

BILL—GAS UNDERTAKINGS ACT AMENDMENT.

Second Reading.

Debate resumed from the 29th August.

Legislative Assembly

Thursday, 13th September, 1956.

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THE PREMIER (Hon. A. R. G. Hawke—Northam) [9.53]: In the absence of the Minister for Works, who has a dash of influenza, I wish to say on behalf of the Government that no objection is offered to this Bill. As the member for Fremantle explained when introducing the measure, the maximum rate of interest which the Fremantle Gas Company is permitted by law to offer to the investing public is now 6 per cent. At this figure the company has not succeeded in raising the capital which it needs and therefore the member for Fremantle, on behalf of the company, is moving to amend the existing law to raise the present maximum by $2\frac{1}{2}$ per cent. Similar steps have been taken in other parts of Australia, including New South Wales, Queensland and the city of Newcastle.

I would not be keen about this Bill except for the fact that there is some reasonable and effective measure of control over the price which this company is entitled to charge to the public; that control being found in the fact that the State Electricity Commission has to be satisfied that the price being charged, or any proposed new price to be charged, by the company is reasonable in all the circumstances. In view of that measure of control by the State Electricity Commission over the price which this company is permitted to charge for the product which it produces and makes available, the Government offers no objection to the Bill.

Question put and passed.

Bill read a second time.

In Committee.

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

House adjourned at 9.58 p.m.

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The DEPUTY SPEAKER (Mr. Moir) took the Chair at 2.15 p.m., and read prayers.

QUESTIONS.

FISHING INDUSTRY.

Commonwealth Aid for Albany Cannery.

Mr. HALL asked the Minister for Fisheries:

(1) Has the Government made approaches to the Commonwealth Government for financial assistance from the proceeds of the Babbage Island whaling station sale, for the purpose of the canning of herring?

(2) If the answer is "Yes," will the Government, if financial assistance is available, give an assurance that the additional plant will be added to the cannery established at Albany, where the herring are in abundance and trained personnel available?

The MINISTER FOR EDUCATION (for the Minister for Fisheries) replied:

This matter is receiving the consideration of the Fisheries and Industrial Development Departments.

JURORS.

Completion of Lists.

Mr. OLDFIELD asked the Minister for Justice:

(1) Do the existing lists contain the names of all those persons liable under the present law for jury service?

(2) If not, why not, and to what extent are they incomplete?

(3) Will steps be taken promptly to complete them?

The MINISTER replied:

(1) No. For example, the list for the metropolitan area contains 6,000 names only.

(2) The lists are revised annually by the magistrates so far as it is reasonably practicable so to do from information supplied by the police.

It would be a formidable task to include the names of all persons liable and eligible for service since information must first be obtained as to each person's real and personal property qualification, age, whether deaf, blind or mentally infirm, and whether exempted because of occupation.

It would involve a special staff working full time to list all persons eligible and liable for service.

(3) Answered by No. (2).

BICKLEY BROOK.

Gazetted as Catchment Area.

Mr. OWEN asked the Minister for Water Supplies:

(1) When was the area of land drained by the Bickley Brook and its tributaries first gazetted as a water supply catchment area?

(2) Is that gazetted order still in operation?

(3) In view of the fact that this reservoir has not been used as a source of public water supply for over 20 years, and that most of the properties previously resumed have again been alienated, is there any possibility of this land again being required for water supply purposes?

(4) If the answers to Nos. (2) and (3) are in the negative, will he take steps to have the regional plan of the metropolitan area amended to excise this land from that now delineated as water catchment area on the plan?

The MINISTER replied:

(1) (a) Upper Bickley, the 10th February, 1912.

(b) Lower Bickley, the 2nd July, 1920.

(2) Yes.

(3) Yes.

(4) See answer to No. (3).

EDUCATION.

(a) Raising of School-Leaving Age.

Mr. GAFFY asked the Minister for Education:

(1) Is it the Government's intention to implement the raising of school-leaving age at an early date?

(2) If the answer to No. (1) is "Yes," has an endeavour been made to standardise the curriculum?

The MINISTER replied:

(1) This matter is being seriously considered by the Government.

(2) The curriculum has been under constant review for some time. If the raising of the school-leaving age is implemented, the needs of the increased numbers of non-academic pupils in the high schools will receive very careful consideration. Types of courses suitable to these children are more important than a standardised curriculum.

(b) Government Decision regarding Implementation.

Mr. ROSS HUTCHINSON (without notice) asked the Minister for Education:

Does he anticipate that the school-leaving age will be raised within the next 2½ years?

The MINISTER replied:

I would say that the Government is giving every consideration to the matter of raising the school-leaving age. It recognises that it is essential in these days of scientific advancement and the need for higher and technical education that the school-leaving age should be raised, and the only hesitation the Government has in the whole matter is, as members generally will appreciate, that the provision of classroom accommodation including the provision of manual training

and domestic science centres, is very difficult. Also, the provision of extra secondary teachers comes into the question. The whole position has been examined and I will take this opportunity of amplifying it.

Only recently the acting Director of Education made, at my request, a comprehensive survey of the position in Western Australia from Wyndham to Esperance. If the age is raised to 14½ or 15 years, there would be a progressive increase in the high school population over a period of years, and a number of extra classrooms would be required. The whole matter is being thoroughly examined and is receiving the consideration of the Government. I would hope that the very desirable requirement would be implemented long before 2½ years, but again members must appreciate that it is a question of the few extra teachers—although I think we could arrange for them—and there is also the matter of the extra classroom accommodation and equipment.

