

# Legislative Assembly

Tuesday, 12th November, 1957.

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

## QUESTIONS.

### DISTRICT ALLOWANCES.

#### *Rates Fixed by Arbitration Court.*

Mr. EVANS asked the Minister for Labour:

What is the district allowance set by the Arbitration Court for the following towns—

- Southern Cross;
- Kalgoorlie;
- Leonora;
- Wittenoom Gorge;
- Wyndham?

The MINISTER replied:

The district allowance prescribed for Southern Cross, Kalgoorlie and Leonora varies from award to award, but in the Water Supply Award issued by the Arbitration Court on the 2nd April, 1927, the following allowances are prescribed—

Southern Cross and Kalgoorlie—  
2s. 4d. per week.

Leonora—7s. per week.

The allowances usually prescribed for Wittenoom Gorge and Wyndham are 30s. and 38s. per week respectively.

### COST OF LIVING.

#### *Method of Compilation and Goldfields Decrease.*

Mr. EVANS asked the Minister for Labour:

(1) Do statisticians, working on cost of living figures, measure merely variation in prices of set commodities?

(2) What towns are taken into consideration for collection of figures in—

- South-West Division;
- Eastern Goldfields Division?

(3) How many shops are used for collecting figures in Kalgoorlie and Boulder?

(4) Are self-service stores taken into consideration in the above?

(5) How many shops are used for the above purpose in the metropolitan area?

(6) Are self-service stores and supermarkets included?

(7) To what factors can be attributed the reason why the cost of living showed a decrease during the last quarter in the Eastern Goldfields division, thus reducing the basic wage in this division?

The MINISTER replied:

(1) The statistician measures the variation in prices of selected commodities representative of the average expenditure of the average household.

(2) (a) Excluding the metropolitan area, the towns taken into consideration for the collection of statistics in the South-West Land Division are Northam, Bunbury, Geraldton and Collie.

(b) Kalgoorlie and Boulder.

(3) Where possible not less than five retailers are required to supply figures in respect of each item in the index.

(4) Yes.

(5) Where possible not less than ten retailers are required to supply figures in respect of each item in the index.

(6) Self-service stores are included but supermarkets are not.

(7) The index figures fell owing to a decrease in the food and groceries group, the price of potatoes being the principal factor.

### "C" SERIES INDEX.

#### *Preparation of Alternative Index.*

Mr. EVANS asked the Minister for Labour:

(1) Is it a fact that another interim index is in the state of preparation as an alternative to the "C" series index?

(2) Is it further a fact that if and when the alternative index series is introduced, it will only apply to the capital cities of Australia?

(3) As the practice of compiling census and statistics is a Commonwealth matter, would it be possible to have the question of cost of living figures and its relation to the basic wage, discussed at a Premiers' Conference, with a view to obtaining an index list of commodities, covering a larger range, than that of the "C" series index and which would not be limited only to metropolitan areas?

The MINISTER replied:

(1) It is understood that an interim index is in the state of preparation.

(2) Statistics for the interim index are at present being collected in the capital cities only.

(3) This matter will receive consideration.

### RAILWAYS.

#### *(a) Purchase of Diesel Railcars and Metropolitan Passenger Service Losses.*

Mr. COURT asked the Minister representing the Minister for Railways:

(1) With reference to the 10 diesel railcars on which it is reported work will start almost immediately at the Midland Junction Railway Workshops, does this mean that the Government is committed to an expansion of metropolitan rail passenger transport services, regardless of the fate of the Metropolitan (Perth) Passenger Transport Trust Bill and the findings of the select committee examining the Bill?

(2) What is the anticipated effect on metropolitan rail passenger transport losses when the 10 diesels are in service?

The MINISTER FOR TRANSPORT replied:

(1) The new railcars are required to cope with increased peak hour services.

(2) It is anticipated that losses will be substantially reduced.

#### *(b) Calling of Tenders for Coaches and Railcars.*

Mr. COURT asked the Minister representing the Minister for Railways:

(1) Were tenders called for the supply of the 10 diesel railcars and new set of coaches for the Westland express, which it is reported are to be built at the Midland Junction Railway Workshops?

(2) If so, how many tenders were received, whom from, and for what amounts?

(3) Were the railcar and Westland coach specifications identical for the tenders called and for the work being undertaken in the Midland Junction Railway Workshops?

(4) What are the Midland Junction Railway Workshops quotes or estimates for the work?

(5) On what basis are these quotes or estimates arrived at under the headings:—

Labour,

Overhead,

Materials,

Other costs and charges?

(6) What action is proposed to supervise costs progressively and see that estimates are not exceeded?

(7) If actual costs are found to exceed estimates, what remedial action or redress is possible, or can the excess only be absorbed as a revenue or loan charge?

(8) Is not one of the advantages of outside contractors the fact that costs are limited to the terms of the contract and any losses the responsibility of the contractor?

The MINISTER FOR TRANSPORT replied:

(1) Tenders were called for the diesel railcars but not for the Westland set.

(2) Tenders were called for 10 railcars sectionalised under the following headings:

- (a) Body and underframes,
- (b) Power unit and underfloor equipment,
- (c) Bogies and axleboxes.

Tenders covering railcars complete (exclusive of painting) and alternatively without bogies were submitted by Cravens Ltd. Other tenders received were:

- (a) Commonwealth Engineering Co. Ltd. and Ruhaak & Co. Ltd.
- (b) Commonwealth Engineering Co. Ltd. and David Bell Pty. Ltd.
- (c) Bradford Kendall Ltd. and Industrial Steel Ltd.

(3) Generally.

(4) The complete estimate for the railcars is not yet available for the work to be performed at Midland Junction workshops but is confidently expected to be much lower than the tendered prices. The total estimate for the Westland train set is £420,000.

(5) Estimated costs for the Westland set are:—

	£
Wages .....	98,860
Overheads .....	108,740
Materials .....	212,400
<b>Total .....</b>	<b>£420,000</b>

(6) Normal departmental accounting procedure.

(7) If in the event of additional costs being incurred, which is not anticipated, the cost could only be absorbed as a loan charge as is done when contract prices with outside firms are exceeded due to escalation clauses. Excess expenditure would be met from loan funds.

(8) No. Under present conditions which apply to all manufacturers, both in Australia and overseas, a special rise and fall clause is inserted. Any additional costs incurred by the manufacturer due to rise in basic wage or cost of material are the liability of the customer, and would also have to be met from loan funds.

#### (c) Amount of Tenders.

Mr. COURT (without notice) asked the Minister representing the Minister for Railways:

Will he examine the answer given to the second part of my question regarding tenders for coaches and railcars, in view of the fact that the department does not appear to have answered it completely in respect of the amounts of the tenders?

The MINISTER FOR TRANSPORT replied:

If the hon. member will make his question more explicit, and set out exactly what he requires, I certainly will submit the matter to the Minister for Railways.

#### (d) Departmental and Private Firms' Costs.

Mr. COURT (without notice) asked the Minister representing the Minister for Railways:

(1) The information I desire is the amount of the tenders. The answer given by the department covers the numbers of tenders and the persons who tendered; but it does not say how much was involved in the tenders. Will he make this information available?

(2) How can the department be confident that it can undertake this work cheaper than the tenderers when, in answer to my further question, it is stated that a complete estimate for the railcars is not yet available for the work to be performed at Midland Junction?

The MINISTER FOR TRANSPORT replied:

If the hon. member will place his further questions on the notice paper I shall refer them to the Minister for Railways who is no doubt familiar with the operations of that department and he, I assume, will supply the answers.

#### (e) Appointment of Commissioner.

Hon. D. BRAND (without notice) asked the Premier:

Is he correctly reported in today's "Daily News," on evidence before the Grants Commission, where it is stated that the Premier said—

The railways' financial problem is a difficult puzzle for the Government and will for a long time present a hard struggle to the single commissioner who has taken over control.

If he is correctly reported, can he make public the name of the commissioner?

The PREMIER replied:

That portion of the report is not accurate.

#### (f) Standardisation re New Diesel Railcars.

Mr. HEARMAN (without notice) asked the Minister for Transport:

What degree of standardisation is being practised in respect of the 10 new diesel railcars on which, it is reported, work will start at the Midland Junction Railway Workshops almost immediately, in comparison with the existing diesel railcars?

The MINISTER replied:

Seeing that I am only the mouthpiece for the Minister for Railways in this Chamber and that I play no part whatever

in the administration of that department, I think it is fair that these questions be placed on the notice paper so that they can be referred to the responsible Minister for an authoritative reply.

*(g) Standard Gauge, Fremantle-Kalgoorlie.*

Mr. COURT asked the Minister representing the Minister for Railways:

(1) What would be the attitude of the Government to a standard gauge railway Fremantle to Kalgoorlie if the Commonwealth Government paid the capital cost including rollingstock?

(2) Is the W.A.G.R. planning on the basis of standard gauge Fremantle to Kalgoorlie ultimately?

The MINISTER FOR TRANSPORT replied:

(1) The Government will consider the question when specific proposals are submitted by the Commonwealth.

(2) New construction works are planned to provide for that eventuality.

**DRIVERS' LICENCES.**

*Eyesight Tests.*

Mr. JOHNSON asked the Minister for Transport:

(1) What arrangements are made to ensure that the eyes of persons who hold driver's licences have not deteriorated during the period the licence is held?

(2) Will consideration be given to making eyesight tests compulsory at intervals of several years?

The MINISTER replied:

(1) None, other than holders of passenger vehicle drivers' licences who are subject to eyesight test every five years.

(2) Consideration of this matter is continuing.

**PERTH CITY COUNCIL.**

*Valuer of Properties.*

Mr. ANDREW asked the Minister representing the Minister for Local Government:

(1) How many men are employed by the Perth City Council to value properties within their boundaries?

(2) What are the necessary qualifications required?

(3) Have all the people so employed these qualifications?

(4) Is there an examination that these valuers should pass?

(5) If the answer to No. (4) is "Yes", have all these valuers passed this examination?

The MINISTER FOR HEALTH replied:

(1) One. The City Valuer (Mr. V. H. Dawe).

(2) Mr. Dawe is a licensed sworn valuer.

(3) Answered by No. (2).

(4) Yes, the examination for admission to the Commonwealth Institute of Valuers.

(5) Yes.

**FORESTS.**

*(a) Government's Policy re Milling of Pine.*

Mr. COURT asked the Minister for Forests:

What is the Government's policy for the milling of timber from pine forests when they reach maturity; that is, is it intended to erect State-owned and operated mills or make the timber available to private industry for milling?

The MINISTER replied:

No areas of pine are expected to reach maturity for at least 10 years, and even then only relatively small areas will be maturing over the subsequent decade. Consequently, no detailed consideration has been deemed necessary at this stage as to whether State-owned or privately-owned mills should saw such maturing stands. However, 84 per cent of all pine logs which result from thinnings today are being sold to private operators.

*(b) Acreage and Additions to State Forests.*

Mr. HEARMAN asked the Minister for Forests:

(1) What is the total area of designated State forests in Western Australia?

(2) What additional acreage is at present being considered for inclusion in State forests?

(3) What acreage of this additional area, under consideration for inclusion in State forests has also been applied for by persons wishing to take up this land for agriculture?

The MINISTER replied:

(1) 3,990,295 acres as at the 30th June, 1957.

(2) (i) A further 321,000 acres have been recommended by the State land utilisation committee for inclusion in State Forests and of this area 61,500 acres were declared State forests last month;

(ii) An area of approximately 2,000,000 acres of Crown land in the South-West is yet to be examined by the State land utilisation committee, as air photo and other surveys become available, but it is estimated that not more than 400,000 acres of this may eventually prove to be suitable for State forests or timber reserves;

- (3) (i) Of the 321,000 acres recommended for inclusion in State forests, no applications for alienation have been referred to the Forests Department for the year ended the 30th June, 1957. The Lands Department would not refer applications within this area to the Forests Department in view of the recommendation of the State land utilisation committee;
- (ii) Of the area of approximately 400,000 acres, applications for the alienation of 3,620 acres have been referred to the Forests Department for the year ended the 30th June, 1957.

*(c) Land Acquired and Rates Formerly Paid on Areas.*

Mr. ROBERTS asked the Minister representing the Minister for Local Government:

During the years 1954-55, 1955-56, 1956-57, the following total acreage of land was acquired by the Forests Department from various local authorities:—

	Acres.
Nannup .....	9,080
Manjimup .....	1,967
Collie .....	626
Harvey .....	1,552
Preston .....	315
Armada-Kelmscott .....	2,644
Beverley .....	5,287
Sundries .....	241
Total .....	21,712

What was the total amount of rates, etc., paid to each local authority by the previous owners for the year immediately prior to acquisition?

The MINISTER FOR HEALTH replied:

This information is not in the possession of the Department of Local Government, which has written to each of the local authorities referred to asking them to supply details as quickly as possible.

When the information has been received, it will be made available to the hon. member.

**BREAD.**

*Bakehouses, Bonds or Agreements, Goldfields.*

Mr. EVANS asked the Minister for Labour:

(1) Would he please ascertain from the Commissioner of Unfair Trading, the number of bakehouses that are at present not available for sale or rental, for purposes of baking bread in Kalgoorlie and Boulder?

(2) Is it a fact that the Master Bakers' Association on the Goldfields contributes to keep these bakehouses closed?

(3) If the above is "Yes," does not this action contribute to the establishment and maintenance of a monopoly?

(4) Did the officer of the Unfair Trading Commission who recently visited the Goldfields re the bread inquiry acquaint himself with particulars of bonds or agreements signed by the bakers?

The MINISTER replied:

(1) and (2): Not known, but an investigation will be made.

(3) Very probably.

(4) Yes.

**EDUCATION.**

*(a) Applications for Admission, Narrogin Agricultural High School.*

Mr. W. A. MANNING asked the Minister for Education:

(1) How many applications have been received for admission to the agricultural wing of the Narrogin Agricultural High School?

(2) How many will be admitted as first-year students?

The MINISTER replied:

(1) 41.

(2) 25.

*(b) Classroom Accommodation, Bunbury High School.*

Mr. ROBERTS asked the Minister for Education.

(1) Are any of the 26 classrooms at the Bunbury High School of a temporary nature?

(2) If so, what were such rooms used for prior to becoming temporary classrooms?

(3) Are any of these temporary classrooms still also used for the purpose they were planned prior to becoming temporary classrooms?

The MINISTER replied:

(1) Yes, two.

(2) One was a cloakroom and the other a private workshop.

(3) No.

**HOME FOR AGED.**

*Conversion of Albany District Hospital.*

Mr. HALL asked the Minister for Health:

(1) Will he give consideration when the regional hospital at Albany is completed, to converting the Albany District Hospital into a home for the aged?

(2) If not, will he advise for what purpose the district hospital building is to be used?

The MINISTER replied:

Yes.

# COMMONWEALTH GRANTS COMMISSION.

## *Allocation to Western Australia.*

Mr. JOHNSON asked the Treasurer:

(1) Has he been notified of the amount of the Commonwealth grant to Western Australia this year?

(2) What was the amount for each of the past ten years?

(3) What was the amount for each of the past ten years, adjusted by movements of the "C" series index, using the first such year as a base?

The TREASURER replied:

(1) Yes.

	£
(2) 1947-48	2,977,000
1948-49	3,600,000
1949-50	5,618,000
1950-51	5,839,000
1951-52	5,088,000
1952-53	8,041,000
1953-54	7,800,000
1954-55	7,450,000
1955-56	8,900,000
1956-57	9,200,000
1957-58	10,150,000
(3) 1947-48	2,977,000
1948-49	3,243,243
1949-50	4,593,622
1950-51	4,200,719
1951-52	3,010,651
1952-53	4,311,528
1953-54	3,969,466
1954-55	3,554,389
1955-56	4,128,015
1956-57	4,088,889
1957-58	index not available.

# UNFAIR TRADING COMMISSION.

## *(a) Publicising of Complaints.*

Mr. COURT asked the Minister for Labour:

Does the publicising of complaints by, or on behalf of, complainants before the Commissioner of Unfair Trading makes a public statement of proposed action, meet with the Minister's approval and desires?

The MINISTER replied:

The commissioner does not make public statements of proposed action. Some explanatory comments have been made when proposed action has first been disclosed by others.

## *(b) Minister's Approval of Publicising Complaints.*

Mr. COURT (without notice) asked the Minister for Labour:

Would the Minister be prepared to answer the question I placed on the notice paper and give the information for which I asked in connection with this matter? I asked if this met with the Minister's approval and desires.

The MINISTER replied:

I am surprised at the member for Nedlands.

Mr. COURT: You are not really.

The MINISTER: He asks if the publicising of complaints by or on behalf of complainants, before the Commissioner of Unfair Trading makes a public statement of proposed action meets with my approval and desires. The commissioner makes no public statement. He was good enough to mention that he gave certain explanatory notes after the complainant had lodged the complaint with him. As far as I can see the hon. member wants to know if any complainant, or prospective complainant, should not make anything public until the commissioner has dealt with the complaint. If one examines the position one will see that every day of the week in every State of Australia members of the community are charged with thieving, robbery under arms, and, in some cases murder—and these matters are publicised before any judgment is given. We find in the leading article of this morning's paper a most remarkable statement. Although the writer is not making a complaint in so many words, it is nevertheless a statement. It is a most amazing and a most amusing article, part of which reads as follows:—

## The Council Should Think Twice on Petrol Hours.

Instead of the Government's turning its back on the public and toadying to an unrepentant pressure group it should be proceeding against the chamber under the Unfair Trading Act for seeking to restrain commerce to the public detriment.

I am not taking umbrage at that. The writer is not complaining, but he is urging the Government to complain. See how cute the member for Nedlands is when he asks if it meets with my approval!

Mr. COURT: You must have a guilty conscience.

The MINISTER: I suppose I am the only one who has. I do not know what the hon. member is driving at, but if he were more explicit, I could give him a more comprehensive reply.

# WUNDOWIE CHARCOAL IRON INDUSTRY.

## *Overseas Production and Local Supply.*

Hon. D. BRAND asked the Minister for Industrial Development:

(1) In the contract for the supply of 12,000 tons of charcoal iron a year for two years to a Swiss buyer, was a firm price given covering two years?

(2) In what other countries is charcoal iron produced?

(3) Is the interest shown in Wundowie charcoal iron by overseas interests, because of price or shortage of supply?

The MINISTER replied:

(1) Yes.

(2) Sweden and Brazil.

(3) Shortage of supplies of high-grade pig iron.

### WAR SERVICE HOMES.

#### *City and Country Entitlement.*

The MINISTER FOR HOUSING: Several weeks ago the member for Narrogin asked some questions relating to homes being made available to applicants on rural properties. He asked whether it was intended that war service homes should be available for residents of cities and towns only. His second question was how an entitled person could secure such a home on his farming property. In accordance with Commonwealth policy and procedure, before giving the answer it was necessary to make representations to the Commonwealth; and today I received a communication from Senator Spooner, the Minister in charge of the War Service Homes Division. Amongst other things he has this to say—

It is suggested that it would not be proper for a reply to be given in the Parliament to such questions concerning a matter which is covered by the Commonwealth legislation. The correct procedure would appear to be to forward to the member making the inquiry my advice in the form of a letter.

I have here a copy of the letter received from Senator Spooner and I will shortly have pleasure in conveying it to the member for Narrogin.

