opinion, it is for the following reasons:—

(a) It merely proposes to increase the existing charge imposed by the principal Act;

(b) In accordance with subsection (1) of section 46 of the Constitution Acts Amendment Act a Bill shall not be taken to appropriate revenue or impose taxation by reason only of it containing provisions for the demand of payment of fees for licenses or fees for registration or other services under the Bill.

Therefore, I rule the clause in order.

Debate Resumed on Motion

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (The Hon. W. R. Hall) in the Chair; The Hon. A. F. Griffith (Minister for Mines) in charge of the Bill.

Clauses 1 to 14 put and passed.

Clause 15: Section 115 repealed and re-enacted—

The Hon. G. C. MacKINNON: I do not wish to oppose this particular clause although there are one or two aspects of it which came within the same category as those outlined in the speech I made on the Bill dealing with pest control. Notwithstanding this, vermin control is very necessary in this country.

One aspect I would particularly mention is the keeping of rabbits of various breeds. I realise that, because of the trouble this country has had with rabbits, the general feeling with regard to this pest runs very high. Along with other members, I inspected one of the breeding establishments the other day. I notice that there will be some time before they have to close up—1966—and I ask that perhaps before the time has expired we might be given an opportunity to re-examine this position. It might be that in the light of a couple of years' experience with the two places which are established—there may be more—we shall come to realise that they are protected, and that with the imposition of various restrictions they could continue to operate. Perhaps even with an additional fence around the holding these caged animals could be kept in much the same way as poultry.

Knowing the feeling of the country people with regard to rabbits, I think it is unwise to do anything about this clause just now. However, it could be that in a couple of years we could have a further look at it. I am sure the Minister will agree that it is reasonable for us to be

given the opportunity to have another look at this particular aspect. With the imposition of rules and restrictions on the establishments, they could perhaps carry on without any danger of the rabbits escaping. Perhaps the farms could be limited to a particular locality where they could be easily inspected.

If the rabbits are kept in cages within closed sheds—perhaps we could even demand a second fence—and subject to rigid inspection there would be little likelihood of their becoming a nuisance.

I can remember when I was a lad in the south-west, if a person saw a rabbit he stopped the car and jumped out to have a look. Then they came down in waves and were so thick that one could sit behind a log and shoot a rabbit every ten minutes without any trouble. Many of us have experienced that.

The Hon. C. R. Abbey: Is this establishment mosquito-proofed?

The Hon. G. C. MacKINNON: I will answer that question in a moment. We have all seen the effects of myxomatosis and 1080 on the destruction of rabbits. Wonderful results have been achieved by these eradication measures. In answering Mr. Abbey, these enclosures are not mosquito-proof, but if necessary we could demand that the owners make them mosquito-proof. I think that, in fairness to the people who are conducting this rabbit farm, we should make a further inspection of the establishment in two years' time.

The Hon. F. R. H. Lavery: Is it a special breed of rabbit?

The Hon. G. C. MacKINNON: It is a very large rabbit. The ones I saw would average about 12 lbs. Lying down they would measure about 2 ft. At eight weeks, when they are taken from the mother, their average weight would be about 2 lb. We have had various reports about the rabbits not being able to live in the bush, but that is not correct. It has also been said that they are albino and cannot live in the sunshine. That statement is incorrect also. Others have said that they will not burrow, but that is also nonsense. They will burrow if it suits them.

The Hon. E. M. Heenan: Do they live to a great age?

The Hon. G. C. MacKINNON: They live to the same age as any rabbit. They are just rabbits. They are a pure white rabbit. I realise that every one of us in this country has every reason to hate the rabbit. Some people regard them as being good meat, but others would sooner eat a rat. However, I offer the suggestion that we should have another look at this establishment in a couple of years' time to consider whether the breeding of rabbits can be continued with safety.

The Hon. F. J. S. WISE: I would like to ask the Minister an interesting question. It relates to the words which appear in line 30, in subclause (3) of clause 15 appearing on page 8. I was wondering whether he could define every species of rabbit. The species mentioned in the Bill is *oryctolagus cuniculus*. I was wondering whether there should be specific mention in the Bill of the generic name of the other species. We can only take it for granted that the name appearing in the Bill refers to the type of rabbit that can be lawfully kept. We might be faced with the problem as to whether it is a pest or vermin and shall be identified more simply than by giving its generic name. A person could, quite innocently, keep this particular species and would have to take it along to somebody to have it proclaimed as such. I am wondering whether we should include in the Bill a description of the male and female of this species.