(c) Boyup Brook High School, Manual Training and Domestic Science.

Mr. HEARMAN asked the Minister for Education:

(1) Have any arrangements been made for the teaching of manual training and domestic science at the Boyup Brook junior high school?

(2) Are the present arrangements of transporting pupils in these subjects from Boyup Brook to Bridgetown regarded as satisfactory?

(3) Has consideration been given to making use of the manual training and domestic science teachers at present stationed in Donnybrook to teach these subjects at Boyup Brook on a part-time basis?

The MINISTER replied:

(1) A new manual training centre is listed for the Boyup Brook high school.

(2) The inconvenience of transferring children to Bridgetown for home science and manual training is appreciated. The only alternative is to make provision at Boyup Brook. It is not possible at this stage to make provision for these subjects at all junior high schools.

(3) The lack of suitable buildings at Boyup Brook precludes this possibility.

(d) Boyup Brook High School, Clarification of Reply.

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

Further to my question with respect to the provision of manual training and domestic science centres at the Boyup Brook junior high school, does he, in his reply, mean that the work will be carried out in the next financial year or not?

The MINISTER replied:

I am not implying anything. It is on the list as the need is recognised. The position is similar to that applying to a number of schools which require manual training and domestic science centres and the question of their construction will depend on the finance available.

(e) North Inglewood School, Repairs and Renovations.

Mr. OLDFIELD asked the Minister for Works:

(1) What repairs and renovations are to be undertaken at the North Inglewood school this financial year?

(2) What is the estimated cost of such work?

The MINISTER replied:

(1) Urgent day-to-day repairs only. Approval has, however, been given to the expenditure of £1,250 on ground improvements and drainage, and this work will be carried out during the current calendar year.

(2) Estimate for repairs and renovations cannot be submitted as it is not known at this stage what work, if any, will be carried out under this head.

(f) North Inglewood School, Brick Retaining Wall.

Mr. OLDFIELD asked the Minister for Education:

(1) Has consideration been given to the provision of the brick retaining wall at the North Inglewood school necessary for the carrying out, by the parents and citizens' association, of its ground improvement scheme?

(2) If not, why not and when is a decision likely?

(3) When will such retaining wall be completed?

The MINISTER replied:

(1) and (2) This matter is receiving consideration.

(3) This depends on availability of finance for such work.

(g) Maddington School, Land for Recreational Purposes.

Mr. WILD asked the Minister for Education:

(1) Has a decision been made in regard to the purchase of land adjacent to the school at Maddington for recreational purposes?

(2) If so, has finality been reached, and what area was obtained?

The MINISTER replied:

(1) Lots 12, 184 and part lots 185, 186 and 187, having an area of 5½ acres, have been inspected and recommended for purchase as additional playground space for the Maddington school.

(2) The acquisition of this land is being held in abeyance in view of the financial situation.

(h) Roleystone School, Connection to Electricity Supply.

Mr. WILD asked the Minister for Education:

(1) Is he aware that the new school at Roleystone has been wired up in preparation to receive electricity?

(2) Is he also aware that visual education classes and radio programmes cannot be heard at the school due to lack of electricity?

(3) In view of the fact that the State Electricity Commission will pay for the cost of erecting two poles to any installation, will the department pay the cost of the extra two poles needed to connect the school to the main transmission lines?

The MINISTER replied:

(1) and (2) Yes.

(3) No.

DAILY NEWSPAPER.

Production in Western Australia.

Mr. JOHNSON asked the Premier:

(1) Is not the lack of a daily newspaper a severe handicap to Western Australia?

(2) Has the Minister for Mines been instructed to make approaches overseas for the establishment of a newspaper in Western Australia?

(3) If not, why not?

The PREMIER replied:

These questions have required a great deal of careful consideration. I am pleased to be able to report I am able to answer them today. The answers are as follows:—

(1) Better daily newspapers would be a great help to the community as a whole.

(2) and (3) The Minister is free to make approaches for the establishment of any type of industry in Western Australia.

TRANSPORT.

Buses, Capacity, Passengers, etc.

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

(1) What is the passenger capacity of—

(a) trolley-buses;

(b) motor buses?

(2) What is the average number of passengers carried by—

(a) trolley-buses;

(b) motor buses?

(3) Is the fuel cost of motor buses based on diesel fuel or motor spirit, and does it include excise or other tax?

(4) What is the average mileage per hour of—

(a) trolley-buses;

(b) motor buses?

The MINISTER FOR TRANSPORT replied:

(1) (a) 64.

(b) Varies from 55 to 77.

(2) (a) 6.16 per vehicle mile.

(b) 4.08 per vehicle mile.

(3) Dieseline is free of excise or other tax.

(4) (a) 10.

(b) 11 to 12.

QANTAS AIRLINES.

Passenger and Freight Bookings.

Mr. ROSS HUTCHINSON asked the Premier:

(1) Is he aware that recently a Western Australian citizen who endeavoured to book an air passage on Qantas from Singapore to Perth, was informed that because of existing bookings, it was unlikely that he could book before Christmas?

(2) In view of the state of affairs that may be inferred from No. (1), will he endeavour to ascertain from the Federal Government, whether Qantas can properly handle the freight and passenger requirements at the present time or in the foreseeable future?