### CHAMBERLAIN INDUSTRIES.

#### *Presentation of Committee's Report.*

Mr. WILD (without notice) asked the Premier:

When will the committee's report on Chamberlain Industries Pty. Ltd. be tabled, and will Parliament be given an opportunity to debate the matter this session?

The PREMIER replied:

As far as I am aware, there is no report as such. The committee has made certain recommendations which have been considered by Cabinet, and Cabinet has broadly agreed to those recommendations. Negotiations are now taking place between all the interested parties concerned, and on the result of those negotiations will depend the extent to which publicity will be given to the recommendations of the committee and the decisions of Cabinet.

### RESTRICTIVE TRADE PRACTICES ROYAL COMMISSION.

#### *Tabling of Report.*

Hon. D. BRAND (without notice) asked the Premier:

Has the Government received a copy of the Honorary Royal Commission's findings on restrictive trade practices? If so, when will he lay a copy on the Table of the House?

The PREMIER replied:

I understand that copies of the report have been forwarded to Parliament for tabling. I will check up and let the Leader of the Opposition know.

### LAND TAX.

#### *Assessments to Country Landholders.*

Mr. BOVELL (without notice) asked the Treasurer:

Is he aware that there are two land tax assessments in one calendar year being issued to country landholders? For example, land tax paid in February of this year must be paid again by the 4th December this year. If he is not aware of this, will he allow the payment of land tax—if the assessments have to be issued before the expiration of the calendar year—to coincide with one payment in one year.

The TREASURER replied:

If the hon. member will supply me with written information on the points he has raised, I will be pleased to have them investigated.

### NATIVE WELFARE.

#### *Explanation of Bill over the Air.*

Hon. D. BRAND (without notice) asked the Minister for Native Welfare:

Is it his policy to explain the second reading of a Bill before its introduction in this House as he did over the air in the session "Highlights of Parliament"?

The MINISTER replied:

If the Leader of the Opposition had heard the address, he would have only heard a history of native affairs, and not the second reading of a Bill, given over the air. This will not be given until the measure is presented to this House.

The Premier: The Leader of the Opposition misled the country into believing that we sat on Sunday!

### FRUIT-FLY BAITING.

#### *Subsidy to South Suburban Committee.*

Mr. WILD (without notice) asked the Minister for Agriculture.

Further to the questions I asked last week in connection with the Government subsidy to the south suburban fruit-fly baiting committee, can he tell me when this money is to be made available?

The MINISTER replied:

Not at this moment, though I have submitted it to the responsible officers for a report, which I hope to receive in a day or two.

### DECORUM IN THE CHAMBER.

#### *Statement by the Speaker.*

The SPEAKER: Before proceeding with the business of the day, I would like to refer to one or two things that seem to have become a practice in this Chamber. The first of these is: I find that friends of members who are brought into the Speaker's Gallery often take notes of the proceedings. We all know, of course, that they are expected to maintain silence, and I think it is also known that notes should not be taken in any form. The Sergeant at Arms has unfortunately been helping with the select committee on transport and he is not always able to see that these things do not happen. I am very reluctant to take members to task over this matter, but I think we should all ensure that the decorum of the House is maintained.

Another matter to which I wish to refer is that of members reading the daily papers in the Chamber. I have no objection to the papers being read, but I would suggest that members fold them up so that they are not too evident. Some members have been so innocent or audacious as to sit in the Speaker's chair in the corner of the Chamber and open their papers right out. It does not matter two hoots to me, but, from the point of view of the decorum of this Assembly, it is not a good example. This is not a reading room, but a deliberative Assembly. This has occurred on both sides of the House—indeed, it has also occurred on the front benches. I hope that in future all members will try to maintain a high standard of decorum in this Chamber.

Members: Hear, hear!

### METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST BILL JOINT SELECT COMMITTEE.

#### *Report Presented.*

The MINISTER FOR TRANSPORT: I present the report of the Select Committee to which the Metropolitan (Perth) Passenger Transport Trust Bill was referred, and move—

That the report be received.

As the report is short and owing to the interest that has been evinced in the Bill, the inquiry and no doubt the findings, it is my intention to read it. I might mention that it is only the findings of the committee that are being submitted in this report. The reasons are not attached. However, I hope they will be laid on the Table of the House shortly. I have the

record of the evidence occupying over 400 pages submitted by 21 different witnesses. The recommendations are as follows:—

Having heard and questioned the foregoing witnesses and having considered their evidence, the committee finds:

(a) It is desirable and necessary that one statutory authority should be constituted to take over and operate all passenger transport facilities by vehicles over streets in the metropolitan area of Perth.

(b) There is no practical alternative more desirable than this course.

(c) The Bill at present before Parliament satisfactorily achieves the purposes for which it is designed, subject to amendments which are recommended as follows:—

(i) To include in the taking over and operation of services, such ferry services as are or might be operated under the Western Australian Government Tramways and Ferries Act;

(ii) The chairman of the trust should be appointed for seven years, one member for six years and the other member for five years for the initial appointments, but subsequently for five year terms in each case;

(iii) Reference Clause 25—a provision to be inserted to provide that where notice is served on the trust by the proprietor of any undertaking being a limited liability company requiring the trust to acquire the whole of the undertaking, such proprietor having the consent of the holders of not less than four-fifths of the value of its issued stock and/or shares, such stock and/or shares shall be acquired by the trust, but if any question arises relating to such acquisition including what constitutes the property acquired, the consideration payable or otherwise, the question shall be settled by arbitration;

(iv) Reference Clause 28—a provision to be made for interest to be adjusted at intervals to maintain a margin of 1 per cent. above current long-term bond rate to be payable on inscribed stock created or debentures issued as payment of compensation;

(v) Reference Clause 33—delete reference to loss of profits and loss of income on reinvestment of capital;



(vi) The trust should be empowered to purchase its own stock or debentures;

(vii) Any profits made by the trust, after making full allowance for the items specified in Clause 55 of the Bill to be paid to the credit of any appropriate account of the trust and which may be used by the trust for any of its purposes subject to such payment first of all being used towards extinguishing the accrued losses if any, which might be owing to the Treasury;

(viii) The trust shall be excluded from the provisions of the Transport Co-ordination Act.

All members agreed to the report with the exception of Hon. C. H. Simpson, who dissented from paras (a) and (b) above. Finally, I would like to express my thanks and appreciation to the members of the committee who worked with me at very short notice in order to have this report ready for submission today, in accordance with the terms of the resolutions carried by both Houses.

Question put and passed.

The MINISTER FOR TRANSPORT: I move—

That the report and recommendations be printed.

Mr. HEARMAN: Mr. Speaker—

The SPEAKER: I cannot allow the hon. member to speak unless he is opposed to the printing of the report. I cannot allow discussion.

Question put and passed.

On motion by the Minister for Transport, resolved:

That the consideration of the Bill in Committee be made an Order of the Day for the next sitting.

## **BILLS (2)—FIRST READING.**

### **1, Land Tax Act Amendment.**

Introduced by the Treasurer.

### **2, Motor Vehicle (Third Party Insurance) Act Amendment.**

Introduced by the Minister for Health.

## **BILL—COAL MINE WORKERS (PENSIONS) ACT AMENDMENT.**

Returned from the Council without amendment.

## **BILL—TRAFFIC ACT AMENDMENT (No. 3.)**

Received from the Council and, on motion by Hon. A. F. Watts, read a first time.

## **BILL—OPTOMETRISTS ACT AMENDMENT.**

*Third Reading.*

MR. LAPHAM (North Perth) [5.61: I move—

That the Bill be now read a third time.

MR. ROSS HUTCHINSON (Cottesloe) [5.77]: I want to take this last opportunity afforded to me by the third reading of this Bill to briefly recapitulate one or two points and to endeavour, perhaps, to shed a little more light on the subject before the measure once again goes to the vote.

First, I want to emphasise several points and bring this matter to another vote because of the closeness of the voting on the second reading. I point out that the Act at present provides for overseas optometrists. Already more than 20 have been registered and the door is still open for such to be registered. There is no such thing as a bar to people coming in from overseas. Then, too, university standards require to be maintained and the reduction of that standard in any way for one person would have a bad effect upon other medical ancillary professions. It is possible that this sort of legislation could provide a precedent for other similar legislation in other fields.

Reciprocity with regard to this particular legislation is something that is sought by all States, and if we depart in this regard by allowing individuals to be registered because of certain legislation, then we are likely to prejudice the reciprocity that is desired. I would like to point out that the man for whom this legislation was introduced is not dependent upon optometry for his livelihood. He makes his livelihood without having any regard to it whatsoever.

I would like to point out, too, that the Immigration Department has been advised by the Optometrists Board of the prerequisites for admission to the practice of optometry. Therefore, Mr. Muhlmann knew quite well what the prerequisites were before he ever tried to take up this field of work in Western Australia. It should be pointed out again that Mr. Muhlmann has no official qualifications whatsoever. He claims only to have passed a preliminary examination set by a school of optics that is now defunct. There was also the matter of a Philadelphia College Diploma, but, of course, that is not recognised.

Another point that should be made is that our own returned servicemen have had to do a full course after they were demobilised, and it is not fair that anyone can come through a back door such as this Bill proposes. Then, too, Mr. Muhlmann was nominated for migration as an

optical mechanic and, of course, that highlights what I said before; he has no qualifications. It should be realised, too, that our own people here have to pay fees in the vicinity of £400 during their course, which they must take in order to become qualified, and the term during which they are qualifying for this course is a charge upon their parents who are looking after them.

Furthermore, the time they spend in taking the University course is time when they could be earning £700 or £800 per year in some other occupation. These people must forgo their opportunity to earn a livelihood if they want to enter into this particular field. Therefore, it is wrong that we should pass any legislation which allows anyone to get through in this particular method without having to pay a similar amount of fees.

There is a new angle, without bringing any new matter into the consideration of the Bill, that I want to make. I refer to the letter written by the board to Mr. Muhlmann advising him that the board was in agreement with regard to the granting of credits in the first and second years of the University course. It is known that the board acted *ultra vires* in this matter, because the Act does not empower it to do so. This was one of the contentious points during the second reading, and I think it should be pointed out, and emphasis laid on the point, that the board is, at the present time, endeavouring to remedy this very matter of giving credits where credits are deserved.

Upon realising that it acted wrongly or illegally in this matter, the board unanimously resolved that it would seek to have legislation brought down in Parliament, but it makes the point that it wants the legislation to be wide—a general form of legislation that can incorporate a number of things and not be so narrow as to apply only to one man. As I say, progress has already been made in this direction, and the board will seek legislation to give it power to grant credits in regard to medicine, chemistry, physiotherapy, science and such subjects at the board's discretion. In this way we can get legislation which is sound and constructive and not narrowly based; legislation that would benefit the Australian community.

On the other hand, the legislation now before the House is to benefit, or allegedly benefit, one person. This person for whom the legislation has been drawn up, was, I find, born in Jaffa, Palestine, in 1904. He resided there till 1921, and from 1921 to 1928 lived in Cairo; and from 1928 to 1951, in Alexandria. He is stated to have worked there with Wm. Derby & Co., a firm described as dealers in optical requirements. I would like the House to have regard to that point. He worked for a firm

who were dealers in optical requirements and not, it will be noted, opticians or optometrists.

I would like to point out that on his stationery Mr. Muhlmann had his name and the words "graduate in optometry" written after it. That was an untruth and the board pointed out to him that he was doing something for which he could be charged, because it was illegal for him without qualification to put those words after his name. Remember that he only worked for a firm of dealers in optical requirements and was described in his migration papers as an optical mechanic. The important point is that the board in its investigation considered that this man had not sufficient knowledge and training in optometry and that it was necessary he should attend lectures at the University for the third and fourth years of the course.

So I make the strong point that, even if it granted credits to this man, the board still considers that he should attend lectures at the University for those two years of the course. But if the legislation is passed, it will be impossible for him to attend the University for that training, because the Bill ends its life half way through next year. So it is a hypocritical piece of legislation, and this House would be wise to throw it out. Surely members can see that point!

There is also this point to be made: Who are we going to recognise in this case? Are we going to recognise the desires of an optical mechanic from Alexandria who asks us to let down the rails and raise them after he is in; or do we support the Optometrists Registration Board? This board consists of three Government nominees; three members elected by the W.A. optometrists; and the dean of the Faculty of Science at the University. We expect the board to administer legislation passed in this House to protect people from unqualified persons! I think the board's function is quite clear and praiseworthy, and this House would be doing a wrong thing if it endeavoured to lower the standards of the board.

I would ask the House to reconsider its point of view and vote against the legislation, which is hypocritical. It is drawn up apparently to assist this man; but if members will only study it, they will realise that the man cannot be helped because under this Bill, he will not be able to attend the third and fourth years of the University course and study the subjects he should study and which the board wants him to study; and the board will be brutalised into setting an examination because of the direction of this House. I ask members to throw out the Bill.

**MR. LAPHAM** (North Perth—in reply) [5.20]: I am a little perturbed that this matter has been raised. I do not think

the hon. member has brought forward anything new during his remarks, because we went over the whole question at the second reading. It was thoroughly thrashed out, and there is nothing new that I can offer to the House in regard to the matter. The point at issue is simple. All the Bill provides is an opportunity for the board to set an examination for an individual who maintains that he has the ability to pass it.

The Bill has been said to be a one-man Bill; and, in consequence, some members have spoken of it in a derogatory manner. But it should be remembered that if the Act is creating some legal disability and hardship for one individual, there is justification for bringing in a Bill to rectify that disability, even though one individual may be affected.

This man is an immigrant who since his arrival has become a naturalised subject. He has been connected with optometry for many years; and, as the member for Cottesloe has observed, he was connected with the firm of Wm. Derby & Co. I would like to read a reference that this man had from that firm. It is to the effect that he was employed by the firm for six years—the reference is dated the 18th October, 1934. His duties were formerly those of a dispensing optician; but for the past three years—that is, up to the date of the reference—he had taken an active part in sight-testing of which he had done a fair amount. That was in 1934, and this is 1957. A period of 23 years has elapsed, so this man has been interested in this business for a long time.

Mr. Potter: I wonder if that would be the firm that I got glasses from without any lenses in them?

Mr. LAPHAM: In another letter from this firm there is an indication that this man had been a director for many years and had been connected with the firm for 18 years. This indicates that he was connected with optometry for well over 20 years.

Mr. Ross Hutchinson: Would you be prepared to introduce legislation for any number of comparable cases that came to your notice?

Mr. LAPHAM: I do not think that has any bearing on the matter.

Mr. Ross Hutchinson: It has a great bearing.

Mr. LAPHAM: If there are comparable cases, they can take advantage of this legislation.

Mr. Ross Hutchinson: No; it ends next year.

Mr. LAPHAM: It provides that any person can sit for an examination provided he does so before the 30th June, 1958. The legislation gives an opportunity for anyone to sit for an examination set

by the Optometrists Board and marked by the Optometrists Board. There is thus no lessening of the standard in any way whatsoever. The position is that the board sets an examination at the same standard as would apply to the normal individual attending University. This particular individual who wants to be registered as an optometrist has to sit for that examination. If he passes he will be registered in the normal way; if he cannot pass, he will not receive registration. It is as simple as that.

There is no lessening of standard. I cannot understand why there is a reiteration of that statement that the standard is being lowered, when it must be obvious to everybody that there cannot possibly be any lessening of the standard, as the board sets the examination and marks the papers. Nor would reciprocity be affected, because there is no lowering of the standard.

To raise the point that this individual is not dependent on optometry for a livelihood is to get completely away from the subject. Here is an individual who has been following optometry as a profession for many years and decides he wants to follow it in Australia; and the fact that he happens to be trading in some other enterprise is now used as an argument against his following optometry. I see no logic in the argument, and I recommend that the Bill be read a third time.

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

Ayes	....	....	....	....	26
Noes	....	....	....	....	18

Majority for .... 8

#### Ayes.

Mr. Andrew	Mr. Lawrence
Mr. Brady	Mr. W. Manning
Mr. Evans	Mr. Molr
Mr. Gaffy	Mr. O'Brien
Mr. Graham	Mr. Owen
Mr. Hall	Mr. Rhatigan
Mr. Hawke	Mr. Rodoreda
Mr. Heal	Mr. Sewell
Mr. W. Hegney	Mr. Sleeman
Mr. Hoar	Mr. Thorn
Mr. Johnson	Mr. Tonkin
Mr. Kelly	Mr. Watts
Mr. Lapham	Mr. Norton

(Teller.)

#### Noes.

Mr. Ackland	Mr. Mann
Mr. Bovell	Mr. Marshall
Mr. Brand	Sir Ross McLarty
Mr. Cornell	Mr. Nulsen
Mr. Court	Mr. Potter
Mr. Crommelin	Mr. Roberts
Mr. Grayden	Mr. Toms
Mr. Hearman	Mr. Wild
Mr. Hutchinson	Mr. I. Manning

(Teller.)

Question thus passed.

Bill read a third time, and returned to the Council with an amendment.

**BILL—STAMP ACT AMENDMENT.**

Read a third time and transmitted to the Council.

**BILL—LONG SERVICE LEAVE.**

Report of Committee adopted.

**BILL—ELECTORAL ACT AMENDMENT (No. 3).**

*Second Reading.*

Debate resumed from the 31st October.

**MR. BOVELL** (Vasse) [5.32]: This is the third measure introduced during this session to amend the Electoral Act and, when introducing it, the Minister stated that it was designed to implement Labour policy. From oft repeated statements by members opposite, we know it is their policy to abolish the Legislative Council and not only is it Labour policy to abolish another place but also to make further far-reaching changes which to me are abhorrent. I refer here to another part of the Labour platform which is to abolish the high office of the representative of Her Majesty the Queen in this State.

The Minister for Justice: That is not in this Bill.

**Mr. BOVELL**: No, but it is another part of the Minister's party's platform which, as he indicated when introducing the Bill, the platform is designed to accomplish. These and many other ambitions of a very doubtful character in the Labour Party policy do not meet with my approval as factors likely to help the continuance of stable government in Western Australia. The Legislative Council in this State has functioned since the 1st November, 1830. This single Legislative—

The Minister for Justice: It was nominated then.

**Mr. BOVELL**: Not altogether. This single legislative authority continued until 1890 when the bi-cameral system of legislative authority commenced to operate in this State. Whilst universal franchise elects members of the Legislative Assembly, I consider it necessary to continue the existing system of electing representatives to the Legislative Council, which has always been regarded as a House of review.

The Minister for Labour: Do you think the Senate should be elected on the same basis?

**Mr. BOVELL**: The interjection of the Minister for Labour in regard to the Senate has no bearing whatever on the election of members of the Legislative Council, for this reason, that the Senate was inaugurated for the sole purpose, in my view, of giving the States equal rights in regard to representation in the Commonwealth Parliament. We know that there are 123 members in the House of Representatives and of that number only

nine represent the State of Western Australia. To give State representation a more equal basis, the Senate was given universal franchise. What are the qualifications for enrolment and voting for the Legislative Council?

The Minister for Justice: The Legislative Council is not a House of review but a House of domination.

Hon. D. Brand: Is the Upper House in New South Wales a House of domination?

The Minister for Justice: No.

**Mr. BOVELL**: The qualifications for enrolment and subsequent voting for the Legislative Council are all-embracing and as near to universal franchise as we can get.

The Minister for Transport: Tommy rot!

