

28 June 2021

MEDIA RELEASE

ACTION REQUIRED ON 'UNCONTROVERSIAL, BUT IMPORTANT' BILLS

RELEASE DATE: For Immediate Release

The Society of Trust and Estate Practitioners Western Australia Incorporated (STEP WA) calls on the WA Attorney General to reintroduce the lapsed Administration Amendment Bill and Legislation Bill for passage urgently.

STEP WA calls for action on two crucial proposed 2018 Bills, which have stalled in the Legislative Council for years and lapsed when the WA Parliament was prorogued prior to the recent WA State Election. They are the Administration Amendment Bill (2018) and the Legislation Bill (2018) – described by Jim O'Donnell TEP, chair of STEP WA's Policy Sub-committee, as “uncontroversial, but important” contributions to WA legislation.

The main aim of the Administration Amendment Bill is to increase the amount left to a partner when someone dies without a Will ('intestate'). Where a person dies intestate, the *Administration Act 1903 (WA)* sets out a formula for dividing the deceased's estate among their surviving family members.

Currently, if a person dies without a Will, leaving a partner and “issue” (being a person's children or other lineal descendants), their partner is to receive all household chattels, \$50,000 and either a half or third of the residue of the estate (depending on whether the deceased had one or more children).

If the deceased did not leave any issue, their partner currently receives \$75,000 and half of the residue, their parents receive \$6,000 and half of the residue is to be shared between parents and siblings.

These statutory legacy amounts were last adjusted in 1982. They were described in Parliament in 2018 as being “grossly inadequate.”

In 1973, the Law Reform Commission of WA noted that fixing the statutory legacy by legislation had proved unsuccessful, as Parliament had adjusted the statutory legacy on only 3 occasions in the preceding 25 years.

The Administration Amendment Bill aims to increase the partner's legacy from \$50,000 to \$435,000 if the deceased left children (or other issue). Where the deceased left no children or issue, the partner would receive \$650,000 (up from \$75,000). The Bill increases the parental legacy (where the deceased left no children or issue) from \$6,000 to \$52,000.

STEP supports these increases. The current legacy amounts are completely out of step with today's living costs and can result in great hardship in particular for surviving partners. Given the amount of time that the legislation has languished, STEP recommends a further increase in the 2018 proposed legacies to \$450,000 and \$675,000. Those increases are within CPI from the 2018 amounts and would bring WA closer in line with other States.

Another important feature of this Bill is that it will insert a formula for calculating the amount of statutory legacies in the future. The relevant Minister will have the power to declare new amounts from time to time in accordance with that formula. This provides a long-term fix to the underlying problem and should avoid the need for amending legislation, with delay and debate in the Parliament, to close the gap again in the future.

The purpose of the Legislation Bill is to provide for public access to WA legislation, to provide for the official status of published versions of WA legislation, and to provide for WA legislation to be kept in an up-to-date form and consistent with current drafting practice.

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ABOUT STEP:

STEP is the global professional association for practitioners who specialise in family inheritance and succession planning. STEP works to improve public understanding of the issues families face in this area and promotes education and high professional standards among its members. STEP members help families plan for their futures, from drafting wills to issues surrounding international families, protection of the vulnerable, family businesses and philanthropic giving. Full STEP members, known as TEPs, are internationally recognised as experts in their field, with proven qualifications and experience.

Find out more at www.stepaustralia.com.au

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