(3) Will he also explore the possibilities, in conjunction with the Federal Government, of inviting another airline company, like A.N.A., Air India or K.L.M. to enter into competition with Qantas?

The PREMIER replied:

(1) The only information I have is contained in the hon. member's question.

(2) Yes.

(3) Yes, and like T.A.A.

FERTILISER.

Availability from Sludge Sewage Treatment Works.

Mr. HEARMAN asked the Minister for Works:

(1) Will fertiliser be available from the proposed activated sludge sewage treatment works?

(2) To what extent will this plant be self-sustaining by reason of—

(a) sales of products;

(b) provision of power for its own requirements?

The MINISTER replied:

(1) Yes.

(2) (a) Slight.

(b) 60 to 70 per cent.

IRON ORE DEPOSITS.

Control by Broken Hill Pty. Co. Ltd.

Mr. JAMIESON asked the Minister for Mines:

(1) Are there any known deposits of iron ore in Western Australia that have not been endowed to the Broken Hill Pty. Co. Ltd.?

(2) If so, where are these deposits, and of what magnitude do they consist?

The MINISTER FOR EDUCATION (for the Minister for Mines) replied:

(1) The best three iron ore deposits, viz., Koolan Island, Cockatoo Island and Koolyanobbing, are under the control of Broken Hill Pty. Co. Ltd. by virtue of the provisions of the Broken Hill Pty. Steel Industry Agreement Act, 1952.

(2) There are numerous other smaller iron deposits in the State not suitably situated for present-day economic exploitation. These are under investigation at the present time by the Mines Department.

SULPHURIC ACID.

Production from Kalgoorlie Gold Ores.

Mr. EVANS asked the Minister for Industrial Development:

(1) What is the outlook for the development of a substantial sulphuric acid industry from Kalgoorlie gold ores?

(2) Would the successful experiments carried out by Gold Mines of Kalgoorlie also apply to the ores of other goldmining companies on the Golden Mile?

(3) How much brimstone is imported into Western Australia annually and what is its value?

(4) If experiments with Kalgoorlie ores are economically successful in producing sulphuric acid for superphosphate production, is it likely that the State could become independent of brimstone imports in time?

The PREMIER (for the Minister for Industrial Development) replied:

(1) Although production of sulphuric acid from gold-bearing pyritic concentrates is still in the experimental stage, the results obtained so far are encouraging. Further development will depend on the degree of co-operation achieved between the goldmining companies and the superphosphate industry.

(2) In general, yes.

(3) The imports of sulphur into Western Australia were:—

1953-54—727,602 cwt.	£508,589
1954-55—701,850 cwt.	£492,949
1955-56—629,139 cwt.	£399,424

(4) The cost of transport of pyritic concentrates from Kalgoorlie to outports will probably make the use of this material uneconomical at Bunbury, Albany and Geraldton, which will probably continue to use imported brimstone. Metropolitan works, however, are already using large tonnages of pyrites, and if the economics are right, these works might ultimately convert to the exclusive use of this material.

COMPANY LAW.

Uniformity throughout States.

Mr. COURT asked the Premier:

(1) Is the question of uniform company law for all Australian States under consideration between the States and the Commonwealth?

(2) If not, is it likely to be a subject for discussion at a Premier's Conference in the near future?

(3) Does the Government favour such legislation?

The PREMIER replied:

(1) No.

(2) Not as far as is known at present.

(3) Yes, with special provisions to meet any peculiar local circumstances.

CONDITIONALLY REGISTERED BUILDERS.

Introduction of Legislation.

Mr. COURT asked the Minister for Works:

(1) Is it proposed to introduce legislation this session regarding conditionally registered builders?

(2) If so, is there any indication as to the approximate date of such introduction?

The MINISTER replied:

(1) Yes.

(2) No.

QUEEN'S PARK.

Land Resumed during last Five Years.

Mr. COURT asked the Minister for Works:

(1) What are the acreage and location, and who were the owners of land resumed in Queen's Park during the last five years?

(2) Has compensation been paid to all the owners and, if so, how much in respect of each resumption?

(3) If compensation has not been paid, what offers have been made?

(4) What land, if any, has been returned or re-sold to the original owners, and on what basis?

(5) Has any of the land been sold by the Government to other than the original owners, and at what price?

The MINISTER replied:

- (1) (a) State housing, Maniana. 22.5 acres were resumed from 14 owners, as shown on extract from "Government Gazette" of the 25th September, 1953, herewith.
- (b) State housing, Queen's Park area (portion of an area bounded by Welshpool-rd., Wharf, Cross and Railway-sts.). 43 acres were resumed from 53 owners as shown on extract from "Government Gazette" of the 8th October, 1954, herewith.
- (2) (a) No. Compensation amounting to £2,918 has been paid to 11 owners.
- (b) No. Compensation amounting to £25,886 has been paid to 36 owners.
- (3) (a) Of the three owners not paid, an offer of £2,430 has been made to one, one has been settled by replacement land, and the other has not yet claimed.
- (b) Of the 17 owners not paid, offers amounting to £3,445 have been made to six; four have not claimed, one has been settled with replacement land, and six have lodged claims which are now receiving attention.
- (4) (a) No land has been returned or re-sold to original owner.
- (b) All housing improvements in area released by "Government Gazette" of the 6th January, 1955, to original owners, together with sufficient land for residential purposes, except where owners did not desire return of improvements. Small amount of additional land released on appeals to Supreme Court. None re-sold, but small number of replacement residential sites have been promised to some of the original owners to be available after re-subdivision. Price will be calculated on basis of compensation paid for land plus a pro rata share of development costs.
- (5) (a) Yes—site on corner of Wharf-st. and Maniana Way sold for a shopping site. Sold by public auction and now has shops erected thereon. Sold to highest bidder—£3,360.
- (b) No.