**Mr. BOVELL**: The Minister for Health shakes his head and the Minister for Transport says "Tommy rot." It is usual for members opposite to adopt such an attitude and make such interjections when at a loss for a good case to argue. The qualifications are—a freeholder who has a legal or equitable estate in possession in the electoral province of the clear value of £50; a householder within the province occupying any dwelling-house of £17 clear annual value; a leaseholder who has a leasehold estate in possession situated within the province of a clear annual value of £17; a Crown leaseholder who holds a lease or licence to depasture, occupy, cultivate or mine upon Crown land within a province at an annual rental of at least £10; a person whose name is on the electoral list of any municipality or road board in respect of property within the province of an annual ratable value of not less than £18.

That is a brief summary of the qualifications of enrolment and voting for the Legislative Council and I say that any person in Western Australia who desires to take an interest in the government of this country does not require any great qualification in order to exercise the franchise for the Legislative Council. It will be seen, therefore, that the existing system contains few restrictions for this who really desire enrolment. It must also be recognised that while both enrolment and voting are compulsory for the Legislative Assembly, those responsibilities are voluntary in the case of the Legislative Council and this, in my opinion, is most desirable because of the character of our bi-cameral system of government.

I say that because the Legislative Assembly is actually a legislature elected by compulsory action whereas the Legislative Council is comprised of representatives elected on a voluntary basis. We have all heard the favourite saying in the armed services—that one volunteer is better than ten conscripts, and I believe that a similar position applies in regard

to the election of a government. Those who take a voluntary interest in the election of a government are to be commended and while perhaps it is necessary for the Legislative Assembly to have a compulsory system of enrolment and voting, for a House of review such as the Legislative Council—

The Minister for Justice: A House of domination!

Mr. BOVELL: For the benefit of the Minister for Health and the Minister for Labour, I repeat that it is a House of review.

The Minister for Labour: Who is Leader of the Opposition up there now?

Mr. BOVELL: It is desirable that the House of review should have elections on a voluntary basis and its composition under a voluntary franchise contributes a vital part to the good government of Western Australia.

The Minister for Transport: How can you say it is voluntary when you drag people out by the scruff of their necks and have cars running all over the place to pick them up and take them to vote?

Mr. BOVELL: That also applies to the Legislative Assembly.

The Minister for Transport: Do not say it is voluntary, because it is not.

Mr. BOVELL: No one can force a person to go to the poll and register a vote for another place if he or she does not desire to. The voting there is absolutely voluntary. The Minister for Transport might be speaking of coercion from his own experience and his own actions in the matter, although I am not aware of that. I can only take it, however, that he is speaking from personal experience.

The Minister for Transport: I am speaking from what I have seen the Liberals doing in East Perth.

Mr. BOVELL: No good purpose can be achieved by enforcing a similar set of circumstances regarding elections for both the Legislative Assembly and the Legislative Council.

The Minister for Justice: New Zealand did.

Mr. BOVELL: If that were so, the Legislative Council, in my opinion, would not contribute, as it does today, to the good government of Western Australia. The Minister for Health is inclined to laugh at my statements, but I would say that the Legislative Council has saved his Government and its political predecessors in office some embarrassing situations—

The Minister for Justice: I do not know of any.

Mr. BOVELL: As a matter of fact, one of our greatest Premiers, the late Hon. Philip Collier, is reported to have said "Thank God for the Legislative Council."

I knew him for 30 years and I never heard him contradict the report of his having said that.

The Minister for Justice: He may have said it jokingly, and it is not in Hansard.

Mr. BOVELL: I know, but he never said anything without meaning it. I paid him a tribute at the Margaret River show the other day by saying that he ranked as one of the greatest statesmen in Western Australia, in my opinion and I feel that when he said "Thank God for the Legislative Council," that was one of his greatest utterances.

The Minister for Transport: You are a great comedian.

Mr. BOVELL: Is the Minister referring to himself?

The Minister for Transport: You are the only one who takes you seriously.

Mr. BOVELL: The Minister cannot help descending to personalities. I have often acknowledged that he has certain qualifications, but he counters them by his rather unfortunate tendency to descend to personalities which, on most occasions—as on this occasion—are completely untrue and without foundation of any kind.

The SPEAKER: What clause of the Bill has that reference to?

Mr. BOVELL: I believe in the bicameral system of government in Western Australia. I do not subscribe to the conditions that this Bill would impose, and I oppose the second reading.

MR. JAMIESON (Beeloo) [5.44]: I cannot allow to pass this opportunity of reminding members opposite that nowhere in the world where there are elective Houses, as far as I can ascertain, is there a restricted franchise, with the exception of three Australian States.

Hon. L. Thorn: The House of Lords.

Mr. JAMIESON: That is not an elected House; it is a nominee House. There is a great deal of difference. Even in those countries which are so readily referred to as being under the dictatorial power such as Russia, there is no restriction in the franchise, so far as I am able to ascertain. There may be a restriction on the type of candidate that puts up for election, but that is a different matter altogether.

Hon. D. Brand: You can vote for Smith or you need not.

Mr. JAMIESON: One can vote for the party if one so desires. So far as the voting potentiality is concerned, every person that lives in those countries is entitled to a vote, and so he should be. Nowhere else in the world is there maintained such a state of affairs as exists in the States of Tasmania, South Australia and Western Australia, all of which States have a Legislative Council as an elected House. Reference is repeatedly made to New South

Wales and other places which have a nominee Chamber, but the difference between the system existing in those places and that existing in this State is like the difference between chalk and cheese.

Hon. D. Brand: What difference is there, really?

Mr. JAMIESON: There is a great deal of difference. There is a reflection cast on the other Chamber in that one can nominate for that Chamber the people that one wants.

Hon. D. Brand: What is the value of it?

Mr. JAMIESON: The hon. member has answered that question himself. I say there is a great deal of difference in that it is not an elected House and therefore there is no qualification for the electors. It is a nominee House maintained by the Government of the day in those other States or countries. It might be of interest for members to know that after the last world war when Whitehall set up the Newfoundland Government, it did not constitute a bicameral system. In Newfoundland one Chamber was set up because prior to that it was discovered that two Houses of Parliament did not work out as they should have done.

We should never stretch our imagination to the extent of referring to the Legislative Council as a House of review. No House of review could initiate legislation as the Legislative Council in this State does. On some occasions this House becomes a House of review and, as a matter of fact, in dealing with the last Bill that passed through this House only a short time ago, this Chamber virtually became a House of review.

Mr. Bovell: That was a private member's Bill.

Mr. JAMIESON: That is immaterial. There are some Government Bills which come to this Chamber from another place. This House then becomes a House of review and another place becomes, in those circumstances, the House of initiation. To pretend that the Legislative Council is a House of review when it is not, is too silly for words. The member for Vasse has said that anybody can have his name placed on the Legislative Council roll if he so desires. I am anxious to have my name retained on that roll and therefore every year it costs me £8 for rates on a block of land, which rates include land tax, local government rates and water rates.

Hon. D. Brand: Is that the only reason you hold that block?

Mr. JAMIESON: Yes. I maintain that block for that sole purpose, namely, to keep my name on the Legislative Council roll. However, it is a fairly heavy impost to place on an elector merely because he is desirous of having a vote at the Legislative Council elections.

Hon. D. Brand: You would not be out of pocket.

Mr. JAMIESON: Would I not be out of pocket?

Mr. Oldfield: Perhaps the block of land is within the Perth City Council boundary.

Mr. JAMIESON: No, it is not. I would not own a block of land in the city of Perth area. The member for Vasse has often stated that the Legislative Council in Western Australia is a House of review and pointed out what happens in New South Wales. On many occasions he has shown where the Senate stands under such a system. However, those factors do not constitute a basis for any argument.

The fact is that the Legislative Council is an elected House and its members are elected on a restricted franchise. That is the point we have to consider. By adopting the attitude they do, members opposite are not justifying the existence of the Legislative Council in any way. Where an elected Chamber on a restrictive franchise exists, as it does over the Labour Government in Tasmania, a Labour Government in Western Australia, and a Liberal Government in South Australia, those in authority still say, "No, you should continue to have that restrictive franchise," not because it is desirable, but merely to hamstring any legislation which is put forward by the Government.

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

Ayes	.....	27
Noes	.....	20
Majority for	.....	7

#### Ayes.

Mr. Andrew	Mr. Lawrence
Mr. Brady	Mr. Marshall
Mr. Evans	Mr. Moir
Mr. Gaffy	Mr. Nulsen
Mr. Graham	Mr. O'Brien
Mr. Hall	Mr. Potter
Mr. Hawke	Mr. Rhatigan
Mr. Heal	Mr. Rodoreda
Mr. W. Hegney	Mr. Sewell
Mr. Hoar	Mr. Sleeman
Mr. Jamieson	Mr. Toms
Mr. Johnson	Mr. Tonkin
Mr. Kelly	Mr. Norton
Mr. Lapham	

(Teller.)

#### Noes.

Mr. Ackland	Mr. W. Manning
Mr. Bovell	Sir Ross McLarty
Mr. Brand	Mr. Oldfield
Mr. Cornell	Mr. Owen
Mr. Court	Mr. Perkins
Mr. Crommelin	Mr. Roberts
Mr. Grayden	Mr. Thorn
Mr. Heatman	Mr. Watts
Mr. Hutchinson	Mr. Wild
Mr. Mann	Mr. I. Manning

(Teller.)

#### Pair.

Aye.	No.
Mr. May	Mr. Nalder

The SPEAKER: I have counted the House and as there is an absolute majority of members present in favour of the Bill, the question is passed.

Question thus passed.

Bill read a second time.

*In Committee.*

Mr. Sewell in the Chair; the Minister for Justice in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Section 17 amended:

Mr. BOVELL: This clause virtually seeks to wipe out the existing system of franchise for the Legislative Council and to make it similar to that relating to the Legislative Assembly. During the debate on the second reading debate I stated that to have the same franchise for both Houses would serve no useful purpose. Members of the Legislative Council are elected by those electors who wish to exercise their vote on a voluntary basis.

Despite what the member for Beeloo said during the second reading debate, it is very simple for those people who so desire to exercise their franchise for the Legislative Council. The member for Beeloo also said that he paid £8 a year solely to enable him to have a vote for the Suburban Province in the Legislative Council elections. The hon. member's electorate comes within the boundaries of that province and therefore it behoves him, as it does every other member of this Assembly, to have some landed interest in his own electorate.

The Minister for Justice: There are many people who are not in the same position as the member for Beeloo.

Mr. BOVELL: With an increase in the number of people purchasing their own homes in postwar years, the franchise of the Legislative Council has been widened considerably. If we are to continue our bicameral system of Government, it is desirable for people to have an interest in some land or property.

The Minister for Justice: I can foresee that in the not-too-distant future, we will have the majority in another place. What will be the tune then?

Mr. BOVELL: The tune will be the same. I will not shift my ground one iota. The Legislative Council elected under the existing franchise does contribute to the good government of this State. If the Bill is passed, it will simply become a rubber stamp and a review will have to be made as to whether it is really necessary. I oppose the clause on the ground that it will bring about a duplication of the franchise for both Houses.

The Minister for Justice: Would you say that the House of Lords is a rubber stamp?

Mr. BOVELL: That House is not elected. In that regard, reports have been published about appointing members from the Dominions as members of that House.

The CHAIRMAN: I would remind the Minister that that matter is not dealt with in the clause.

Mr. BOVELL: If this clause is agreed to, it will bring about a duplication of the functions of both Houses of Parliament, and that is not desirable. In my opinion, the present system of compulsory enrolment and voting for the Legislative Assembly should continue; as should the enrolment and voting on a voluntary basis for the Legislative Council, under the system of franchise to which I referred during the second reading.

Mr. POTTER: I would like to refer to the remark made by the previous speaker that there will be a duplication of functions if this clause is agreed to, and point out that Legislative Council provinces comprise in some cases 10, in others nine, and yet in others three or four Assembly electorates. For that reason, it cannot be said that the Legislative Council duplicates the functions of this Chamber.

Mr. BOVELL: The member for Subiaco has introduced a most interesting side light. Whilst his Government is attempting to bring about adult franchise for the Legislative Council, at the moment the proportion of representation within the various provinces is most undesirable. If the Government is in favour of equalising the number of Assembly electorates within each province, then it may have some case to put forward. The Metropolitan Province contains some 10 Legislative Assembly electorates, while the West Province contains only four, and that is not equitable.

Mr. Lawrence: Who said it was four?

Mr. BOVELL: I found that out by way of research into the territory covered by each province. The North Province embraces only three Legislative Assembly electorates. Many anomalies exist in that respect, and the Government should look into them before it introduces a measure like the one under discussion.

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

Ayes	....	....	....	....	26
Noes	....	....	....	....	20
					—
Majority for	....	....	....	....	6
					—

*Ayes.*

Mr. Andrew	Mr. Lapham
Mr. Brady	Mr. Lawrence
Mr. Evans	Mr. Marshall
Mr. Gaffy	Mr. Moir
Mr. Graham	Mr. Nulsen
Mr. Hall	Mr. O'Brien
Mr. Hawke	Mr. Potter
Mr. Heal	Mr. Rhatigan
Mr. W. Hegney	Mr. Rodoreda
Mr. Hoar	Mr. Sleeman
Mr. Jamieson	Mr. Toms
Mr. Johnson	Mr. Tonkin
Mr. Kelly	Mr. Norton

(Teller.)

Noes.	
Mr. Ackland	Mr. W. Manning
Mr. Bovell	Sir Ross McLarty
Mr. Brand	Mr. Nalder
Mr. Cornell	Mr. Oldfield
Mr. Court	Mr. Owen
Mr. Crommelin	Mr. Perkins
Mr. Grayden	Mr. Roberts
Mr. Hearman	Mr. Watts
Mr. Hutchinson	Mr. Wild
Mr. Mann	Mr. I. Manning
	(Teller.)

Aye.	Pair.	No.
Mr. May	Mr. Nalder	

Clause thus passed.

Clauses 4 to 18, Title—agreed to.

Bill reported without amendment and the report adopted.

[Mr. Moir took the Chair.]

### BILL—CONSTITUTION ACTS AMENDMENT (No. 2).

*Second Reading—Defeated.*

Debate resumed from the 31st October.

**MR. BOVELL** (Vasse) [6.13]: On a point of order, Mr. Acting Speaker, I would like your ruling on this point: If this Bill is proceeded with, will it be possible to proceed with the measure introduced by the member for Beeloo to amend the Constitution Acts Amendment Act?

The **DEPUTY SPEAKER**: My ruling is that this matter is for the decision of the House.

**MR. BOVELL**: This legislation is complementary to the measure we have just dealt with. It seeks to repeal Sections 15, 16 and 17 of the Constitution Acts Amendment Act; and those sections relate to the conditions of franchise for the Legislative Council. It will be necessary for this Bill to be passed if the Bill just dealt with is to become valid.

*Sitting suspended from 6.15 to 7.30 p.m.*

[The Speaker resumed the Chair.]

**MR. BOVELL**: As I said at the outset, this is complementary legislation and it is necessary for it to pass in order that the preceding Bill may be enacted. I oppose the second reading.

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

Ayes	24
Noes	16
Majority for	8

Ayes.	
Mr. Brady	Mr. Marshall
Mr. Evans	Mr. Moir
Mr. Gaff	Mr. Nulsen
Mr. Graham	Mr. O'Brien
Mr. Hall	Mr. Potter
Mr. Hawke	Mr. Rhatigan
Mr. Heal	Mr. Rodoreda
Mr. W. Hegney	Mr. Sewell
Mr. Hoar	Mr. Sleeman
Mr. Jamieson	Mr. Toms
Mr. Johnson	Mr. Tonkin
Mr. Lapham	Mr. Norton

(Teller.)

Noes.	
Mr. Ackland	Mr. W. Manning
Mr. Bovell	Sir Ross McLarty
Mr. Brand	Mr. Oldfield
Mr. Cornell	Mr. Perkins
Mr. Court	Mr. Roberts
Mr. Crommelin	Mr. Thorn
Mr. Hearman	Mr. Watts
Mr. Hutchinson	Mr. I. Manning
	(Teller.)

Pair.	No.
Mr. May	Mr. Nalder

The **SPEAKER**: I have counted the House and as there is not an absolute majority present, the question passes in the negative.

Question thus negatived.

Bill defeated.

### BILL—FREMANTLE HARBOUR TRUST ACT AMENDMENT.

*Council's Amendments.*

Schedule of eight amendments made by the Council now considered.

*In Committee.*

**MR. MOIR** in the Chair; the Minister for Labour in charge of the Bill.

No. 1.

Clause 3, page 2, line 36—Insert after the word "harbour" the following:—"for which purpose the slipways at the western end of the Fremantle inner harbour, known respectively as the South Slipway and the Rous Head Slipway shall be deemed to be included within the boundaries of the harbour."

No. 2.

Clause 3, page 3—Delete the words "as they estimate to be necessary" in lines 5 and 6 and substitute the following:—"per man hour worked as the Commissioners estimate to be necessary and to be paid by persons actually employing casual workers as defined in Section thirty-one A of this Act."

No. 3.

Clause 3, page 3, lines 9 and 10—Delete the words "mentioned in subsection (5) of this section" and substitute the words "duly made and effective under the Industrial Arbitration Act, 1912-1952."

No. 4.

Clause 3, page 3—Delete subclause (5).

No. 5.

Clause 4, page 3, line 25—To insert after the word "by" the paragraph designation "(a)."

No. 6.

Clause 4, page 3, line 26—Add after the word "service" the following paragraph:—

(b) adding a proviso as follows:—

Provided that service charges prescribed under Section thirty-one A of this Act shall be levied on and payable by only those persons who actually employ casual



workers as defined by and provided under that section. Contributions shall be made as directed from time to time by such employers of casual workers after the employment of such workers.

No. 7.

Clause 6, page 5—Delete all words from and including "and" in line 6 down to and including the word "classes" in line 11.

No. 8.

Clause 6, page 5, line 19—Delete the figure "(5)" and substitute the figure "(4)."

On motions by the Minister for Labour, the foregoing amendments were agreed to.

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

# **BILL—LAND TAX ASSESSMENT ACT AMENDMENT.**

## *Second Reading.*

Debate resumed from the 30th October.

**HON. D. BRAND** (Greenough) [7.40]: The Treasurer made a brief introduction of this legislation as he did in the case of the complementary legislation—the amendment to the Vermin Act. Having read through most of the debate which took place in connection with the three Bills—the Land and Income Tax Assessment Act Amendment Bill, the Land Tax Amendment Bill and the Vermin Tax Amendment Bill—I imagine that the case for and against was well covered in this Parliament last year.

However, the net result of the long process of debate was that the principle of land tax which hitherto in this State had applied on a flat rate to town and unimproved land only, was substantially amended so that the tax was steeply increased on all land throughout the State. This was the first increase since 1931 when land tax, which had previously applied to farm lands or improved agricultural lands, was suspended by Act of Parliament. The legislation then was introduced by the Minister at the time—then Mr. Charles Latham, who was a Minister in the Mitchell Government. Since then, we have, in Western Australia, enjoyed exemption from land tax on farm lands and improved agricultural lands.

Not only did the legislation of last year substantially increase land tax in its general application, but it provided for an amendment which placed a limitation, as the Treasurer intimated in his second reading speech, of two years on the life of that portion of the legislation which applied land tax to farm lands. Therefore it was necessary, if the Government desired to maintain the income from this rather lucrative source in the future, to

introduce an amending Bill to make permanent the application of the tax to farm lands.