The Hon. A. F. GRIFFITH: I do not profess to know the answer to this question. I am satisfied to accept that the description given in the Bill is meant to apply to the rabbit in question and beyond that I cannot offer any advice. On the point raised by Mr. MacKinnon I would mention that this decision was not made lightly.

The experience of this country is that rabbits have proved to be very costly to the economy of the State and the nation as a whole. Whoever was responsible for bringing the first pair of rabbits into this country has cost Western Australia, and the Commonwealth in general, a great deal of money over many years. No farmer has any reason to love rabbits, because of the damage they have done. I can only conclude by saying that I will draw the honourable member's remarks to the attention of the Minister for Agriculture.

Clause put and passed.

Clauses 16 to 20 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Mines), and passed.

FISHERIES ACT AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. L. A. Logan (Minister for Local Government), read a first time.

Second Reading

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [11.8 p.m.]: I move—

That the Bill be now read a second time.

This Bill contains several amendments to the Act, which are considered necessary to enable the Act to be administered more satisfactorily. Who shall be required to hold fishing and fishing boat licenses, is defined in the regulations, which also prescribe the form in which such licenses shall be issued.

An amendment to the Act in this regard is necessary for the reason that Crown Law officers doubt whether licenses not prescribed in the Act may lawfully be prescribed by regulation. The introduction of the new paragraph (ga) into subsection (1) of section 6 will resolve that doubt. It will be recalled that penalties under the Act were increased in 1960. There is now an amendment in this Bill to increase penalties to be prescribed by regulation. An increase from a maximum of £50 to a maximum of £100, is considered equitable as also the provision for a continuing daily penalty to be applied in cases where that is found to be necessary.

Another amendment will enable the Governor to prohibit by proclamation, the taking of fish of any kind or species, and also the taking of any fish, whatever, by any specified means of capture for any period of time. Authority exists for the prohibition of the taking of fish for only part of a specified year, or during a specified portion of every year. The authority sought by this amendment could be quite useful in the matter of conservation of a specific kind or species of fish. It would possibly be of assistance in connection also with the conservation of fishing grounds in a general sense.

Another amendment is being introduced in order to empower the Minister to limit the number of crayfish pots which may be used by any fishing boat. Expressions of concern at the increasing numbers of boats and craypots being used in the crayfishing industry, are gaining momentum. It is conceivable that the passing of this amendment might well assist in the general conservation of the industry. It could also be a means of arriving at a more equitable proportion of the share of crayfish, as between fishermen.

Power to limit craypots dovetails in with the existing power to limit the number of boats, which latter power may easily be nullified because of the lack of the former power which is now being sought. The amendment, if passed, may not be put into effect during the coming season, as a very close scrutiny of the regulation will need to be made before any final determination is arrived at.

At this point of time, it is considered desirable that the authority should exist in the Act in order that it might be implemented by the Minister at some future time in the interests of the industry. Members were given an assurance in another place that no action will be taken in that direction until the very deepest consideration has been given to any such proposal. The Act presently permits the seizure of fishing nets. There are times when it would be in the best interests of the industry if the authorities were enabled to confiscate crayfish pots, appliances or other articles being used in contravention of the Act. It is proposed that the Act be amended accordingly.

Operators who deal in undersized crayfish have, in recent years, developed a mobile cooking-pot technique. Arrangements are made with unscrupulous fishermen, the mobile cooking units are assembled at a convenient spot on the coast, and the undersized crayfish are cooked and sold to the public. It is quite difficult to catch the culprits in the act, and, even when detected from the air, inspectors later find on their approach to the spot indicated that the cooking pots have been shifted. The insertion of the power of seizure is being done with a view to providing a deterrent.

As previously indicated, the amendments proposed are considered necessary in the light of experience gained in the administration of the Act, the object of which is to conserve the fishing grounds, the industry itself, and all those depending on it for a livelihood.

Debate adjourned, on motion by The Hon. F. J. S. Wise (Leader of the Opposition).

House adjourned at 11.13 p.m.

Legislative Assembly

Wednesday, the 7th November, 1962

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