RAILWAYS.

(a) Cost of Overtime, 1955-56.

Hon. Sir ROSS McLARTY asked the Premier:

(1) Will he give consideration to a question I asked on 16th August, 1956, regarding overtime paid by the Railway Department?

(2) Will he advise me as to whether this information will be made available to me?

(3) If not, why not?

The PREMIER replied:

(1) The Minister for Railways has already asked for this information on behalf of the Leader of the Opposition.

(2) The amounts are not readily available and will involve considerable time to extract from branch records.

(3) Answered by No. (1).

(b) Demurrage on "H" Class Truck.

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

What would be the maximum demurrage charged by the department on an "H" Class truck for four days?

The MINISTER FOR TRANSPORT replied:

It is £7 10s., the same as for any four-wheeled open truck up to 10 tons carrying capacity.

PENSIONERS.

Concessional Fares.

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

Could he indicate to the House if the Government has worked out a system for the issuing of passes to pensioners to procure half-fares for them on Government transport?

The MINISTER FOR TRANSPORT replied:

At a recent meeting of Cabinet a decision was made as to the method in which these concessional fares on Government transport would apply to pensioners of various types and for what periods. I think I can say that the Minister for Railways will probably be making a public announcement within the course of a few days.

IMPORT LICENCES.

(a) Position of Private Industries.

Mr. COURT (without notice) asked the Premier:

(1) Has the Government knowledge of local private industries unable to maintain maximum employment because of import shortages of essential materials?

(2) Have representations been made to the Commonwealth Government to obtain relief for these industries, and with what result?

The PREMIER replied:

The Government has information on the point mentioned only in connection with those business concerns which have made an approach to the Government. A number of such firms have made an approach to the Government. On each occasion representations have been made either to the Commonwealth Minister directly concerned or to the Acting Prime Minister, and in all the instances which I can clearly remember, the Commonwealth Government has agreed to give some help. If the member for Nedlands knows of particular business concerns which are in difficulties because of not being able to get import licences to bring in material from overseas which cannot be obtained within Australia, I shall be pleased to make representations from the State Government to the Commonwealth Government in the matter.

(b) *Public Announcement by Premier.*

Mr. COURT (without notice) asked the Premier:

(1) Arising from the answer given to my former question, in view of the possible help to employment from an adequate supply of essential materials, would he be prepared to make a public announcement of the Government's willingness to assist bona fide applicants for increased import licences on request?

(2) I ask this question having in mind that there are many small manufacturers who might not, perhaps, be members of organisations such as the Chamber of Commerce which would make representations on their behalf, and so would be seeking a lead as to how they could get help?

The PREMIER replied:

(1) I would hope that the reply which I gave this afternoon to the hon. member's earlier question on this point would receive adequate publicity.

(2) I point out that most of the representations made to the Government have been made, not by the Chamber of Manufacturers or the Chamber of Commerce, or even through them, but direct to me by the individual business concerns affected.

COLLIE COAL.

(a) *Cost-plus System.*

Mr. WILD (without notice) asked the Premier:

On the 8th August I addressed a question to the Premier asking when a decision would be made in regard to the new coal contract with the Collie coalmining companies and he replied that a decision would be made in the next three or four weeks. As five weeks have now elapsed, is he yet in a position to state whether a decision has been reached?

The PREMIER replied:

On behalf of the Government I sent letters some few days ago to each of the Collie coalmining companies and am now awaiting their replies.

(b) *Price Position.*

Mr. MAY (without notice) asked the Premier:

Will he inform the House if the coal companies at Collie are fully co-operating with the Government in the adjustment of the price of coal?

The PREMIER replied:

I would not like to say that the coal-mining companies are co-operating fully with the Government in this matter. I am hopeful that when the negotiations are ended, as they should be very soon, the companies will agree to supply coal to the Government at what the Government considers to be a reasonable price.

HEALTH.

Claremont Police Station.

Mr. CROMMELIN (without notice) asked the Minister for Health:

(1) Is he personally aware of the fact that at the Claremont police station a sergeant and four constables are confined to a room, 12 x 12 x 12, where they carry out all their duties; and in that room they are forced to have all necessary desks and chairs?

(2) If so, is not this a breach of the Health Act?

The MINISTER replied:

I think these questions should have been addressed to the Minister for Police. I do not know anything about this matter. I shall have it investigated if the hon. member will put his questions on the notice paper.

BILL—ENTERTAINMENTS TAX ACT AMENDMENT.

Introduced by the Treasurer and read a first time.

LEAVE OF ABSENCE.

On motions by Mr. May, leave of absence granted to Mr. Speaker (Hon. J. Hegney—Middle Swan) for three weeks on the ground of ill-health, to Mr. Rhatigan (Kimberley) for two weeks on the ground of urgent public business, and to Mr. Norton (Gascoyne) for two weeks on the ground of urgent public business.

BILL—GAS UNDERTAKINGS ACT AMENDMENT.

Read a third time and transmitted to the Council.

BILL—ABATTOIRS ACT AMENDMENT.