As far as I can make out, through all the debate here, there was opposition on this side of the Chamber to the application of the land tax. By and large, it was felt that the existing situation was such that the land tax which had increased substantially by way of total annual income over recent years, because of the increased value of land and the application of the vermin tax, was quite sufficient. Indeed, we felt that in principle improved agricultural land and farm lands should not be taxed.

## **The Minister for Transport: Why?**

**HON. D. BRAND:** For the simple reason that, in the first place, it could be looked on as a tax on a capital asset. Again, although the farmer at the present time is enjoying a degree of prosperity, he has from time to time—I point to the period when he was exempted from certain payments by Act of Parliament in 1933—experienced most difficult periods. Whether a man is a dairyman, a poultryman, or whether he is producing wool or wheat, he does not have the opportunity, in many cases, of passing on the costs represented in increased tax on his land.

**The Minister for Transport:** The working man, in his own home, cannot pass it on.

**HON. D. BRAND:** That is very true. Nevertheless, because we in this State have relied for so long on agricultural production, and because we need to encourage it more and more, particularly at this time, I think it is inadvisable that the tax should apply to agricultural land. The opposition from this side was directed against the legislation in general because the increased land tax, as it was intended to apply, was on all land, both improved and unimproved.

At this juncture, because the Bill before us has only limited application, there is little we can do to relieve the heavy burden which is being carried by metropolitan and country land-owners per medium of the increased land tax. But we can take the opportunity of giving some relief to the farmer who, at present, is beginning to feel the impact of reduced prices, and a consequent reduced income while at the same time having to pay increased costs. It is very evident that the same story has been put up by all Governments—as indeed the Treasurer did on this occasion—that there is need for a substantially increased income from land tax.

He cited the need to increase services and to provide amenities, and he told us the money required had to come from general revenue. He also mentioned that the Government had urgent need for more money in order to carry out the work of governing. Recently I asked him a question as to the total income during the last

financial year from the tax on agricultural land. The reply I received from the Treasurer was that statistics were not kept which would enable this dissection, but it was estimated that approximately £330,000 was received from improved rural land. That is a substantial sum of money for the Treasurer to lose, if this Bill is defeated. Nevertheless, it could be anticipated that the vermin tax which, at present, is suspended, would be reappplied.

From an answer he gave me on the same day, it appears that something like £90,000 was collected in 1955-56 from the vermin tax, and, as he explained, £100,000 is being paid from the general revenue to the Agriculture Protection Board for the purpose of vermin destruction. In order that we might be consistent, and in order that we might legitimately and justifiably oppose the tax on farm land, it would be only fair to say that we would agree to the reimposition of the vermin tax, and, if it was necessary, the rate could be increased—I understand on the last occasion it was applied the rate was something like 15/32d. in the £1. The Minister would have some discretion in regard to increasing that rate. However, the collections from such tax would have to be directed specifically to the destruction of vermin.

We can see from the Estimates that the Treasurer estimates a total of something like £1,300,000 being collected from the land tax and evidently, as I said before, £330,000 will come from the tax on improved agricultural land. Allowing for the £100,000 which would be derived from the vermin tax, when reimposed, it would mean a loss of only £230,000. When the Treasurer introduced the legislation for the imposition of this land tax, he stated that the alternative would be an increase in rail freights.

Although no action has been taken in that regard, I think the tenor of the debates in this House, and the publicity which has been given from time to time, indicates that the Government feels that the time has arrived for a reconsideration of freight rates. No matter what the increase will be, by and large it will be borne by the country people, and not only in respect to the transport of their produce, but also in the transport of their equipment, and, in fact, everything they have to buy from the metropolitan area and larger country towns.

So far, the Treasurer has not stated whether railway freights will be increased; and he has not mentioned that, in the event of this legislation being passed, and the tax on improved agricultural land becoming a permanent feature, he will not increase railway freights. I think it could be said, in opposing this measure, that we have to take into consideration that the farming community is carrying a heavy burden at present because of increased costs, and while a number of well-established farmers may be able to face up to

further increases as regards taxes and freights, there are many who are just starting off in life in the rural industries, and who are finding it most difficult to face up to their financial commitments.

I am of the opinion that so long as we can get along without being forced to impose a tax on farm lands in Western Australia, we ought to continue in that way. Whatever the Treasurer might lose directly, he would gain in an indirect way because, no matter how we look at it, although there has been a substantial increase in secondary industries in this State, there is still great need for more expansion in that direction. We still have to rely, and will continue to rely for many years to come, on a greater development of our agricultural industries. There are vast areas of virgin land in this State and I think it would be wise, particularly as the Government cannot give the necessary financial assistance, for it to contribute in an indirect way by exempting such land from tax.

As we all know, the Treasurer has budgeted for a deficit of £2,600,000, and something like £4,500,000 loss on operating costs for the railways alone. Therefore, I feel that the Government, having agreed to face up to the responsibility of putting railway finances on a more equitable basis, should do something to cut down the huge deficits in the railways. Also, we must not forget that the Government, when making a move to close some of the railway lines in this State, assured the people that the financial difficulties of the railways would be tackled. Unless they are tackled, and drastic measures taken, this State will always face a deficit with the railways. So I think it would be most unfair and indiscreet to try to offset that deficit by approving of legislation which would impose a permanent tax on farming lands.

I do not want to keep the House for any great length of time by debating this measure, because I know that there are other members who wish to discuss it. I conclude by saying that while I oppose this measure, I regret that we have not had the opportunity of reviewing the whole of the land tax legislation. I am sure that if we did, after the experience we have had of the 1½ years during which it has applied generally, many anomalies would be ironed out. However, as we have the opportunity only of saying "yea" or "nay" to this Bill, and thus making the application of tax on farming lands permanent, I oppose the measure.

**HON. A. F. WATTS (Stirling) [7.57]:** When a similar Bill came before Parliament last year it included a great deal more than does the present measure. At that time I was opposed to and voted against, the second reading of the Bill, and I propose to

do the same on this occasion. It seems to me that the remarks that have been made by the Leader of the Opposition can be supported in the main by myself.

Firstly, I am well aware of the fact that in introducing this legislation last year, the Treasurer wiped out the vermin rate which had hitherto been imposed at varying figures—I think the last figure, as was mentioned was 15/32d. in the £ and, in consequence, no vermin rate is being collected today. In respect of that, at least £100,000, and such greater sum as the Treasurer may determine, is paid to the funds of the Agriculture Protection Board for the destruction of vermin.

Nobody suggests—at least I do not—that the vermin charge should be borne by some other section of the revenue while the rural lands concerned would, if this Bill were not passed, pay neither land tax nor a vermin rate after the 30th June next. Therefore, although I have no idea of the fate of this Bill, if it is not passed I want to make it quite clear that I am prepared to support the reinstatement of the vermin rate on terms similar to those which were in existence when the vermin tax was excised something over a year ago.

I might say that in dealing with another measure the other evening which imposed a tax of an additional penny on cheques, I stated I would sooner support that tax—although I am not enthusiastic about it—than another tax which was to be provided for in the Bill which is now before us. In consequence, I supported the second reading of the Bill to impose additional stamp duty. The other tax that was in my mind was this tax on improved agricultural land. It is therefore that tax which is the main item in the Bill we are now discussing that I propose to oppose, as I did last year.

I am unaware of the amount that is received from the tax now assessed on improved agricultural land. Anyway, if it be no more than the £180,000 it will, on the figures given by the Treasurer, be compensated for entirely if we have a vermin rate, and the additional stamp duty to which I have referred. On the other hand, if it be more than that figure, as has been suggested, I am prepared to impose that additional taxation for any period upon improved agricultural land.

In principle I have been opposed to it at all times, and I still am. It is difficult in my mind, except for one reason, to justify that form of tax for the purpose of vermin destruction. The one reason is that it is a convenient method to receive money for a purpose which, in the ultimate, is beneficial to the owners of improved agricultural land. Therefore, to that extent, I justify it and support it. Otherwise, there would be no justification for it at all. In those circumstances I oppose the second reading of the Bill.

**MR. PERKINS (Roe)** [8.3]: When this legislation was before Parliament last year I strongly opposed the principle of taxation of improved agricultural land, and I continue to do so. The objections I voiced then I hold even more strongly now after seeing the tax in operation. Unfortunately, when we agree to any form of taxation, even though it is only on a temporary basis, I believe members delude themselves when they imagine that we can limit it to any period. Now we have the Treasurer telling us of the dire consequences to the financial stability of the Treasury unless we agree to make this legislation permanent and unless we withdraw the exemption of improved agricultural land for land tax purposes.

I do not think any agriculturist objects to the levy of any rate of tax that is necessary for the destruction of vermin. The destruction of vermin is recognised, I think, by all sections of the community as a proper function of government. There are some types of vermin that can only be destroyed effectively on the fringes of settlement, and it is merely fair that the particular settlers there should be assisted if they provide a buffer for those more favoured areas close to the coast or to large areas of settlement.

Therefore I do not think there is any worth-while objection among any section of the farming community against the payment of their fair share of dues, irrespective of where their properties happen to be, so long as that money is to be used for the destruction of vermin, and bearing in mind also the supervision that is necessary to ensure that some species of vermin are effectively controlled.

Having said that, I have gone as far as I am prepared to go in agreeing to any form of taxation on improved agricultural land for the purposes of the general revenue of the State. There are, of course, powers vested in local authorities to enable them to raise the necessary revenue to carry out their functions, and to tax land within their particular areas. That, is not called in question in any way in this debate. But an entirely different principle, I believe, is raised when it is suggested that the ordinary revenue necessary for carrying on all the general functions of the State, or a substantial part of it, is to be raised by a tax on improved agricultural land.

The Minister for Lands: The urban lands pay more, do they not?

Mr. Ackland: They can pass that tax on.

Mr. PERKINS: I am not discussing that aspect at the moment. They may be paying more at present, and, as the member for Moore has just interjected, there are many opportunities for some of those taxpayers to pass that tax on to the general community in the charges made for the various functions that are carried out, and

based on those particular urban allotments. I am aware, of course, that some cannot be passed on. However, I was not discussing that particular aspect in detail at this juncture. My point is that although land, other than improved agricultural land, may be providing more of the revenue of the Treasury from this particular taxation at present, there is no certainty that that will always be so.

None of us can tell what variations there may be from time to time in the assessments made by the Taxation Commissioner, and how that will affect the actual tax paid by the individual landholders. The question of arriving at what is the real unimproved value of agricultural land can be a source of great argument, and I would venture to say that if the Minister for Lands, who seems to be taking some interest in this debate, were to discuss with officers of the Taxation Department, and with various types of landholders in the country, or with individual farmers and so forth, he would find a tremendous difference of opinion as to what the real unimproved value of any particular agricultural land is.

That is rather brought about by the fact that there are such wide differences of opinion as to the value of a particular piece of agricultural land when that land comes on the market. Following an invitation by the Treasurer last year, the member for Mt. Marshall and I interviewed a senior officer of the Taxation Department on this question of unimproved land values for agricultural land, and although we had rather definite ideas about the discrepancies which appeared to exist at the present, it seemed as though the Taxation Department would be able to produce sufficient evidence from actual sales that had been made in order to substantiate the valuations which they had placed on any of the parcels of land which we might have instanced to the officer concerned.

But notwithstanding that some individual was prepared to pay a particular price for an area of unimproved or improved agricultural land, it did not definitely prove that that was the real economic value of that land. It could, of course, be that that particular individual's judgment was astray and although he paid a very high price, he might eventually have paid the penalty by going insolvent, because of the high price he had paid for the land.

That only serves to highlight the difficulties of any government official assessing the true unimproved value of any area of agricultural land. Even if that particular government official were to arrive at the correct figure today, any variation in the profitability or otherwise of the particular type of farming carried on in that area could falsify his values in a very short time.

I noticed that, when introducing this Bill, the Treasurer mentioned that over a period the amount paid was on a reasonably fair basis of valuation. In the period when land values were going up, the Commissioner of Taxation was behind in his assessment of values. When land was less profitable, then possibly his values were too high. It is possible that it could be correct; I am not saying whether it is or not. I do not know, nor I think does the Treasurer. It is only a guess at the position. But I know that if there is any considerable recession in the prices of our major agricultural commodities produced in Western Australia, then the fact that the Government is levying land tax on a set of values that is too high, will seriously aggravate the position which I think members sitting on the Government front bench know is a situation charged with very great danger indeed.

It is obvious that the rural community is in for a difficult time if the Government is going to levy taxes at a higher rate than the Treasurer deems an appropriate rate in the particular circumstances. This must do something further to depress agriculture at a time when surely it should be the policy of the State to bolster and improve the morale of those who are farming the agricultural lands of the State.

In all the circumstances, I feel that it will be a very retrograde step to make this form of taxation permanent. I well remember that period when Sir Charles Latham, as Minister for Lands in the Mitchell-Latham Government, moved to abolish the tax on improved agricultural lands. I was a member of the executive of a farmers' organisation in those days and I remember the very strong urging by farmers all over the State to have this particular burden removed at a time when a great many of them were actually walking off the land. Those remaining on the land were in very great financial difficulties. While, in recent years, the farming community has been quite prosperous, too many people very easily overlook the privations suffered during that early period.

Mr. Bovell: Not all farmers these days are prosperous.

Mr. PERKINS: I said some, not all. I know there is a great variation, even at the present time. However, even looked at from a Treasury point of view, this particular form of taxation has some very serious short-comings. In a time of prosperity, when theoretically it should be much easier for Governments to raise necessary revenue to carry on their functions from the citizens of the State, they have a very buoyant revenue, particularly from taxes on rising agricultural land values.

However, when a depression comes along, such as we had from 1929 until the early years of the last war, even if the tax is levied, I think the Treasurer

will find that many taxpayers will have great difficulty in paying it, if they will be able to pay it at all. It could be that the Treasury would have to take drastic legal action against them and I think, probably, in these circumstances any Government would think twice about incurring the odium of that action in a difficult time such as I have mentioned.

Further, it must be obvious that if the Taxation Department is to be realistic in its assessment of unimproved values of improved agricultural land at such a time, it will be necessary to reduce unimproved land values to an almost negligible figure. Following on that, we would have the ridiculous position that in a period when obviously the Government would be pressed for funds to carry out the necessary functions of the State, its revenue from other sources would be falling and it would have a negligible revenue from the taxation on improved agricultural land.

I very much question whether this is a desirable form of taxation from the point of view of the Treasury itself. I know that the argument is raised, from time to time, that heavy taxation on unimproved agricultural land has the effect of forcing such land into the most effective use. I am not going to suggest that this is not desirable. I consider that all our agricultural land in this State should be used to its maximum productive capacity, but I think that there are more effective means of bringing about such an end without having this form of taxation, which is objectionable from any point of view.

Mr. Potter: Would you put it on the city people.

Mr. PERKINS: I am not suggesting that city dwellers should be taxed in this form either. I did not raise that particular question; that was an interjection from the member for Subiaco. If he thinks it is all right, well and good; let him get up and state his case. All I am trying to do is indicate my objection to making this a permanent tax on the agricultural lands for the general revenue of the State. I have already mentioned that local authorities have to raise their revenue from this particular source and with the increasing call on the funds of local authorities to carry out a wider set of functions than was originally envisaged under local government in this State, I believe they will need the maximum field possible to raise the necessary revenue to carry out their functions properly.

Therefore, I reiterate the dangers that exist in agreeing to any obnoxious form of taxation, even on a temporary basis. I think it has been brought home to us tonight just how these chickens can come home to roost. I read the Treasurer's speech again with a great deal of misgiving. He states that he must have this particular revenue, otherwise he does not see how the State can continue to function

properly. He urged that we will be in difficulty with the Grants Commission and advanced a hundred and one other arguments. However, it only serves to emphasise the point that if once we adopt a bad principle, it is then very difficult to get away from it at some future time. So far as I am concerned, in no circumstances will I vote for a form of taxation which I believe is thoroughly undesirable. I oppose the second reading.

MR. ACKLAND (Moore) [8.25]: When this legislation was introduced during the last session I opposed it as strongly as I was able. At that time a threat was issued that if we did not pass the land tax legislation, railway freights would have to be increased. At that period I stated that the two things were not related, and if a land tax was wrong in principle, it should be opposed because it was wrong in principle and not in the hope that some other form of taxation or charges could be averted by so doing. I have not altered my opinion in the interim.

I was very glad to find out that in another place the application of this tax was restricted to next year. Members—or at least some of them—who voted for this form of taxation in another place did so because they wished to see how it would operate; they wished to see if the Government would honour its obligations, and they wished to see what was going to happen about the railways, as well as about rail freights. Therefore, it is now necessary for the Treasurer to re-introduce, or at least to introduce, this amendment to extend the period during which the tax will operate.

When the Treasurer spoke on the second reading of the Bill, on the 30th October, he stated that for the whole period of a financial year it was anticipated the tax would produce £500,000, and that approximately half that amount would come from agricultural land. We cannot, nor do we wish to, disagree with the necessity of finding money for vermin destruction, and that money should be found by the people most concerned in the matter. Those of us who oppose this legislation, realise that something will have to be done regarding the finding of the money from somewhere for the destruction of vermin in this State.

The outer fringes of developed areas act as a buffer to protect the people inside, and I well remember some 40 odd years ago living in the outer extremities of development where it was necessary to yard sheep in order to protect them from the dingoes. I remember, those of us who were having great losses, both because of yarding and the ravages of the dingo, used to feel that we were doing something for the people inside—the people in the more developed areas. When a vermin tax was introduced whereby all would contribute, there was not a great deal of

opposition to it at the time. The Leader of the Country Party mentioned that £80,000 was to be collected from the stamp tax. I understand that somewhere in the vicinity of £100,000 was collected from the vermin tax and it would appear that there is not very much difference between what the Treasurer will get should this legislation be defeated and what he could collect from a vermin tax and the stamp tax.

An interesting point was raised by the member for Roe concerning the difficulty in assessing the unimproved value of land. I well remember that only about three years ago the Government bought a big unimproved property known as the Berry Brow estate for which it paid £1 10s. per acre. That land is being thrown open for selection today for up to £4 per acre, and I doubt whether any of it is below £2 10s. per acre. In the same location, adjoining the Berry Brow estate, properties were changing hands in 1949 at 5s. and 6s. an acre unimproved value. Within four years the Government paid £1 10s. per acre for land of the same type. In more recent times, the land has changed hands on an unimproved value of £5 and £6 per acre.

So, as the member for Roe said, it is extremely difficult to arrive at the unimproved value. I believe there is a way of doing it, and that the value should be arrived at from the productive capacity of the land after it has been improved and given a reasonable interest on the expenditure incurred in bringing it to that stage. However, I most strenuously oppose the extension of this legislation.

Some references have been made to city values and taxation. There is no reference to that in this Bill, and therefore to discuss it is quite irrelevant. Whether it is right or wrong, it is not in the legislation before us, so that neither I nor anyone else has the right to discuss it when considering this measure.

But I would support any Government which did something to make it difficult for people to hold large areas of unimproved land with no idea of improving it or making it work for the State, simply waiting for improved values brought about by the activities of other people or Governments or because of the provision of amenities in the near vicinity.

**MR. WILD (Dale)** [8.34]: I wish to join other speakers on this side of the House in strongly opposing this Bill. The legislation is very harmful to the many producers in the district I represent. I think I can fairly say it is all against important agricultural land. In that district we have the milk industry, fruit growers, vegetable growers, pig raisers and poultry farmers. In all of those industries, it is impossible for the producers to pass on added imposts.

The price of milk is fixed by a board. Admittedly there is from time to time a review of the cost of producing a gallon of milk; and if the producers are able to adduce sufficient evidence to show that there should be a rise in price, one is granted. But it then appears in the "C" series index, and there is an increased basic wage.

On the other hand the fruit growers and vegetable growers and pig producers, and those engaged in providing baby beef—and all these people are to be found in small holdings around Armadale, Byford, Roleystone and Karragullen—cannot pass on costs; they have to sell practically on the open market and get what they can for their produce.

This legislation is doubly disadvantageous to the people in those areas. Only last year they received new assessments. In its wisdom, the Taxation Department went out and assessed the values in the district, and very few of the properties in the Armadale-Byford district have shown less than an increase of 600 per cent. I have had presented to me in recent weeks some of the land tax assessments, and it is fantastic the way they have increased. I saw one the other day which was closer to a 1,200 per cent. than a 600 per cent. increase; and it is physically impossible for the man concerned to pay.

I realise that this money has to be produced from somewhere, but I suggest that to place a tax on the primary producer is to start at the wrong end. I admit that some industries in recent years have had a reasonably fair time. But one does not have to go back too many years to the period when they had far from a good time. In regard to the Peel Estate, in the time of the late Sir James Mitchell men walked off their properties by the dozen. Those who were fortunate to be able to weather the storm over the years have, in the last four or five years, been able to make a reasonable living.

But I am certain that by putting this legislation permanently on the statute book, we are not going to give those men security; because who is to say there will not be a fall in the returns they are getting for their products today? This is a most vicious tax on a section of the community which, without doubt, provides the wealth of this country.

Reference was made to imposing the tax on men in the city. I would point out that those in the country are getting it both ways. They pay land tax on their properties. Then the man who pays a similar tax in the city, passes it on in increased costs of goods or machinery; and the men in the country, in turn, have to pay those increased costs. So as I pointed out, the country dwellers pay both ways.

I agree with the member for Roe that once this sort of legislation is placed on the statute book, it never comes off. All

Governments, irrespective of their colour, when looking for extra money say, "Here is an opportunity to get a few more pounds." In the 11 years I have been here, I do not know that I have seen one taxing measure that has proceeded in a downward direction; it has always been upwards. I join with my colleagues in strenuously opposing the measure.

**MR. BOVELL (Vasse) [8.39]:** My mind goes back to 1931 when the farming industry in Western Australia was at its lowest ebb and the Mitchell-Latham Government decided to abolish the tax on improved rural land. The need for this legislation in those days was impressed on my mind, as I was a bank officer in the Geraldton district, and most of the bank's advance business there was involved in farming activities.

The Treasurer decided that he would reimpose this tax some 12 months ago, and he received sufficient support to have the legislation enacted. I opposed it at that time, as I wish to strenuously oppose it now. The basis of valuations is the cause of very considerable concern. We are told that the valuations of agricultural land are made on an unimproved basis.

I would remind the Treasurer that in the electorate I represent, and in adjoining electorates in heavily timbered areas, there is the strange phenomenon that it is cheaper to buy fully improved properties than to take up virgin land and develop it to a stage where it is pastured and able to carry stock. The cost of clearing is exorbitant, and the overall cost of developing properties in heavily timbered areas exceeds the price which sellers receive for their properties. So, in effect, in those areas there is no unimproved value at all.

How do the officers of the Taxation Department arrive at their unimproved valuations? I asked the Treasurer several questions during the session; and at page 92 of Hansard No. 2, appears the following questions:—

(1) What was the total amount received from land tax on agricultural land—

(a) for the year ended the 30th June, 1956;

(b) for the year ended the 30th June, 1957?

(2) What is the total estimated revenue from this source for the year ending the 30th June, 1958?

The Treasurer replied—

(1) (a) 1956—£529,412.

(b) 1957—£1,008,173.

(2) £1,330,000.

The estimated amount from those sources for the current financial year, according to the Treasurer's reply to my question, is £1,330,000. That exercised my mind. I wondered why there should be such a steep increase—almost threefold—in three years. So on the 30th July, 1957, I

asked further questions and these are to be found at page 501 of Hansard No. 5. The questions were as follows:—

(1) In what towns and districts have taxation valuations for land tax purposes been increased during the last two years?

(2) What is the percentage increase of such valuations in each town and district affected?

I do not intend to go through the full reply given by the Treasurer; but from it members will have some indication, as I had, that the additional revenue was due practically solely to increased valuations. To the 30th June, 1955, the percentage increase in the Mingenew district was 356 per cent. and in the Carnamah district 926 per cent.; nine and a quarter times the value that existed previously. In the year ended the 30th June, 1956, the increases extended to fantastic figures and in one case in my own electorate the figure increase was 2,130 per cent. That was at Quindalup.

At Derby there was one where the increase was 2,179 per cent. At Capel, also in my district, the increase in one instance was 305 per cent. Those are only examples, and I could quote many more. They show the ridiculous system adopted by valuation officers of the Taxation Department. The member for Roe raised the question of the system of valuation. The system of valuation on an unimproved basis is what the land is worth before the improvements are put there and if the land can only be sold at a lower figure than what it cost to put the improvements there, there is virtually no improved value whatever—

Mr. Perkins: That is not how the Taxation Department does it.

Mr. BOVELL: I am aware of that. The officials work on the theory that the land is producing so much and so the unimproved value must be so much.

Mr. Perkins: No, they find an unimproved piece of land that has been sold and it may be part of another person's property—

Mr. BOVELL: It is completely wrong. The correct basis of valuation—I have had some experience of valuation during my banking career—is the average over many years of what the land is capable of producing, and it has to be taken over many years because of the rise and fall in prices. That has to be considered, together with the variation in seasons and the capacity to produce.

Mr. Cornell: Production might fall if the wrong man had the property.

Mr. BOVELL: We have to average the valuations over a considerable area. The three factors I have mentioned must be taken into consideration in arriving at a valuation—

Mr. Cornell: How do you arrive at the unimproved value of land?

Mr. BOVELL: There is no unimproved value—

Mr. Cornell: They could do with you on the staff at the Taxation Department.

Mr. BOVELL: I was replying to the interjection of the member for Roe and was referring to the saleable value of the property, which is what most banking institutions take into account—the saleable value of farming properties. Those three factors are taken into consideration over many years. I was not discussing the value on an unimproved basis, but the saleable value of land. I was about to say that if the Rural and Industries Bank adopted the system which the Taxation Department uses, the bank would go out of business very shortly and would call on the Treasurer to provide the funds to replace what it had squandered in advancing money against securities that did not exist.

The Minister for Labour: Do you speak as a sworn valuer?

Mr. BOVELL: As one with many years of experience of valuing in relation to making available loans to primary producers, and that is the only basis of true valuation. The productive capacity of the property must be taken over a number of years, together with the rise and fall in market prices and the ability of the property to produce. It must be taken over a number of years.

The Treasurer: Over how many years?

Mr. BOVELL: Had the Treasurer been listening earlier, he would have heard me say I thought a reasonable period would be 20 years, but that is only my own estimate. However, I say that the system of valuation used by the Taxation Department, when certain farming lands can have the figure increased by 2,130 per cent., is ridiculous. That is on the unimproved basis, and not on the improved basis.

In the irrigation areas, as no doubt the member for Harvey knows, valuations have been placed on land based on the productive capacity of the land today. The unimproved value of the land has been based on what the land can produce at present with irrigation and all the other improvements that have been effected over many years. This is a sectional tax which I think should be abolished.

I regret that it is necessary to impose this further burden on primary producers, in view of the somewhat insecure outlook for the marketing of our primary products, and especially in the dairying areas which I represent. I think the Treasurer would be well advised to review the position and offer some relief to the primary producers concerned. The Government has acknowledged that, in the main, the dairying industry needs considerable financial assistance. It has acknowledged that by its proposal to assist dairy farms that are

underdeveloped. There are, I believe, between 1,500 and 2,000 dairy farms that will qualify for assistance under the dairy farm improvement scheme.

Taxes such as this are a fixed charge and although the farmer may not be earning sufficient to pay income tax, he is obliged to pay land tax and there is no provision to relieve him of the payment of that impost. With all the other taxes, drainage rates, municipal or local authority charges as well as this fixed charge of land tax based on fictitious unimproved land values, the burden is becoming too great, especially for small primary producers. I feel that the whole proposal is iniquitous and I oppose the second reading.

MR. JOHNSON (Leederville) [8.55]: I might say at the outset that I agree with two of the members opposite who have spoken, in regard to the difficulty of levying taxation on unimproved values without some anomalies. There has been considerable experience of that in the city area that I represent and it is a great difficulty. I would point out to the member for Vasse that if the R. & I. Bank adopted the valuations used by the Taxation Department, it would soon be in difficulty, as it would not be able to lend money because the valuations would be so low.

The Taxation Department's values are always far beneath the actual market values and any bank adopting those valuations on which to make loans could not make any, and so on that point the hon. member's reasoning was back to front. The point I wish to make is, I think, a most important one. The Grants Commission is sitting in Perth at present. I have before me its latest report and will take this opportunity to refer to some details therefrom so that members may understand the urgent necessity for the continuation of this particular tax.

The latest report of the Grants Commission said, among other things, that Western Australia had to take a net unfavourable adjustment, as a result of its financial transactions, of £999,000. That is an important matter. Part of the cost of that is related to land tax, and I will read at least portion of the report which relates to land tax so that members will be aware of the factors upon which this State is compared in the assessing of that unfavourable adjustment. Land tax is not the only factor in respect of which we have received an unfavourable adjustment, although it is one of them.

The report discusses land tax in both the claimant and non-claimant States and shows that in Victoria land tax is payable for the calendar year on the unimproved value of land owned at the end of the preceding year. There is a flat rate of tax of 1d. in the £ on all values up to £8,750, with a progressive rates thereafter, rising



to £1,424 tax plus 7d. for each £1 of unimproved value in excess of £85,000. Similarly, in Queensland, only land which has been alienated from the Crown for an estate in fee-simple is taxable. The rates are progressive, ranging from 1d. a £1 on holdings of low value to 8d. a £1 on land of £75,000 or more of unimproved value. A statutory exemption of £700 is allowed except to absentees or companies.

In South Australia the rates are progressive, rising from 3d. in the £1 where the unimproved value is £5,000 or less, up to £1,401 tax plus 7½d. for each £1 of unimproved value in excess of £80,000. No exemptions are allowed, and no distinction is made between urban and rural land. An addition of 20 per cent. is made to the tax assessable on land owned by absentees. In Western Australia, where the unimproved value is less than £251, there are flat rates for unimproved land of 1d. in the £1 of unimproved value. The rates on holdings with an unimproved value of more than £250 are 25 per cent. higher. No general statutory exemption is allowed; but improved land used solely for primary production is exempt, with the result that the amount of land tax paid in respect of rural land in this State is relatively small.

I might mention that that relates to the period prior to the imposition of the tax last year; the same situation which would exist if the Bill were defeated, as members opposite would like. In Tasmania the rates are progressive, rising in the case of urban land from 1d. for each £1 of unimproved value in excess of £24 up to £1,340 tax plus 7d. for each £1 of unimproved value in excess of £72,000. That goes on in further detail.

195. Thus in 1955-56, Victoria, Queensland, South Australia and Tasmania imposed land tax rates of a progressive nature whilst Western Australia retained the flat rate basis.

There is no doubt that if we do not retain this tax, we will suffer a financial penalty as a result of the deliberations of the Grants Commission and their own acts on this matter.

Mr. Court: Not necessarily.

Mr. JOHNSON: Not necessarily?

Mr. Court: There are compensating factors taken into account by the Grants Commission.

Mr. JOHNSON: There are, but we will lose on this angle, namely, that if we do not make this tax at least comparable to that imposed in other States, then to compensate we will be required to make an equivalent yielding tax in some other field which other States have not entered because we are tested on our tax-raising ability; on how heavily we try our utmost to raise our own taxation.

That brings me to another point covered by this report, which gives the answer to the argument put forward mainly by country members; that is, that we are imposing a tax which the poor unfortunate country person cannot afford. Table III, which is set out on page 16 of the same report, indicates that in Western Australia the net value of rural production per person permanently employed has risen from £2,020 in 1952-53 to £3,201 in 1955-56. It is of interest to note that our figure of £3,201 is the highest yield of any of the Australian States.

Mr. Perkins: They say nothing about costs there. They entirely ignore the type of machinery which is used in this State.

Mr. JOHNSON: I would mention to the hon. member that these are net values and not gross values.

Mr. Perkins: I think you will find that they are gross values.

Mr. JOHNSON: If that is what the hon. member thinks, he can argue the point with the Government Statistician.

Mr. Perkins: There are no figures whatsoever to show the true costs.

Mr. JOHNSON: That is the hon. member's opinion. These are comparable figures and the basis of comparison is the same in all States. If it has happened to be slightly abstract in concept, it is the same abstraction in all States, and I think the comparison would remain fairly accurate.

Mr. Perkins: Our farms are about three times as large as those in the Eastern States. We use a great deal more machinery and therefore our costs are greater.

Mr. JOHNSON: That is so. There are many factors which come into it, but I do not think they destroy the Government Statistician's figures for the purpose of comparison. There are arguments of all kinds and seeing that I have the full figures, particularly in relation to the cost of production of wheat, I think it is fair to indicate that the cost of production in Western Australia is lower, per bushel, than it is in most of the other States. However, I think the interjection speech made by the member for Roe is not necessarily completely valid.

In returning to the point I was making, the following are the figures for all States on the net value of rural production per person permanently employed:—

	1955-56
	£
Western Australia ....	3,201
New South Wales ....	3,083
Tasmania ....	3,040
South Australia ....	2,933
Victoria ....	2,685
Queensland ....	2,225

Those figures indicate that the rural industries are at least fairly financial, particularly when compared with the average annual earnings per employed male unit shown in the same table. The average annual earning per employed male unit in Western Australia is £851. Other States have varying amounts up to £947 in Victoria. This would indicate that the earning capacity in most parts of the country is considerably higher than some country members would have us believe.

I started by saying that there are difficulties in relation to accurate assessment, and it is a very real and difficult problem. It is a problem that one has in relation to all forms of tax. To be completely equitable, the human factor must enter into it. There is even some difficulty in relation to the taxing of people who are not salary earners. I would like to remind members that very good arguments for the imposition of land tax can be made by all adherents of the Henry George League. I do not want to go into that aspect in detail except to say that there is a very strong argument for land tax as the only tax.

Mr. Perkins: Yes, but would it be popular?

Mr. JOHNSON: As the Henry George theory of land tax is based on the yield of the land and its values in varying forms, I fancy that such a principle of imposing land tax would be possible, but whether it would be popular is another matter.

Mr. Cornell: Would you say that the Perth City Council is heading in that direction?

Mr. JOHNSON: I do not think it would be fair to comment on the Perth City Council in this House because such comment would not be parliamentary. The situation in this instance is that this tax is required for the purposes of the State. In particular, it can be afforded by the rural community and I think that they owe payment of it to the State from which they have received a great deal of assistance in the form of transport subsidies, both by rail and road, extending over many years. Admittedly the tax was lifted in bad times and I do not doubt that it will be taken off again should bad times return to this State. It would be a very irresponsible Government that did not temper the wind to the shorn lamb; that is, if the rural industries do get badly shorn.

Hon. D. Brand: To what extent shorn?

Mr. JOHNSON: If the members of the rural community become as hard up as they were when I was working in the country districts back in the 1930's, then I am sure that real consideration will be given to them.

Hon. D. Brand: I was considering the impact of the tax, that was all.

Mr. JOHNSON: Perhaps if we were to adopt the taxes that are imposed in the standard States, we would not be far

astray. I suggest that those taxes should be on record and should be considered. It is necessary that we should be responsible in these matters. We must realise the impact of the Grants Commission. To those members who are inclined to sneer at the Grants Commission, I would point out that its sittings are open to the public and I am certain that if some members took the trouble to listen to its deliberations, they would not make the same speeches as they have done in the past.

MR. I. W. MANNING (Harvey) [9.10]: I oppose this Bill because it seeks to impose a tax on capital. The land tax serves as a good illustration to show that the only fair method of taxation should be a direct tax on earnings. Many farmers do not enjoy the same income as others whose rate of tax is not as high. I suppose that my electorate, more than any other, will be affected by this measure because of the very high unimproved capital value of the land within a large area of my electorate. That area takes in centres such as Dardanup, Brunswick, Benger and Harvey.

Further, the irrigated districts are within that area and the farmers are paying high irrigation and drainage rates which I understand have now been increased. In addition, they pay their local government rates, which in this instance is imposed on the unimproved capital value and which also is a high rate. On top of that, they pay their vermin rate and only recently they have had to meet heavy increases in car and truck registration fees.

Another important factor in their cost of production is the increased price of fertilisers. When speaking of fertilisers, I have in mind the need that there is today for the addition of minor elements which are extremely costly. Fertiliser, with the addition of minor elements, is nearly double its previous cost. When other imposts are included in the price, such as the cost of 1080 poison, etc., the farmers in the irrigation and drainage districts have to carry a heavy burden when production costs are taken into consideration. Of course, the price of produce such as milk and potatoes is based on the cost of production formula, and such formula has faded out because of the increase in the land tax.

The cost of these commodities today is so high that the boards controlling them are not prepared to increase the price to the consumer. I think everybody knows the position that exists in the potato industry at present. The potato grower, who is affected by all these extra charges, is not getting anywhere near his cost of production in the price that he obtains from the board. Therefore, if any relief can be given to those farmers by the defeat of this measure, I think Parliament should go all-out in an endeavour to throw the Bill out.

When the Treasurer introduced this Bill, he mentioned that the income that would be obtained from the imposition of land tax would be approximately £500,000, of which the man on the land would contribute some £50,000 and thus he would be very heavily affected by the imposition of the land tax. It must be clear to all members that manufacturers, whose business premises are situated in the metropolitan area or near suburbs, are able to pass on any increase in their cost of production. They are in a position to do so. They merely increase the price of the article.

By doing so this increase is reflected in the farmer's cost of production when purchasing agricultural machinery and other farming requirements. In such fashion the whole of the land tax is reflected back on the farmer. He not only pays his own land tax, but indirectly he pays most of the land tax imposed on other members of the community. Then there is the all-important point of the valuation of the land itself. It was regarded last year and again this evening that the earning capacity of the land as related to the land tax levied on it, was very important.

The Taxation Department in assessing the value of the land on an unimproved basis takes into consideration the sale of land in the vicinity, and not on the economic earning capacity of the land, which is the true unimproved value. If the land is taxed on its earning capacity, the owners would know where they stood and would not be affected by some fictitious value being placed upon the land because of the high price paid for the sale of land adjacent. This has always been a very contentious point and is a most unfair method of determining the value.

When assessing the unimproved value of land it is quite wrong to assess it on the sale price of adjacent land, merely because someone was prepared to outbid all others for that land, and in most of these cases the high price was paid by the person who already owned land nearby and who had the set-up to utilise the land. It is therefore easy to realise that if such a high price was paid for land, the adjacent blocks would be affected in regard to the unimproved value. Yet in that case the purchaser was prepared to pay more than any other prospective buyer who would take into consideration the economic capacity of the land.

When a land tax of this nature, based upon the unimproved value, is imposed, many anomalies can and have cropped up. On the whole, the imposition of land tax over the last 12 months has proved to be a great burden to the landholders in the areas to which I have been referring. Very largely because of these reasons—the high and fictitious basis upon which land is valued, the inability of the farmer to pass on increased costs, and the

already high charges levied on the land by way of rates and other taxes, I emphatically oppose this Bill. I hope Parliament will defeat it.