Message.

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

Second Reading.

THE MINISTER FOR AGRICULTURE (Hon. E. K. Hoar—Warren) [2.47] in moving the second reading said: The purpose of this short Bill is clear, and that is to abolish the Midland Junction Abattoir Board and to set the control of the abattoir back to what it was prior to the amending Act of 1952; that is to say, the abattoir will be placed under the control of His Excellency and the saleyards under the control of the Minister.

For the information of members I would point out that the legislation in the first place was introduced away back in 1909 to provide for the establishment and control of private and public abattoirs and meat treatment establishments. Under that heading there were the State abattoir, Kalgoorlie, the killing works at South Fremantle and the Midland Junction abattoir, and they were administered through the Department of Agriculture by the Controller of Abattoirs.

The function of the controller was to control and direct the working of abattoirs; to see that the provisions of the Act and regulations were duly complied with, and, if necessary, to enforce them; to collect and recover all fees and charges and to see that such books of account and records were kept in relation to abattoirs as were prescribed. At this time there were no less than four types of employers dealing with the slaughtering of stock. The first was the department itself which employed the personnel operating at the abattoirs; the second was the master butchers who employed a number of slaughtermen on piece work, who also employed their own labour to assist the slaughtermen; the third was the master butchers employing men to take delivery of meat who did their own weighing out; and the fourth was the small butchers killing on their own account, and some of these employed additional labour.

As the population of the State—the metropolitan area in particular—increased, thoughts began to turn towards an abattoir which could adequately operate for a great many years and service a large population. Suggestions were being made, even at that time—many years ago—that all slaughtering should be carried out by the Government. In order to get the facts of the situation right, the Government of those days appointed a committee of inquiry which was known as the Midland Junction Abattoir Site Committee, and the members of that body carried out

their investigations in due course. As a result of those investigations and an inspection of the South Australia abattoir at Gepps Cross, plans were formed for the reorganisation of the Midland Junction Abattoir. The proposal for this rehabilitation and extension of the abattoir and sale yards at Midland Junction was submitted to the Government in 1946.

As I think most members know, those proposals and plans envisaged an undertaking that would provide all the killing personnel and equipment necessary for the feeding of a population of 700,000 people in the metropolitan area. At the same time the plans provided for a changeover from the old solo method of slaughtering to the chain system, which is recognised not only in other States of Australia but also in most countries of note in the world as the most up-to-date and efficient method of slaughtering cattle. The original estimate of the proposed reconstruction in 1946 was £225,000; and the final estimated cost today, allowing for everything, is in the vicinity of £800,000. That is quite a large sum of public money invested by the Government to give the very best in administration and in abattoir machinery and equipment. It is a tremendous sum of money over which the Government has little or no say.

Mr. Nalder: How much longer is it anticipated it will be before the building is completed?

THE MINISTER FOR AGRICULTURE: I should say within 12 months or so. I cannot give any accurate picture of it, but it is well on the way now and, as I said, the final estimate of cost is in the vicinity of £800,000. The Government has complete control over the expenditure of this money, and always has had because the board, which has been created under the Act, can expend only up to £1,000 without the approval of the Minister. I think that is fair enough. But the policy which lays down the day-to-day working of the abattoir has been placed in the hands of three people who represent very narrow sectional interests. Although the Government has provided this sum of money for these services to cater for a rapidly growing metropolitan public, it has little or no say in regard to the policy of the abattoir itself; that is enunciated from time to time by the board which has been appointed under the Act.

The latest provisions in the Act dealing with this phase came into operation in the last days of 1952, when the Liberal Government was in power. The then Opposition, now the present Government, took the strongest exception to the idea of even having a board to control something in the way of policy involving such a large expenditure of Government money. Many and varied were the arguments raised in opposition to the Bill. But as members know,

the Bill not only passed through this House but through the Legislative Council also and thus became law.

Mr. Nalder: You have taken a long time to alter it.

The MINISTER FOR AGRICULTURE: We have not taken a long time to alter it—

Mr. Nalder: This is your fourth year in office.

The MINISTER FOR AGRICULTURE:—because in our first year as a Government we attempted to make a change, but were unsuccessful. Now, because of our experience and lack of confidence in this method of controlling Government money, we are proposing to abolish the board as we think that is the only sensible thing to do. If we look at the record of the Midland Junction abattoir since the establishment of this committee we find it is not a very happy one. In 1954 there were 30 stoppages at the works within six months and a further 14 up to the 13th October in 1955.

Mr. Nalder: Was the board responsible for those stoppages?

The MINISTER FOR AGRICULTURE: I would say that the board, composed as it is of sectional interests, where one person represents the butchers or the Meat and Allied Trades Federation, one represents the producers, and another, a chartered accountant, represents the consumers, however good each man may be in his own line of business, certainly would not have much knowledge so far as the running of an abattoir is concerned.

Mr. Nalder: Did not they get any advice or assistance from the controller?

The MINISTER FOR AGRICULTURE: The jurisdiction of the controller goes beyond the Midland Junction abattoir and takes in Kalgoorlie, but the general manager is a servant of the board. He has no power to assist in the formulation of the policy of the board unless the members of that body seek his assistance.

Mr. Nalder: Is he appointed by the board or by the Government?