**MR. COURT** (Nedlands) [9.18]: This is a case of a sequel to something that happened at the last session of Parliament. In another way it is a question of the inevitable chickens coming home to roost, because when we defer these matters, it is only a question of time when the issue has to be reconsidered and faced up to. The House has vivid recollections of the prolonged and rather bitter debate that ensued regarding the 1956 legislation to amend the land tax legislation. It is important to cast our mind back and survey the scene that existed at the time when the 1956 Bill was introduced.

At that time there was a flat rate of land tax. We had a 100 per cent. distinction between improved and unimproved land. Looking at it the other way, there was a 50 per cent. distinction whichever way it was worked from. Expressed in yet another way, the tax on unimproved land was double the tax on improved land.

A further interesting feature of Western Australian land taxation was the exemption that existed for some 25 years in respect of the tax on unimproved agricultural land. Another feature was that we had a vermin rating which was a special type of levy for vermin destruction, something which was accepted by the rural interests as being a necessary charge; and they regarded it more as a charge than a tax, just as we are inclined to regard our local authority rates as a charge for services rendered in administering a district rather than as a tax when we are thinking in terms of Commonwealth income tax.

After the 1956 legislation had run the gauntlet of Parliament, we finished up with a completely changed situation. We had first of all, in place of the flat rate of tax, a very steeply graduated scale which was intended to produce a very much greater amount of tax in bulk for the Government than the previous flat rate of tax. We also had removed the great distinction between improved land and unimproved land. Just by way of example, the previous rates of tax were a flat 2½d. in the £1; if the land qualified as improved land the owner received a 50 per cent. rebate. In other words, the base rate was the rate imposed on the unimproved land, and if the owner had qualified on the basis of improved land, he received a 50 per cent. rebate.

When the new taxes were imposed, we found that the differential was only a flat 1d. added to the rates payable on improved land. The situation had been reversed and the base rates were those on improved land and the special charge of 1d. was added for unimproved land. So we had a situation where people owning unimproved

land in the lower bracket of the scale suffered no increase whatever out of the 1956 rises, because they were still pegged virtually at the previous base rate without any rebate for improvements. Thus there was a complete change in outlook towards the fixing of rates on improved as against unimproved land.

A third feature was that last year for the first time for 25 years we found ourselves with a tax on improved agricultural land. At the time the question of land tax generally was a red-hot political issue, as were the questions of rail closures and rail freights. Under the threat of freight increases, the other Chamber considered this land tax, and some of its members apparently accepted the fact that it was better to have a temporary imposition of tax on improved agricultural land rather than rail freight increases at that time.

It is in that picture that we have to examine the situation today because in the twelve months since that Bill has operated, the Treasurer finds himself in the position of having to review the situation, so that there will be continuity in the tax on improved agricultural land if Parliament agrees to this measure being renewed for a further period or being made permanent. I oppose this measure, which is intended to impose a tax on improved agricultural land as a permanent measure. I was opposed to this particular proposition in the 1956 session. In fact, I was opposed to the whole land tax impact that was proposed in 1956.

Hon. J. B. Sleeman: You are opposing everything.

Mr. COURT: I am not. I was not opposed to long-service leave.

Hon. J. B. Sleeman: You were opposed to most of it.

Mr. COURT: Not at all. That proved to be an embarrassment to the Minister.

Hon. J. B. Sleeman: You only wanted to agree to a 20-year basis instead of 10 years.

Mr. COURT: Before I was sidetracked on a rather irrelevant question—I should have known better than to be led astray by the member for Fremantle—I was dealing with rural lands. In this State we must consider the question of rural lands in an entirely different atmosphere from that applying to urban lands. There is no doubt that the key to the wealth of the State is primary production. While we are making some industrial expansion over the years, it is not so fast that we can expect it in the foreseeable future to take the place of the wealth derived from primary production.

The primary industries, because of geographical location, suffer various disabilities. It is in the light of those disabilities that we must consider the taxing of their lands. First of all, they suffer disabilities in respect of isolation in many cases, not in all; they suffer disabilities in

respect of education; in hospitalisation; in general amenities; in many cases in respect of water supplies. Generally they make sacrifices, and endure certain conditions which city folk and those living in large towns do not have to endure.

As has been explained, their products are subject, to a large degree, to fixed prices. They have risky markets which come and go with an alarming swiftness. It may happen that in one year everything is buoyant and the future looks assured, and overnight, as it were, there would be a complete change in the world's markets for certain products. That immediately affects our rural industries and population.

Like everyone else, they have been hit by rising costs, but they have not the ability, in many cases, to pass on the increases or to adjust themselves to the higher costs. I suppose that of all the industries in Australia the primary industries have adjusted themselves more to mechanisation and achieved greater production than any other section of industry in the Commonwealth.

Then again there is the peculiarity in respect of rural land when it comes to valuation. The member for Vasse must have had the Treasurer worried at one stage because if he had continued much further, the lesson he was giving, I could foresee an amendment to the Act to provide for credit assessments whereby the taxpayer would receive a credit refund from the Treasurer of Western Australia because he had a minus unimproved value. In theory that is just what can happen in rural valuations today.

Under the peculiarities of the Commonwealth income tax law and the special concessions that are given, we have the situation where the market value of properties is, in many cases, considerably less than the gross expenditure for development. It has produced a state of affairs where one can sell a property for less than it cost to develop, and still show a handsome profit. That sounds back to front, but because of the taxation laws of this country, such a state of affairs can, and does exist.

On the question of land tax generally, we have to consider this measure in the light of land tax overall. We cannot overlook the impact of land tax on local authorities. It has been accepted that the main source of income for local authorities has been their ability to rate on land values. A person living in a municipality or road district receives a rate notice which he regards as a tax on his land. Then all of a sudden he receives something for his water rates, in the metropolitan area, or in districts where they are fortunate enough to have water available.

That amount is assessed directly as a charge on the land value. Although the owner receives water for the payment he makes, the fact remains that he thinks of

it as something attached to his land because that is how we have decided to rate for water in this State—not so much on the volume consumed, but on a basic allowance related to the value of the land. It is true that when we get to certain levels, the amount of water consumed directly affects the amount paid for the water rates. The person receives his land tax on top of that, and with the increased imposts that have been made through increased valuations for land tax, it has become a crippling burden.

When we receive the land tax assessment, whether we are in business as a primary producer, a storekeeper or a manufacturer, we cannot say to the Commissioner of Taxation, "I cannot afford to pay this because I have not any income." He is forced to pay it because it is a fixed charge. There is nothing, short of disputing the values, that can be done to escape it. The land tax valuer, giving a true valuation, should value land for what it is and not the use that is made of it. Comparable blocks would be represented at comparable values, if the valuation system were operating according to theory. People are receiving heavier assessments from local government bodies and for land tax, and in both cases, without any legislative action, the valuations are continually rising.

The Taxation Department, I think, does try to apply a cycle so that the rise in values in a particular area moves at certain intervals. But the fact remains that steadily over a period of years the values have gone up so that, without touching the Act but purely by administrative action, the amount of money coming into the revenue has increased rapidly year by year; and it will continue to increase because the valuers are reviewing district after district all the time and on each occasion they seem to increase the values.

Mr. Bovell: Not so steadily when they rose 21 times in one year.

Mr. COURT: Sometimes they leap ahead; and occasionally I find difficulty in following the theory of some of these expert valuers who are wedded to the unimproved system of valuing as against the annual value system. If their theory is correct, these values should not jump as fast as they make them jump. They cannot continue to relate their theoretical values to the commercial values and not get some extraordinary anomalies.

In a minor way, I notice some information that passed through my hands regarding a piece of land at Lake Claremont. This shows how taxation values can jump. About six years ago this land was valued at £40. It subsequently changed hands for war service homes and State Housing Commission purposes at what was then the taxation value of £170. In 1954 it changed hands for war service homes purposes, through the State Housing Commission, at

£500. That was the land tax value. Members can see that the revenue has, without any adjustment of the rate of tax by legislation, increased considerably. The rise in value in that instance is spectacular on a percentage basis, and it is indicative of many rises that are taking place not only in the city area but in the townships of the country areas. We get centres like Bunbury, Albany, Geraldton, Northam and Manjimup which are all expanding places, and the townships are not classed as improved agricultural land but are affected by the legislation that existed before the taxing of improved agricultural lands was agreed to.

In view of the fact that we cannot get a go at the over-all taxing of land this session, because the legislation brought down deals specifically with agricultural land, I consider that the lesser of two evils is to vote against the Bill; at least to take the burden off a section that can ill afford to stand the imposition—those who own improved agricultural land.

Let me, however, make myself clear. I do not oppose the reinstatement of the vermin rate because I do not think any fair-minded agriculturist would object to it coming back as a charge for what is virtually a service rendered to the industry. I do not suggest that both the land tax on improved agricultural land and the vermin rate, should go. It would follow that with the relief from land tax on improved agricultural land, the vermin rate would take its place; and I am sure that most, if not all, of the farmers would accept that as a fair and equitable proposition. I oppose the Bill.

MR. HEARMAN (Blackwood) [9.35]: Many members have opposed the tax on the basis that the Grants Commission says we should impose it, and that it is imposed in the other States. The first thing we should think of is whether it is a good tax for our State. I intend to discuss it on the basis of whether it would be a good thing in the area I represent. I know there is a theory that if we apply a tax to unimproved land, it encourages improvement and the people eventually improve their land and then get a rebate of the tax or are well able to pay it. It is a delightful theory that assumes one can tax oneself into prosperity; and it is one that figures substantially in the South-West.

Some years ago the South-West Development Committee took out a survey and found that most of the smaller holdings were less than one-third developed, whereas the larger holdings were up to 50 per cent. and more developed. It seems to me that where we have an area that badly needs additional development, the taxing of unimproved land is obviously bad in principle. The very difficulty that confronts a great many of those people, such as were mentioned by the member for Vasse, is shortage of money for developmental purposes.

At the moment I believe that representations are being made by the Government to the Commonwealth Government to get additional money for developmental purposes in the heavily timbered areas. It is amusing to think that, on the one hand, we have a State Government imposing an additional tax on these people and, on the other, the same Government going cap in hand to the Federal Government for money to develop this land which it is uneconomical to develop under existing conditions. The imposition of the tax will only make the difficulties greater.

An appreciable number of farmers in the heavily timbered areas are not paying any income tax at all because by the time they have put what money they can into development—as a rule it is pitifully inadequate—they are not eligible for taxation. If the Government is now considering putting a further tax on them, it is being extremely hard. Furthermore, in a State such as Western Australia, legislation which in any way prejudices the development of rural land—particularly in the safe rainfall areas—should be considered very seriously by the Government.

I am well aware of the fact that from time to time the Grants Commission suggests that we are not taxing ourselves in this direction or some other direction as are the other States, but I do not think the Grants Commission is so completely inflexible in its approach that it is unable to appreciate the fact that in Western Australia we have problems different from those in the other States. The very fact that the Grants Commission exists is a recognition that some States have peculiar problems by comparison with others. Provided the case is properly represented to the Grants Commission, I believe that at least some recognition will be made by that body of the problems that confront us in the development of our heavily timbered areas. For this reason alone, I feel that the Grants Commission argument is one that is politically expedient rather than completely valid.

I would like to feel that the Treasurer was prepared to put up a fight before the Grants Commission on behalf of those people who are endeavouring from their own means to develop the heavily timbered country, because they have a problem which is recognised by both State and Federal Governments. It seems to me that it is not unreasonable to expect recognition to be extended to these areas by the Grants Commission.

The question of valuations is a knotty one and it is particularly difficult in the South-West because there is no doubt that many sales have been made which have been shown, as a result of subsequent events, to have been based on improper values—unduly inflated values. The property next door to mine has been sold six times since

1929—the last time at something like £15 an acre. The fact that it has changed hands six times, and at some extremely high prices, rather indicates what the member for Roe pointed out earlier, that very often sales are made that are not economically sound. They tend, for that reason, to inflate values far beyond the true economic levels.

Then there is the case of the person who wants a relatively small area for orcharding purposes or something of that nature; and because he can get a living from about 20 acres or less he is prepared to pay a fantastic price for it. Such a transaction tends to fix a value for surrounding land. Then we get a piece of land that has been productive in potato growing and has subsequently been made available for pasture purposes and is now possibly not returning the same figure as when it was intensely cultivated. Nevertheless, if put on the market, it tends to bring an extremely high price.

These factors all tend unduly to inflate values and make not only the lot of the taxation valuer difficult but even that of the landowner himself because he is taxed on those valuations. It is all very fine to say that if the owner wishes, he can grow potatoes on the land and get a bigger return. But is that a valid argument? Do we want that sort of production? At the moment we look like having about 14,000 tons of potatoes in Western Australia and we need about 5,000 tons. Surely we do not want to encourage people to produce potatoes in order to establish an economic utilisation of land; because it would not be an economic utilisation!

I hold that the arguments put forward for the imposition and retention of the tax are not completely valid. I would like to feel that the Treasurer is prepared, to use his own expression, to get into Western Australia's corner with the Grants Commission on this matter and really impress upon the commission the difficulties that confront us; particularly in the areas to which I have referred. I feel that we can reasonably expect the Treasurer to do that, and that we need not accept as being completely valid the argument that if we do not do it, the Grants Commission will penalise us. As a matter of fact, the Grants Commission does penalise us from time to time, in all sorts of ways, and I do not feel that that in itself is an argument in favour of maintaining this tax. In fact, it conceivably could mean that the penalty we would suffer from the Grants Commission, if proper representations were made to it, would be far less than the penalty we would suffer from the imposition of this tax. For that reason, I oppose the Bill.

**HON. SIR ROSS McLARTY (Murray)**  
[9.46]: I would like to have a few words to say on this measure, and what I do have

to say may be of some interest to this very thin House. When this legislation was introduced last year, and I occupied a more prominent position than I do today, I opposed it, and I gave reasons why I opposed it. I hold to the same principles today. Some members have already pointed out that, in the main, this is a primary producing State; and when I say, "primary producing" I include the gold-mining industry in that category.

Unlike the heavily industrialised States we have to rely very largely upon our primary products, and for that reason I think some favourable consideration should be shown to us. Already primary producers in Western Australia are very heavily taxed. For instance, local government obtains most of its revenue from taxation on land. I know that local government also obtains substantial amounts by way of motor licences but, in the main, the revenue comes from land taxation. The member for Harvey told us something about how heavily the people in his area are taxed because of the high valuations placed on land. Not only do those people pay heavy local government rates or taxes, but they also pay irrigation and drainage rates.

The same applies in my own district. There are the local authority rates and heavy drainage rates as well as vermin rate and land tax. I noticed that at a Labour conference held in Brisbane some months ago the Deputy Leader of the Federal Opposition, Mr. Calwall, said—and this was agreed to—that when the Federal Opposition, Mr. Calwall, said—once more, it would impose a land tax. So we can look forward to the time—although that time may be far distant—when we may be involved in not only a State land tax and local government tax, but also a Federal land tax.

Mr. Court: He also said that there were to be no exemptions for those in the lower brackets, such as used to exist.

Hon. Sir ROSS McLARTY: That is so.

Mr. Bovell: Did not the Menzies Government abolish the Federal tax?

Hon. Sir ROSS McLARTY: Today the farmer is taxed on just about everything he possesses, even his dog. We seem to have reached the stage where the taxation people have made a most searching investigation into every possible way to tax the people on the land, and they are still continuing to do so. I would be all in favour of a "halt the taxes party" being formed not only in Western Australia but throughout the rest of Australia also. I would be a subscriber to its funds. I do not know how much further taxation can go; but certainly there is no scientific basis to it. Governments seem to come along and pull something out of the bag and say, "We will tax this."

Mr. Bovell: Did not the Treasurer accuse you of being a "tax-us raider?"

Hon. Sir ROSS McLARTY: Yes, but I will forget that for the time being. He has eclipsed me in that regard so I shall not bring it up.

The Treasurer: I am surprised at the member for Vasse doing so.

Hon. Sir ROSS McLARTY: There is no scientific application of taxes in this country today. The Treasury officials, or the advisers to the Government, particularly on the question of taxation, are told that more money is wanted, and then a search is made to see what they can get. They then find some new avenue through which they can impose taxation.

But I believe there is a growing resentment amongst the people in regard to taxation, and that it will show itself in the not too distant future. It does not matter in what direction we look, whether we are living or whether we are dead, taxes still go on. In fact, when we die the taxation people have their biggest picnic—or perhaps I should call it a wake—and they come in and say, "Here is our chance. We will take as much of this man's estate as we can possibly get."

Mr. Sewell: Can't you afford to die?

Hon. Sir ROSS McLARTY: Another thing that has happened since this land tax was imposed is the greatly inflated value of land. That is continuing, and some of the land values are fictitious. A few years ago, when money was more plentiful, people were freely investing in land, and they were buying land at values much above the economic value of the properties. I think that fact is well known to all members. When the Taxation Department went out to value land, it took into consideration the prices that had been paid for it; and land values went up accordingly.

The same thing happened when farming lands were valued for probate. Terrific values were placed upon them. I think in a number of cases it was unjust because fictitious, and not the economic value was placed on the land concerned. I have sometimes wondered whether a fairer method would be to fix the value according to the price of the primary products produced on that land.

Take our greatest primary product—wool. We often hear it said that we in this country are riding on the sheep's back. That is quite true. This country today is largely carrying on because of the income received from wool, and if there was a substantial drop in the price of wool the economic outlook in this country would be far different from what it is today. So I think if land values could be tied in some way to the value of the primary products produced on that land, it would be a much fairer and more equitable way of assessing its value.

When I spoke to similar legislation introduced about 12 months ago, I quoted a former Premier and Treasurer of this State who said in the early 1930's—I think it was 1931—that 40 per cent. of the people's income was being taken from them by way of taxation. Let us assume that it was a lesser amount—say, 30 per cent. I think that figure has considerably increased since then. I instance company tax, and I know something about this. Easily the largest shareholder in all companies today is the Taxation Department because it takes more than one-third of the company's income before any distribution is allowed. Then, of course, that distribution is taxed in the hands of the shareholders.

Taxation is increasing at an alarming rate, and from what I can see it is going to continue. If the young people of this country do not wake up and take a greater interest in public affairs, they will find in the not too distant future that they will not have very much of their income left—the greater part of it will be paid to the Taxation Department. I was talking to a farmer some time ago. He was a man who could be classed as an old man and he was talking about some of the country he held. He said, "I do not see much use in my further improving the land because it will only mean that its value will be increased. I cannot, under ordinary circumstances, expect to live much longer and I would only be providing more taxation for the Government."

What he said was quite true, although I did not encourage him to go on in that way. As the Treasurer is within listening range, I shall give him some advice. Now that the Grants Commission is in Western Australia, and he is giving evidence before it, I think it is an opportune time for him to talk to Sir Alexander Fitzgerald and Dr. Reid, and point out to them the very real difficulties from which Western Australia is suffering. I think he would be thoroughly justified in saying that he believes that taxation and charges are just about at their limit. He should also try to seek information from them as to what they think of the economic position of Western Australia, and whether they think that increased taxation will get us out of our difficulties. I do not believe that it will.

Mr. Potter: It is a pity that they are not in the House tonight to listen to what is being said.

Hon. Sir ROSS McLARTY: Yes; perhaps they would have some views on what they have heard tonight, and be able to express them. I am not sure what is behind the interjection of the member for Subiaco.

Mr. Oldfield: You can rest assured if they were here, the member for Subiaco would speak.

Hon. Sir ROSS McLARTY: Speaking in a more serious vein, I say again that I oppose this tax. I am sorry that it was ever imposed because I know that once a tax is levied, it is difficult to remove it. Even so, it is a heavy and burdensome tax on people who are already facing increased charges in many other directions. Production costs are creeping up all the time, and if there were a serious fall, particularly in wool prices, we would all be in very serious difficulties. I am not one of those who hope that there will be a substantial fall in wool prices, both from the point of view of my country and. I will confess, from my personal point of view as well. I agree with the member for Nedlands that the vermin tax should be continued, even if this tax does not continue. From what I can see at the present time—and I think the Treasurer must be fully alive to this fact—it is possible that this tax will not continue. If it does not, I think the vermin tax should.

I do not want to say very much more. There is every justification for opposition to this tax. I have heard what the Treasurer has said about the Grants Commission, and when I was speaking the other night—the Treasurer was away at the time—I asked how long we had to accept the mandate from the Grants Commission, that whatever some other State does, no matter how vicious its taxation might be, we should do the same and follow the standard State in question. Surely there is a limit to that, and surely the economic conditions of the State and its peculiar disabilities are factors that must be taken into consideration! In common with other members on this side of the House, who have given sound reasons why this legislation should be opposed, I feel I have no alternative but to vote against the second reading.

**THE TREASURER** (Hon. A. R. G. Hawke—Northam—in reply) [10.2]: The member for Murray and the member for Blackwood made some surprising statements about the Grants Commission. I think it should be made clear that the Grants Commission does not decide the policy which the Government of any claimant State shall follow in regard to the raising of local charges, or the raising of local taxation. That is not the duty or the responsibility of the Grants Commission at all. I think the chairman of the Grants Commission, and the two members of that commission, would take a poor view of any suggestion that that was one of their duties or one of their responsibilities, or that that was something which they ought to do.

Briefly, the Grants Commission compares the degree of charges and the degree of taxation that is imposed by the Government of a claimant State with similar charges and taxation as imposed by the standard States of New South Wales,



Victoria and Queensland. The main duty of the Grants Commission is to try to establish conditions in the claimant States reasonably akin financially to those that exist in the standard States. So the Grants Commission measures the taxation and the charges that operate in the three standard States and the charges that exist in the three claimant States and makes an assessment accordingly.

It gives each claimant State so much by way of credits and so much by way of debits, and by subtracting the one from the other decides the total amount which the members of the commission feel it their duty to recommend to the Commonwealth Government and, through that Government, to the Commonwealth Parliament for payment by the Commonwealth to each of the three claimant States. I am as sure as I can be that the members of the Grants Commission would reject as improper any suggestion on their part that any claimant State Government, or claimant State Parliament should impose this, that or some other form of taxation. They realise that it is the duty of the Government and of the Parliaments of the claimant States to impose such charges and such taxes as the Governments and Parliaments of those claimant States, think proper in the circumstances.

Mr. Court: Is not the end result of their assessment more or less the adoption of the many charges and taxes by Governments of claimant States to conform to those of the standard States?

The TREASURER: No; if the Government of a claimant State is prepared to go on having heavy deficits and is prepared to finance those deficits from loan funds, then it is not the duty of the Grants Commission, nor would it do so, to direct that that particular State Government should put on a land tax if one did not exist; or that it should increase the existing tax if one did exist; or that it should raise this type of charge 500 per cent., or some other local tax 200 per cent. and so on.

Hon. Sir Ross McLarty: But you are penalised if you do not conform.

The TREASURER: Naturally the Government of a claimant State would be penalised if it did not bring its taxation and its charges as a whole somewhat into line with those levied generally in the three standard States.

Mr. Court: Therefore the practical effect of their assessment is to force us to increase our charges and taxes to those of the standard States to avoid penalty.

The TREASURER: That is left to the particular Government and to the particular Parliament concerned. If, for instance, in Western Australia we were prepared to go from year to year leaving our taxation and our charges where they are,

and we were prepared to finance our deficits from loan funds, then the Grants Commission would make an assessment on that basis.

Mr. Ross Hutchinson: That is all that is left of our sovereign powers.

The TREASURER: I want to make it clear that the Grants Commission does not decide our policy in regard to the particular items of taxation or the particular items of charges, but, as is its duty, it works out the position of the standard States and measures the relative position of each of the claimant States, and recommends accordingly the amount of disabilities grant which it thinks the Commonwealth Government and the Commonwealth Parliament should make available to the three claimant States.

Mr. Court: Regardless of its statutory power, I do not think it can be denied that the commission has a strong persuasive influence.

The TREASURER: Naturally any claimant State that is being penalised because it has a particular charge which is lower than that of the three standard States, and it has a particular tax which is lower than the three standard States, will take notice of the fact that it is being penalised because its charges and taxation are low, and that because of that the Grants Commission is imposing substantial penalties.

However, as I say, that is the duty of the Grants Commission and it is a duty which its members must discharge faithfully. They do not, however, seek to dictate to the claimant States the lines which they shall follow in the raising of charges and in the imposition of taxation—that is left for the State Parliaments to decide for themselves.

We have heard a good deal tonight about the imposition of land tax on improved farming lands. One could easily be excused for believing—prior to the speech by the member for Leederville—that this type of tax did not exist in any other State of Australia; that it is a new type of tax that has been worked out in Western Australia and imposed only on the farmers of this State.

However, as the member for Leederville was able to clearly point out, this type of tax operates in the other five States of Australia and I think it has done so without interruption in those States for many years. As far as I know, they did not, in any of the other five States, grant the suspension of this tax as was done by the Parliament of Western Australia way back in 1932. We know that recently there has been a change of Government in Queensland and I would prophesy that the new Government in Queensland will not abolish this tax on improved farming lands in that State. It will continue to impose that tax and will continue to collect it.

We, in Western Australia, continued the suspension of the tax on unimproved farming land from 1932 until last year. The reason, and the only reason for suspending the tax in 1932, was the precarious position in which most primary producers found themselves at that time owing to the ruinous condition of the world's markets. As you will well remember, Mr. Speaker, at that time the great majority of farmers in Western Australia were not making ends meet; they were carrying on their operations at a loss. Accordingly, Parliament in its wisdom, and I think rightly, decided that the land tax on improved farming lands should be suspended.

No one could argue that the farmers remained in that very difficult position right through from 1932 to 1956 because the world markets for primary products improved amazingly soon after the outbreak of war in 1939. I think that even the most rabid Country Party member opposite would agree that farmers generally in this State—as indeed throughout Australia and in all countries of the world—reached a fairly satisfactory position, if not a prosperous one, in regard to their operations at least by 1942.

Therefore, in point of merit the land tax on improved farming lands should have been reimposed in that year and it should have been collected in each successive year up to and including 1956. But successive Governments in this State made no attempt to ask Parliament to reimpose the tax and so from 1942 to 1956—a period of 14 years in all—the farmers in Western Australia had the great advantage of not being called upon to pay land tax at all in regard to adequately improving farming lands.

Mr. Court: They made a mighty contribution during that time in income tax.

The TREASURER: So did the farmers in every other State of Australia, yet even in all other States they continued to pay the land tax, whereas farmers in this State were given the great advantage and benefit of not being called upon to pay it, even when prosperous times returned, as they did in 1942.

Mr. I. W. Manning: Is it a permanent tax on the other side?

The TREASURER: I think so; at least in some of the other States. The member for Harvey told us quite a sorrowful story of farmers in his electorate, not all of whom are as poverty stricken as he would lead us to believe. He told us that land values there, especially in the irrigation areas, are very high, and consequently the farmers concerned have to pay a high rate of land tax because the value of land for taxation purposes is high. I would think the land which has the benefit of irrigation is valuable land.

Hon. Sir Ross McLarty: It has to be paid for.

Mr. I. W. Manning: They have to pay for the irrigation.

The TREASURER: They do not have to pay for the irrigation; the community gives it to them to a large extent. Therefore, what is the use of the member for Murray and the member for Harvey saying they have to pay for the irrigation?

Hon. Sir Ross McLarty: If you were on the land, you would know something about the rates both for irrigation and drainage.

The TREASURER: I am sure, as Treasurer—and the member for Murray knew as Treasurer—how very poor—almost insignificant—is the financial return to the Treasury in connection with irrigation projects in the districts to which he refers and, indeed, in regard to the irrigation system in all parts where it exists. If the member for Murray and the member for Harvey care to analyse the situation from the State's point of view, they will find the return to the State in connection with irrigation systems is very poor indeed; I think, less than 1 per cent. on the total capital cost.

Mr. Roberts: It would be greater than in respect of the metropolitan water supply.

The TREASURER: Here is a Daniel come to judgment with the wrong decision! As a matter of fact, metropolitan water supply is fully reproductive, as the member for Bunbury should know, whereas irrigation systems, which the Government operates, do not, I think, return even 1 per cent., let alone are they fully reproductive. Therefore, the community as a whole makes a very great contribution to the farmers who enjoy the benefits of irrigation in this State.

Mr. I. W. Manning: That does not alter the fact that after paying these charges they have not much left.

The TREASURER: I would be inclined to disagree with the member for Harvey. I am sure there are at least some farmers in his electorate—and I should think many—who would be irrigation farmers who are—

Mr. I. W. Manning: We will give the Treasurer a job of digging potatoes.

The TREASURER:—above the poverty line, and, I should say, some very high above it.

Mr. Owen: The potato growers are not making much this year.

The TREASURER: The basis of this legislation is one of sheer necessity. When the legislation was introduced last year, the estimated Consolidated Revenue deficit at that time was, if I remember correctly, about £1,400,000. The actual deficit at the end of the financial year, some months after the legislation had been accepted by Parliament, ran into a figure of approximately £1,900,000. This year, as hon. members know, the estimated deficit is

£2,600,000. Therefore, if there was a sufficient degree of financial necessity last year, that degree has increased very considerably in the meantime, and so the justification for continuing this legislation is much greater than the justification for introducing the legislation a year ago.

Mr. Court: I think that deterioration in the deficit is more than covered by increases in the railway deficit, is it not?

The TREASURER: It could be, but that does not matter.

Mr. Court: It does.

The TREASURER: It does not affect or make the deficit less, or the means of dealing with it easier. It makes the means of dealing with it much more difficult, and to take away from the Treasury in the face of this estimated deficit of £2,600,000 the amount which this legislation would give to the Treasury, would be to create a financial situation that would be critical indeed, and one which would compel the Government to take very drastic steps to try to bring the general financial situation of the State under reasonable control.

Hon. D. Brand: If the general land tax becomes permanent, do you think it will be necessary to increase rail freights?

The TREASURER: In the first instance, I would say that no taxation could become permanent. I know that some speakers tonight have talked about this legislation becoming permanent but it is always in the control of Parliament to alter legislation.

Hon. Sir Ross McLarty: Upwards generally.

The TREASURER: Not necessarily upwards. As a matter of fact, if we go back to 1932 we will find that this particular type of tax was suspended—suspended altogether—and not reimposed until 1956. Therefore it is not fair for any member to argue that this legislation, if passed on this occasion in its present form, would become permanent without the possibility of any alteration.

Mr. Court: How are we going to alter it if the Government does not initiate it?

The TREASURER: If the policy of the present Government is endorsed by a majority of the people of this State from election to election, then we have to accept those decisions. If this Government remains in office and feels that this legislation should be continued—should remain in force—because the taxation which is raised under this legislation is necessary to maintain essential services of the State, then there could not possibly be any legitimate complaint against that situation.

If, on the other hand, at the next election, or the one after, a majority of the people decide that the parties opposite should become the Government of Western

Australia, then it would be the responsibility of members now occupying the front bench over there to decide whether they could become financially irresponsible enough or financially reckless enough to repeal this legislation. If they made a decision along those lines, they could bring the legislation to Parliament for the repeal of this Act or for the amendment of it to reduce the tax, or do what they agreed to do with it, and it would then be for both Houses of Parliament, or a majority of members in each House, to decide whether the legislation as then introduced by the then Government was in the best interests of the State as a whole.

Hon. D. Brand: If the Treasury is assured of this income over the next two or three years, will there be any increase of rail freights within the next year?

The TREASURER: I think we all know that the railway situation is completely in the melting pot. Parliament has already agreed to amend the Government Railways Act to provide for one-commissioner control of the railways as against the previous three-commissioner control. As soon as the Government is able to do so, it will call for applications from persons prepared to accept the appointment as commissioner of railways and from those who apply the appointment will be made. Surely the Leader of the Opposition does not want me or any member of the Government at this stage to say that this shall be done in connection with the railways in the future, or this shall not be done with the railways in the future!

Hon. D. Brand: No more than if you were sitting here and I was over there.

The TREASURER: I read in "The West Australian" an argument along the lines that the proposed new railway set-up should be divorced completely from government. In other words, that the new commissioner when appointed should have the complete and absolute authority of deciding freights and fares, in order that he shall be in a position to operate the railway system in accordance with well-established business principles.

Hon. Sir Ross McLarty: That would relieve the Government of some anxiety, but probably be the end of the Government as well.

The TREASURER: It might on a temporary basis relieve the Government of some anxiety, but it could put into the hands of the commissioner of railways to be appointed, the power to destroy a Government at any time. Therefore, this Government has not agreed, and will not agree, to give the commissioner absolute power in regard to the adjustment of railway freights and fares.

Hon. A. F. Watts: If this Bill is not passed, the revenue to next June is secured, is it not?

The TREASURER: Yes, I think the revenue for the current financial year would be secure, but that is not nearly sufficient. I am sure the Leader of the Country Party with the ministerial experience he had from 1947 to 1953 would not want to see the State governed upon that sort of trust-to-luck basis.

Hon. A. F. Watts: I asked the question because it does not seem the present year's deficit is going to be affected by this particular question.

The TREASURER: That might be so in fact; but I think we would not want to take action at this stage, the result of which would be to create something in the nature of a financial crisis from early in the financial year 1958-59; and no Government and no State would want to operate upon a basis where a tax would operate until a certain date and would then cease to operate; and before anything could be done about it, Parliament would have to meet again. The whole thing would have to come up as a new proposal. The sensible way to tackle this matter is to deal with it on a continuing basis so that the tax shall either be continued permanently, until Parliament decides otherwise, or the tax shall not be continued at all.

Mr. Court: Until the war, were not all taxing Acts brought up each year separately?

The TREASURER: Not that I know of.

Mr. Court: I think that was standard procedure until the war. I think they were brought up each year and renewed each year.

The TREASURER: I think it applied to the Income Tax Act, but not to other forms of taxation imposed. That would not help the situation either as we have it upon our hands today. There would be no sense in continuing this tax until the 30th June, 1958, then allowing it to die, as it were, by effluxion of time; then having to try and pick it up again in the parliamentary session of 1958.

Mr. Court: Except that by that time surely you would have made some progress with the railway deficit!

The TREASURER: I think the hon. member knows enough about the railway deficit and the railway situation generally to know that the problem that exists there will not be overcome to any very substantial extent in six months or 12 months. It is a problem of gradual onset, which has been developing for a long period of years; and an adequate solution of it—not to mention a total solution—will not be achieved in a short period.

Mr. Court: I did not suggest for one moment that you would solve it in three or five years completely. But surely you would make some progress that would offset the revenue lost from this tax!

The TREASURER: We have already made some progress, and that progress is continuing. However, the point is that this taxation is essential; and unless Parliament is prepared to grant this money to the Government through this avenue, undoubtedly the Government will be compelled to enforce some very strict economies indeed, which will affect detrimentally the people in country areas who, when they felt the impact of the economies, would not give any thanks to those who were responsible for denying this revenue to the Government and thus putting the Government in the position where it could not any longer continue to make essential services available.

I know that all taxation is unpopular with those who have to pay it. It does not matter whether it is a Commonwealth tax or a State tax—nobody likes paying taxation. We all like to hang on to as much money as we can. We feel, quite selfishly I think, that when Governments impose taxation upon us they are taking money from us and giving us nothing in return. If, however, we are prepared to take the unselfish and sensible view, we must realise that both the Commonwealth and State Governments do provide tremendous services to the people—essential services; services without which the community would be a shambles in more way than one.

It is a strange thing, but private enterprise—about which the member for Nedlands is always talking—can impose all kinds of charges upon farmers and others, and those charges are accepted usually without much complaint. But if a Government dares to impose a charge, that is a horse of a different colour. It is strange, too, that members opposite—at least some of them—can always and do always justify any taxation imposed upon the people of this State by the Federal Government, and yet stand up and oppose very strongly and hotly any charge or taxation proposed to be put upon the people of this State by the State Government.

Hon. D. Brand: Is it not true that you justify in reverse taxation imposed by the State Government and hotly oppose any taxation imposed by the Commonwealth Government?

The TREASURER: No; that is not correct.

Hon. D. Brand: My goodness me! I cannot recall an instance in recent years—

The TREASURER: I would say that there are many taxes imposed by the Federal Government that are fair and reasonable in the circumstances.

Hon. Sir Ross McLarty: You made good political capital out of the tax on beer and cigarettes.

The TREASURER: I thought some cartoons published at that time were rather good. But I think the same about some

of the cartoons of Brother Rigby served up now and then in the "Daily News." That is more for our amusement than for any other purpose. All of us have sufficient humour to enjoy them when they are served up. I even sometimes enjoy some that are published about myself. I think that as public men it is good if we can do that. Generally speaking, the Press loves nothing better than to make public men angry when it tries to take a rise out of them. I think the Press would not take us as seriously as it does if we treated more lightly its efforts to belittle us and to put us up to the public in a wrong light, as is sometimes attempted.

Mr. Court: Are you pleading for or with the Minister for Transport?

The TREASURER: However, I was going to say that much of the taxation imposed by the Federal Government is absolutely essential. That Government has to carry out some tremendously important essential services; and in the circumstances it is necessary for that Government to raise a substantial amount of taxation each year to finance those services. I think that in return for what we get from the Commonwealth Treasury, however, we pay too much taxation. But that is open to argument and I do not want to stress that point at this stage.

Summed up, this legislation is absolutely essential, because the money is urgently required by the Government to assist in financing essential services such as the payment of salaries to school teachers, to the Police Force, to nurses, and to many other groups of people employed by the Government, and carrying out essential work—and in many instances very skilled work—in the interests of our community.

Mr. Cornell: Not forgetting the parliamentarians.

The TREASURER: Not forgetting parliamentarians!

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

Ayes	.....	24
Noes	.....	17

Majority for .... 7

#### Ayes.

Mr. Andrew	Mr. Lawrence
Mr. Brady	Mr. Marshall
Mr. Evans	Mr. Moir
Mr. Gaffy	Mr. Nulsen
Mr. Hall	Mr. O'Brien
Mr. Hawke	Mr. Potter
Mr. Heal	Mr. Rhatigan
Mr. Hoar	Mr. Rodoreda
Mr. Jamieson	Mr. Sewell
Mr. Johnson	Mr. Sleeman
Mr. Kelly	Mr. Toms
Mr. Lapham	Mr. Norton

(Teller.)

#### Noes.

Mr. Ackland	Mr. W. Manning
Mr. Bovell	Sir Ross McLarty
Mr. Brand	Mr. Oldfield
Mr. Cornell	Mr. Owen
Mr. Court	Mr. Perkins
Mr. Crommelin	Mr. Roberts
Mr. Grayden	Mr. Watts
Mr. Hearman	Mr. I. Manning
Mr. Hutchinson	(Teller.)