The MINISTER FOR AGRICULTURE: He was appointed under the Act where it said that the controller of the day should be the general manager or chief executive officer of the Midland Junction abattoir. When we shifted the control which was exercised previously by the Department of Agriculture, through the Minister, to the new set-up and put it in the hands of a small and tight circle of interested people, we put it in the hands of those who might know nothing at all about the running of an abattoir. So discontent was rife right from the beginning and it did not seem to improve until some months afterwards when the situation became such that we appointed a special committee to inquire into it.

The Minister for Police: They even left the Country Party out of the official opening.

The MINISTER FOR AGRICULTURE: A number of the men who were at the abattoir while this discontent was rife, and there was this lack of confidence in the operations of the abattoir, were there throughout the war years and they had a record for workmanship and continuity of work second to none in Australia. So there must have been some reason for this unrest which took place over such a long period.

Mr. Nalder: They were operating under a different system. They changed over to the chain system.

The MINISTER FOR AGRICULTURE: I agree—

Mr. Nalder: That is where the trouble was.

The MINISTER FOR AGRICULTURE:—up to a point, but it is not the whole answer as I will indicate when I read a passage from the evidence which was taken as a result of the committee being formed. We want to be completely fair in regard to this matter. This Government has attempted to do something before in order to improve the present board. It failed and, as a consequence, must take further action.

Hon. Sir Ross McLarty: Did the Minister say that the committee had advised him in regard to this particular legislation which is to get rid of the board?

The MINISTER FOR AGRICULTURE: No, I did not say that.

Hon. Sir Ross McLarty: The Minister said that a special committee was appointed.

The MINISTER FOR AGRICULTURE: I will come to that in a minute.

Hon. Sir Ross McLarty: Is that report available to members or is it confidential to the Minister?

The MINISTER FOR AGRICULTURE: I am not sure whether it was laid on the Table of the House or not. If it had been asked for it would certainly have been made available because we have nothing to hide in the matter; as a matter of fact, I think it was tabled. There is an interesting point in regard to the early arguments used by the then Minister for Lands in 1952 when he said—

With a population in the metropolitan area of over 300,000 it is necessary that an effective method of operational routine be put into effect.

At no time was there any argument against that from the Government, the people outside or from the party sitting in opposition. The Minister went on to say—

To do this, the abattoir authority must assume industrial responsibility undertaken by the master butchers in

the matter of employing labour to handle stock, slaughtering them, and later arranging for delivery to the retail shops. Accordingly, the administration and accounting and book-keeping systems must be geared and adjusted to co-ordinate with the accepted commercial and industrial trade practices of the meat industry. It is obvious that the meat industry, because of its wide ramifications, could not be expected to change its commercial and industrial methods to suit the civil administration of the Department of Agriculture.

That was the only reason advanced by the Government for placing this large undertaking in the hands of private people.

Hon. L. Thorn: Do you remember whether I read my speech on that occasion?

The Minister for Police: That would be almost certain.

The MINISTER FOR AGRICULTURE: Without thinking any further, I would say yes.

Hon. L. Thorn: Because you are doing the same now.

The MINISTER FOR AGRICULTURE: I am quoting.

Hon. L. Thorn: But you were reading your speech before.

The MINISTER FOR AGRICULTURE: I am quoting from the hon. member's own speech that he made when he was Minister. I want to tell him though, without reading, that although the changeover from a new system of administration and killing meant a new system of accountancy, it did not mean that it was to be put in the hands of the board, because the same system of accountancy that exists today under the control of this board would most definitely have existed if the control of the abattoir had been left under the jurisdiction of the Department of Agriculture and the Minister.

Hon. L. Thorn: Do you have as much trouble with the abattoir under the control of the board as you did under the one controller?

The MINISTER FOR AGRICULTURE: This is the actual report of the committee of inquiry on the Midland Junction abattoir which is dated 1955. That is the report of the committee referred to and it was laid on the Table of the House last session. That fact has just been brought to my notice.

What I am telling the member for Tooday is that although a changeover has occurred from control by the Department of Agriculture to another system altogether, it does not necessarily mean a

changeover in the accounting system and the general administration methods. That was no more necessary than it would have been had the abattoir been kept under the previous administrative control. However, it was expected of these men who now occupy positions on this board that they would formulate a policy in no way contrary to the general set-up of this establishment.

As far back as 1945, the Meat and Allied Trades Federation was definitely promised that, when the new abattoir was established and passed over to the board, the killing charges would be on a per lb. basis. Why such a promise could be given in those days was because the whole of the layout of the abattoir suited itself to such a system. Galleries and chambers were installed for scales which would not have been necessary if the system had been worked on a per head basis. So there was a definite reason for the present layout at the Midland Junction abattoir.

However, the board, with its sectional representation, formed its policy not on a per lb. basis but on a per head basis without any reference to anyone and it is this action that has caused grave dissatisfaction among the operators who say quite clearly that the present per head method favours heavyweights to the disadvantage of others. A deputation waited on me in 1954 from the Meat and Allied Trades Federation which protested most strongly against the action of the board in charging for the killing of cattle under this particular method. At the same time the members of the deputation expressed, in no uncertain terms, their lack of confidence in their trade representative on the board. The argument they put forward in favour of the per lb. system is that the cost per lb. is uniform to all members and fair to all.

The cost per head favours the small-goods manufacturer who purchases heavyweights, bulls, etc., and this system, in turn, was unfair to the producer who supplied the required article for the fresh meat trade in the form of small choice light weights. The other reasons were that variable charges for cattle on a weight range per head confused the livestock buyer who purchases under stress of auction and if he were only 2 lb. out in estimating weights he could and would be penalised 5s. per head on the per head killing charge. This happens in three weight ranges with cattle today. The cost per lb. system would overcome all this because the whole establishment was built for this system. In spite of this, the board decided, for reasons of its own, to formulate a policy of this description. So it is no wonder that the Government has lost confidence in the board and is seeking to do something about it.

Mr. Oldfield: Why not abolish all boards?

The MINISTER FOR AGRICULTURE: If the other boards could produce no better results than this one, I would be in favour of abolishing all of them. However, I think that each case must be judged on its merits. In referring to other boards it must not be forgotten that here was one that had £800,000 of Government money to handle. The other boards have a commodity to sell and an orderly marketing system to dispose of it. The principle of this is entirely wrong. If the meat requirements of the metropolitan area are to be financed with public money the Government should have a definite say in the formulating of the policy of that board—if there is to be a board at all—and the position should not be left as it is now.

Not only should the Government have a direct say in the policy of the board, but also those who work under its control should have a representative on it if the board is to function satisfactorily. All those associated with the management and the working of this undertaking should assist to the best of their knowledge and ability to formulate whatever policy is required on behalf of, and for the welfare of, the whole of the State.

But this is a most restrictive sort of board and there is not another one like it in the whole of the Commonwealth. In Queensland, New South Wales, Victoria and Tasmania the boards consist of three members and in each instance the general manager of the metropolitan abattoir is a full-time chairman of the board. In South Australia the board consists of eight members with an independent part-time chairman, but the general manager of the abattoir is an *ex officio* member of the board with power to vote.

Accordingly, when a Minister brings forward a Bill to establish something new—in my experience at any rate—he invariably seeks information from other parts of the Commonwealth, or other parts of the world, as the case may be, to find out what people are doing in those other places. If the Minister of the previous Government responsible for the establishment of that board did that, then he must have, in the face of general requirements which are accepted as sound principle for this type of establishment in all other States of the Commonwealth, as a matter of Government policy refused to agree to the Government having a say on its own board, in the policy making and expenditure of a sum of public money amounting to £800,000.

It must have been part and parcel of a deliberate policy of the Liberal Government of that day to evade, without any mention, whatever is considered custom and procedure in all other States of the Commonwealth. I feel it is all tied up with the Liberal Party policy as we know it. It is not a good thing to create a board on behalf of future populations of the metropolitan area and hand over the

whole of the establishment of the board, lock, stock and barrel, to a few interested people and say to them, "So far as we are concerned, although we own the land and buildings, you can have the sole responsibility of making policy on your own behalf." That is what the previous Government did and that is why we considered, when we sat in the opposite benches, that it was a most dreadful thing from the point of view of this State.

Mr. Nalder: What are you going to do now?

Several members interjected.

The MINISTER FOR AGRICULTURE: I cannot hear or answer all the interjections at once.

Hon. L. Thorn: You do not want to.

The MINISTER FOR AGRICULTURE: The member for Toodyay, who was the previous Minister, can have his opportunity, and I will be glad to see what argument he raises in defence of this board which has not only lost the confidence of the Government but that of the Meat and Allied Trades Federation as far as its policy is concerned.

Mr. Nalder: Is the Farmers' Union satisfied with its representative?

The MINISTER FOR AGRICULTURE: I have not asked it; I am only concerned with what is wrong in principle. It is fundamentally wrong for the Government to expend public money and have no say in regard to the policy that arises out of it—and it has no say. The Act says, "Subject to the Minister," but it is like a good many other Acts of Parliament in that the power given—if it is power at all—is of a negative character. There is only one approach a Minister can make to obtain information in regard to abattoirs here—unless he goes behind the back of the board which he would not do—and that is to the board itself, to the policy-making people. That is the only avenue from which he as Minister can obtain information.

Accordingly, this board is in complete control of the Midland Junction abattoir on behalf of sectional interests, not necessarily on behalf of the Government. If we had to have a board at all, it should have been democratic to the extent that the Government should have had its own officer either as chairman or a member of the board to see that its interests were properly protected and looked after. But this was a complete give-away by the Liberal Party of the day, and it was a disgraceful exhibition. So we, as a Government feel that whatever chances we may have of pressing this to a successful conclusion, in fairness to the public we should say something about it and do our utmost to see that this board goes out of existence.

On motion by **Mr. Nalder**, debate adjourned.

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

Second Reading.

Debate resumed from the 30th August.

MR. COURT (Nedlands) [3.16]: This Bill is similar to the one that we had before this House on a previous occasion. The Minister made that very clear during his introduction of the measure at its second reading. I feel, however, that he could have given more explanation to the House of the objects of the Bill; as to just what the Government is aiming to achieve. I say this for two reasons: Firstly, there has been a considerable amount of fresh material raised as a result of the debate in both Houses last year. Secondly, there are a considerable number of new members in the House who did not have to endure the passage of this measure on a previous occasion. At the outset let me make it clear that I rise to oppose the second reading of the Bill.

The Minister for Transport: Naturally.

Mr. COURT: I thought I had better make that clear to the Minister because it might have been an awful shock to him had I said I was going to support it.

The Premier: Especially as he is not very well at the moment.

The Minister for Labour: Your friends in another place did that.