#### Pairs.

Ayes.	Noes.
Mr. May	Mr. Nalder
Mr. Tonkin	Mr. Thorn
Mr. Graham	Mr. Mann
Mr. W. Hegney	Mr. Wild

Question thus passed.

Bill read a second time.

#### In Committee.

Mr. Moir in the Chair; the Treasurer in charge of the Bill.

Clauses 1 to 4—agreed to.

Clause 5—Section 10 amended:

Hon. D. BRAND: Following the lead given here last year, I wish to place a further limitation on the legislation. That would overcome the immediate problems of the Treasurer. I move an amendment—

That paragraph (b) in line 20, page 3, be struck out and the following inserted in lieu:—

(b) By deleting the word "two" in paragraph (g) of Subsection (1) and inserting the word "four."

The words proposed to be inserted would have as their objective the prolongation of the legislation for a further two years.

The TREASURER: I pointed out earlier that Parliament could at any time alter this legislation. The member for Nedlands said that Parliament itself could not initiate an alteration but could only deal with amending legislation or repealing legislation if the Government of the day initiated a move in that direction. In view of that, I am prepared to accept the amendment which will mean that the legislation will continue until the 30th June, 1960. There will be an election in the meantime. This could be an issue, and no doubt would be; and doubtless upon the result of the election would depend whether action was taken subsequently to continue this legislation beyond the 30th June, 1960. This amendment will not provide any embarrassment for our Government if returned at the election before the 30th June, 1960, but it could provide considerable embarrassment for an alternative Government, should it be elected to office as the result of the next general election for this Legislative Assembly. In all the circumstances and as a gesture towards members opposite I support the amendment.

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

Clause 6, Title—agreed to.

Bill reported with an amendment.

**MINISTERIAL STATEMENT.***Minister for Mines and Failure of Bells to Ring.*

The **MINISTER FOR MINES**: Mr. Speaker, I wish to report that following the tea suspension, the member for Victoria Park and I were on the upper floor of the building and although the bells of the Legislative Council rang to signify that the House was meeting, the bells of this Chamber did not ring and, as a matter of fact, no bells rang after the tea suspension at all, prior to my coming down from that floor. Not only were the bells defective but also no blue light was showing. I noticed that and drew the attention of the member for Victoria Park to it.

Mr. Ross Hutchinson: It will be taken into consideration at the trial.

The **SPEAKER**: Order please!

The **MINISTER FOR MINES**: As the result we were deprived of the opportunity of voting on a rather important measure. If the bells are not to be relied on, I wonder what the position will be. It is not always convenient, nor is it the custom for all members to remain in their seats at all times. I seek your assistance, Mr. Speaker, in having the bells checked so that the situation will not arise again. I understand that the bell outside this Chamber is recording a light but not a ring and although only two members were caught on this occasion, others might be caught at some subsequent time if the defect is not remedied. I ask that the bells be checked.

The **SPEAKER**: I am glad that the Minister has brought this matter to notice. My own experience this evening was that the bells were a bit throaty. When I left the Chair shortly after 6 p.m. I noticed that the bells were deadened near the reading room and I understand that was done because they affected the telephone operators. However, the electrician was here today to see that everything was in order, but since I have received notice of the fact that no bells rang on the upper floor, I have instructed the clerk and also the house controller to see that the electrician is here tomorrow morning to give attention to this matter.

**BILL—VERMIN ACT AMENDMENT.***Second Reading.*

Debate resumed from the 30th October.

**HON. D. BRAND** (Greenough) [10.49]: This measure is more or less complementary to the Land Tax Bill introduced by the Treasurer some days ago and it aims at making permanent the suspension of the Vermin Act, on the assumption that the land tax measure, as introduced and passed through this House last year, would become more or less a

permanent measure. Because we opposed the land tax having permanent application to farm lands it follows that we will oppose the measure before the House at present.

We recognise that in the event of the other measure being defeated at any stage, it would be necessary and fair to reimpose the vermin tax. At present it stands suspended and we think it should remain suspended, although not on a permanent basis. In introducing the measure the Treasurer said, "Just as the Legislative Council placed a time limit on amendments to the land tax legislation, so it put a similar limit on the vermin tax legislation." I would remind him that it was he who accepted the limitation to the life of the land tax measure as applied to farming land and it was not the Legislative Council which brought about that time limit. For those reasons, we oppose the Bill now before us.

Question put and passed.

Bill read a second time.

*In Committee.*

Mr. Molr in the Chair; the Treasurer in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Section 3 of Act No. 82 of 1956 amended:

**HON. D. BRAND**: I move an amendment.

That all words after the word "the" in line 2, page 8, be struck out and the words "word 'fifty-eight' the word 'sixty,' inserted in lieu.

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

Title—agreed to.

Bill reported with an amendment.

**BILL—WESTERN AUSTRALIA  
(EMPLOYMENT-PROMOTION)  
LABELS.**

*Message.*

Message from the Governor received and read notifying appropriation for the purposes of the Bill.

*Second Reading.*

**THE MINISTER FOR INDUSTRIAL DEVELOPMENT** (Hon. L. F. Kelly—Merredin-Yilgarn) [11.2] in moving the second reading said: This Bill is the outcome of a recommendation of the publicity and education committee, which is a sub-committee of the Trades and Industry Promotion Council. It is designed to legalise and authorise the use of a standard Western Australian label, distinguishing goods, in the production and preparation of which, employment within the State is a paramount factor. Two types of standard label are envisaged, each having a map of Western Australia and marked "Produced in W.A." or "Packed in W.A."

The authority of the Minister for Industrial Development will be printed on each type of label. The Bill gives the Minister power to appoint an advisory committee consisting of representatives of the Chamber of Manufactures, Chamber of Commerce, Trade and Industries Promotion Council, and an officer of the Department of Industrial Development.

The Minister may delegate all or any of his authority to the advisory committee without affecting his own authority or responsibility, and he will also have power to cancel any delegation conferred under this section. When the Minister is satisfied that employment in the State is substantially promoted in the preparation and production of goods, and upon application, he may issue a permit and include conditions, authorising the attachment of a prescribed label to the goods in question.

The Bill provides for offences relating to labels and permits. Any person who affixes or causes to be affixed a prescribed label and is not the holder of a permit, or who does not comply with the conditions laid down in the permit, is liable to prosecution. Provision is made in the Bill to absolve the employee or agent from prosecution where he affixes a label, in the course of his duties, which he believes to be covered by a permit held by his employer.

Inspectors under the Factories and Shops Act or under the Health Act will, by virtue of their office, be authorised to act under this measure, and will be responsible for seeing that the provisions of the Act are being observed. They will be empowered to commence and conduct prosecutions for offences, subject at all times to the approval of the Minister having been obtained.

Because of the vast importance and advantages attaching to the use of a prescribed label, and again because of serious repercussions in the case of misuse of labels, the penalties proposed are fairly high. A first offender is liable to a fine of £100; for a second offence, £200; and for a third or any subsequent offence, to a penalty of £400.

Power is also contained in this Bill for the prescribing of regulations considered necessary, desirable or convenient, in order to give effect to the requirements of the Act. Use of an authorised legal label will assist the public to pick, with more certainty, the locally manufactured article. It will also provide an incentive to the manufacturers themselves. For a long time we have had various labels in this State, but there has been no means of putting them into effective use.

Therefore this short Bill will overcome those difficulties and will enable those manufacturers who are desirous of coming under this system to reap the advantages that can be theirs by having a recognised label, one that is capable of carrying a

hallmark of genuine locally made products. This scheme should help to promote not only employment, but also a greater and far wider use of all Western Australian manufactured products. I move—

That the Bill be now read a second time.

On motion by Hon. D. Brand, debate adjourned.

### **BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.**

#### *Message.*

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

#### *Second Reading.*

**THE MINISTER FOR LABOUR** (Hon. W. Hegney—Mt. Hawthorn) [11.10] in moving the second reading said: This is the fifth occasion on which I have been deputed on behalf of the Government to introduce a measure of this nature, namely, to extend the activities of the State Government Insurance Office. This Bill differs from previous submissions only in that provision is made for engaging in probate assurance by farmers and pastoralists, so that on their demise the State may be able to meet from the amount of the policy the necessary probate duties.

Mr. Court: You are going in for a form of life assurance.

**The MINISTER FOR LABOUR:** Do you not think Mr. Speaker, it would be more a form of death assurance? After I have finished, I think the member for Nedlands will change his mind on this matter.

Mr. Court: That will be the day.

**The MINISTER FOR LABOUR:** For the time being I will content myself by saying that provision is made in the Bill for probate assurance, and for the benefit of the House I will read the appropriate clause. It is possible under this clause to extend the activities of the office to enable it to engage in all forms of general insurance, and to accept from any person, who at the time of making the proposal, is a farmer or pastoralist, a proposal of assurance of payment of any duty payable in respect of his estate on his death, and issue in respect of the proposal a policy containing a provision for assignment of the policy to the Treasurer for the purpose of applying out of the proceeds of the policy such amount as is required for duty, and of paying any balance of those proceeds to the personal representative of the assured, and to do such things as are necessary or incidental to the powers and authorities conferred by the Act.

Hon. Sir Ross McLarty: Why only the farmers and pastoralists?

**THE MINISTER FOR LABOUR:** I will be pleased to hear from the member for Murray in regard to any extension he may think necessary to this provision. If I am allowed to explain the position, I will mention the reason to the hon. member. I indicated that this is the fifth occasion on which I have introduced a Bill of this nature. As far as I am concerned, and while I am here and receive the authority of Cabinet, I will continue to introduce such a measure, even though it may not be passed on this occasion. I will not be discouraged. We will fight on.

Next, I would like to pose a very pertinent question. It is: What country in the world would refuse to pass a Bill of this nature after it had passed an assembly that was constituted of the representatives of the people on not less than five occasions, and when in the meantime a general election had been held? That is a reasonable question to ask those who may be disposed to oppose the introduction or passing of this measure.

For the benefit of members, might I say that on one occasion a similar Bill—with the exception of the provision to which I have just referred—did pass through another place at the second reading, and through the Committee stages with flying colours. When the third reading was moved, however—and this is normally a formal procedure—the Bill was defeated by 16 votes to nine. Members who might not feel partial towards this measure should ask themselves why there was this sudden change.

**Mr. Ross Hutchinson:** You defeated a Bill of mine.

**THE MINISTER FOR LABOUR:** That is another story altogether, and the circumstances are entirely different. No influences were brought to bear in the meantime.

**Mr. Ross Hutchinson:** The whip was wielded.

**THE MINISTER FOR LABOUR:** I would now like to deal briefly with a few possible objections that may be raised to the Bill. As the ground has already been covered on a number of occasions there is no necessity for me to prolong this debate. Suffice it to say that the argument has been adduced that there is no need for a State Government Insurance Office; there is no need for an extension of its activities because there are 80 or 90 insurance companies operating in this State. As the Minister administering the Workers' Compensation Act, I might point out that under that Act I have approved of quite a number of insurance companies engaging in workers' compensation insurance. One could say that there are a sufficient number of insurance companies to deal with that aspect without any more such companies being approved. But I do not think that that is an attitude a Minister should adopt, and they have accordingly been approved.

To give an example that there is need for the State Government Insurance Office and that its activities should be extended, I am advised that if it were not for the State office motor-vehicle owners in the northern portion of the State would find it difficult to obtain the requisite insurance cover. There are a number of companies—and I invite members to check this—but most of those insurance companies, with the exception of the State office, will not accept insurance from owners in the northern part of this State, unless the insurer has other large assets which would make it advisable for the particular company concerned to accept the motor-vehicle insurance.

As members know, motor-vehicle comprehensive insurance is not available to those persons in the northern part of the State whom I have mentioned, unless they possess large assets. I am advised it would be difficult for those people—the single-vehicle owner—to obtain that cover unless they possessed other assets. Pastoralists and other people who have other assets which are required to be insured against fire or other forms of insurance, will be insured by private offices, but the State Government Insurance Office is insuring the remainder.

The comprehensive policy covers not only the amount of damage done to the insured vehicle, but also in certain cases the damage to other vehicles involved; and it covers also an unlimited liability for injury to passengers in excess of the £2,000 prescribed in the Motor Vehicle Third Party Insurance Act which is administered by the Motor Vehicle Insurance Trust. I am also advised that some insurance companies refuse to provide comprehensive insurance for heavy haulage vehicles and semi-trailers; and they carry out an essential service. But some of the head offices of the insurance companies have issued instructions that such insurance is not to be accepted.

I would now like to touch on a matter that was raised last session, or perhaps the session prior to that, to the effect that the State Government Insurance Office would not be able to withstand a disaster of a major character. I have been clearly advised this could not happen as adequate arrangements have been made for reinsurance to ensure that the call on the State Insurance Office would be so small that there would not be the slightest threat to its financial stability and its funds would not be involved.

**Mr. Court:** Where is that coverage arranged?

**THE MINISTER FOR LABOUR:** It is arranged not only in Australia but overseas. I propose to give a few figures to show how the State Insurance Office has developed. Firstly, I would assure members that if this Bill is passed and the



State Insurance Office is permitted to engage in general forms of insurance, it will be able to compete with the other insurance companies on an equal basis.

The previous member for Mt. Lawley raised the question of taxation payable by the State Insurance Office. That office has been paying to the Treasury the appropriate amount of taxation, and for the year ended the 30th June, 1957, it paid £52,448 to the Treasurer for which he was very thankful. There are 147 local authorities in the State, and of these no less than 133 are insured with the State Insurance Office under the local government pool. The aggregate rebates paid to local authorities in respect of insurance pools, including bushfire insurance, amount to £27,300.

I shall not weary the House with many figures but I want to give an indication of what the State Insurance Office means to the activities of the Treasurer and to private industry, and of the help it gives. Since the inception of the State Insurance Office, Consolidated Revenue has benefited to the tune of £830,448. These figures are subject to audit. The investments it made, including Commonwealth inscribed stock, amount to £809,094; loans to local authorities, £42,366.

It has assisted Western Australian private industry and I have one firm in mind which had difficulty in obtaining financial accommodation from other sources. True to its form, the State Insurance Office helped that concern substantially so that it could carry on. The amount invested in loans to private industry in this State was £99,074; the amount invested in semi-Government loans was £941,066; the amount invested in land and buildings was £48,463 in respect of land, and £517,843 in respect of buildings. One will see that the State Insurance Office has built up a very fine asset.

The administration of that office has been very efficient; the staff is most competent and has worked very well as a team. The person who was substantially responsible for the efficient organisation of this office was Mr. Bown, who from 1945 until August, 1957, acted as manager. He came from the Crown Law Department where he was acting as accountant. It is recognised generally that he performed a very fine job. The thanks of the Government are due to him for the splendid work done on behalf of the State for 11 years. Mr. Hogg, the assistant manager, was recently appointed in his stead.

I have mentioned the question of probate assurance and I shall now answer the question raised by the member for Murray. The Farmers' Union and others have made representations to the Treasurer regarding the facilities available for the payment of probate in respect of estates of farmers and graziers. The clause in the Bill dealing with probate assurance clearly indicates that the wishes of the Farmers' Union have been met. In many instances

it has been found that the assets of a deceased farmer or pastoralist were large, but the cash available for probate was very meagre. This resulted in requests for relief in the payment of probate, generally by the instalment system.

It is provided in the Bill that a farmer or pastoralist may make a proposition to the State Insurance Office for the payment of an amount which he estimates will be his probate liability or estate duty. The policy when issued is assigned to the Treasurer. If the policy is in excess of the probate, the Treasurer will pay the balance to the executor of the estate. This will provide a unique opportunity for the issuing of such policies.

Mr. Court: There is nothing novel or new in it.

The MINISTER FOR LABOUR: Go steady!

Mr. Court: It is not a question of going steady. You are putting this forward as new or novel, but there are dozens of companies like that.

The MINISTER FOR LABOUR: If the hon. member will contain himself for a moment, I shall give him the details. It is true that a farmer may take out with an assurance company a life assurance policy for the payment of probate on his estate, but when he dies, there is no provision for the assignment of the policy, and there is no power for the Treasurer to accept payment.

Mr. Court: He takes the money all right.

The MINISTER FOR LABOUR: Under this Bill authority is given to the Treasurer to accept payment, and to reassign whenever there is a change of circumstances. During the lifetime of the insured, he may dispose of his assets and he may have no need for the policy to be in the name of the Treasurer.

Mr. Court: In other words, you seek to give the State Insurance Office a right which is not available to any other company.

The MINISTER FOR LABOUR: It was provided at the request of the Farmers' Union.

Mr. Court: Was the request that the State Insurance Office should specifically provide that form of insurance?

The MINISTER FOR LABOUR: It asked through the Treasurer that the State Insurance Office do that, so it must have a lot of confidence in that office.

Mr. Court: I thought you said the union asked the Treasurer.

The MINISTER FOR LABOUR: During the year 4,216 new vehicle comprehensive policies were issued, and they are being issued at the rate of 400 a month. I mention that to indicate that the public are becoming more and more mindful of

the fact that this facility is available. All that the State Insurance Office wants is the opportunity to compete on a reasonable and equitable basis with the private insurance companies.

I said that I did not propose to make a long speech as to the reasons for the proposal to extend the activities of the State Insurance Office. Members will find by referring to the Hansard reports from 1953 onwards that this Government has met every objection raised by the Opposition, and all that remained was the question of the principle. There is provision in the Bill, as members will see, for the payment of taxation and there are machinery clauses. Therefore, all objections have been met and it is just a question of the principle of the extension of the State Government Insurance Office. It is part of the policy of the Government to endeavour and to continue to endeavour to give legal status to the State Government Insurance Office in the appropriate Act so that it will be able to engage in all forms of general insurance.

I hope on this occasion members of the Opposition will realise that, after all is said and done, the Government introduced this Bill on its return in 1953 and it persisted until 1956. There was a general election in that year and I personally made reference to the fact that our policy in regard to State Insurance was that we desired the extension of the Act to enable this office to engage in the business of general insurance.

If members of the Opposition believe in a democratic form of Government, and that due regard should be given to the wishes of the people as expressed through their representatives, I submit it cannot be said that we have not a mandate to introduce this legislation; and it cannot be successfully claimed that the Opposition, whether it be here or in another place, should continue indefinitely to thwart the desires of the Government. That is a reasonable proposition. If this had been the first time the measure had been introduced, as in 1953, when there was strong justification for opposing it because we had come fresh from an election, that situation does not obtain now, as there has been another election since then and the Government was re-elected with an increased majority.

If democracy means anything at all, surely it means that the Government, after introducing a Bill five times, should at least be successful. Mr. Speaker, you know as well as I do, that prior to the British Parliament Act of 1911, the House of Lords used to exercise the right of veto, but now, if a Bill goes from the House of Commons to the House of Lords three times and is turned down, it is successful on the third occasion and the Bill becomes law. This particular measure has been submitted to the Assembly five times and under our Constitution there is no guarantee that the

wishes of the people will be granted. However, we hope that reason will prevail and due regard will be given to the desires of the Government and the fact that it wants to carry out its policy to bestow upon this office the right to engage in the general business of insurance. I move—

That the Bill be now read a second time.

On motion by Mr. Court, debate adjourned.

*House adjourned at 11.34 p.m.*

## Legislative Council

Wednesday, 13th November, 1957.

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