Mr. COURT: I also want to make it clear that I do not intend to be drawn into any discussion, or argument, regarding the merits of any of the clauses. I made it clear to the Minister on a previous occasion that so far as this Bill to give effect to his intentions is concerned, I do not offer any suggestion or argument as to whether it will be effective in achieving his objective. The argument is not whether the clauses of the Bill are satisfactory to give effect to his intentions; on the contrary, to me it is a major question of policy. We are opposed to the extension of State trading.

Mr. Heal: Don't you believe in free enterprise?

Mr. COURT: We do most definitely believe in free enterprise.

Mr. Heal: What is this?

Hon. Sir Ross McLarty: It is not free enterprise where you have to compete with a Government concern.

Mr. COURT: Whether the clauses in the Bill provide satisfactory machinery for operating an extended State Government Insurance Office is therefore of no significance in the submission I propose to make this afternoon. If there were inadequate facilities and private enterprise was unwilling to enter the field, there might be

some argument for supporting the Government's submission of the Bill as an extension of the operations of the State Government Insurance Office. However, firstly we know there are adequate and efficient facilities available for all types of insurance without this extension of the State office. Secondly, there is not only competition between each of the tariff companies, but there is competition between non-tariff companies, tariff companies and a further group of companies which are broadly referred to as co-operative or mutual companies. I refer to such companies as the Chamber of Manufactures, the R.A.C. and the like. Thirdly, the extension of the State Government Insurance Office would expose yet another State trading activity to political pressure and interference.

I ask members not to be deceived by the very smooth and honeyed words which the Minister used in presenting this Bill. He portrayed it as nothing of any great significance to worry about. I submit this to the House: It is too much to expect of a Government instrumentality, when it is fully constituted, to continue indefinitely without political interference. The Minister might say that he and his Government are sincere in insisting on no political interference with this particular office. I am not going to quarrel with that, but, taking the proposal over a period of years, it is too much to expect any Government instrumentality to be free of political interference. There will be pressures from all directions; there will be pressures about rates; there will be pressures about the risks to be carried; there will be pressures about the method of making settlement payments.

The Minister for Transport: Is that the position at present?

Mr. COURT: I am not suggesting there is any pressure on the office at the moment.

The Minister for Transport: Why should there be in future?

Mr. COURT: As it extends, there will be pressures. If we take the set-up in Queensland we will find political pressures being applied. That exists in Queensland today.

The Premier: You have that in Canberra today.

Mr. COURT: Removed from all its frills, the pill, as it were, that is surrounded by the jam, is nothing more than a further step in preparing the State Government Insurance Office for its ultimate role, that is, if the Labour Party has its way and it manages to nationalise insurance in this State. The Minister remained silent on the question of his Government's proposed monopoly for the State Government Insurance Office in respect of workers' compensation insurance.

The Minister for Labour: Your Government gave the State Government Insurance Office a complete monopoly in the mining industry.

Mr. COURT: I shall deal with that hardy annual later. On the 10th March, 1956, the Premier is reported as having said that provision would be made for all workers' compensation business to be transacted through the State Government Insurance Office. When I asked a question about this during the session, he said that the matter was still receiving consideration. In view of this Bill to extend the ramifications of the State Government Insurance Office I would have thought the Minister would have given us some information as to when and how the Government proposed to achieve a monopoly of workers' compensation insurance for the State Government Insurance Office.

It is the Government's policy to make all forms of compulsory or statutory insurance a monopoly of that office. That is written into the State platform of the A.L.P. One is therefore entitled to assume that a monopoly for workers' compensation insurance is but a stepping stone to the ultimate end. As to where the definition of compulsory or statutory insurance ends, I do not know. It is only a matter of moving from one type of insurance to another, making them compulsory or statutory, and it would achieve the end of the Government if the extension of the State Government Insurance Office were agreed to. I want to say this: Heaven help the workers if ever the State Government Insurance Office achieves a monopoly of workers' compensation insurance.

Mr. Andrew: Why?

Mr. COURT: If one were to talk freely with the average worker in Queensland where the Government has a monopoly of workers' compensation insurance, one would realise what I mean. There is not only a degree of competition to get business in this State, but to hold that business certain companies gain a better reputation than others for settlement.

Mr. Oldfield: I understand that some companies do not want workers' compensation business, but more profitable types of insurance.

Mr. COURT: I have no sympathy for them if they do not want that business, but I have yet to find any company that does not want it. To my knowledge insurance companies in this State are prepared to accept all forms of insurance provided they are bona fide insurances.

Mr. May: Why does a big company like Amalgamated Collieries insure with the State Government Insurance Office?

Mr. COURT: I could give one very good reason.

Mr. May: They were not coerced into it.

Mr. COURT: I shall deal with that at a later stage.

Mr. May: You prefer not to answer?

Mr. COURT: That would be more appropriate at the Committee stage. On this occasion and in the past the Minister made play on alleged demands by the public for extension of the State Government Insurance Office. He said there was a public insistence. This time he went further and stretched the long bow by putting up the argument that Government employees were complaining that they could not do their business through the State Government Insurance Office. If we take that argument to its conclusion, it would envisage a demand to be able to buy shirts, boots, food or other commodities likewise through a Government trading institution.

Mr. May: That would not be a bad idea.

Mr. COURT: There is no limit to that proposition, therefore the argument falls dismally to suggest that one of the reasons why the operations of the State Government Insurance Office should be extended is because State Government employees are insisting that they want to do their business through that office.

Mr. Marshall: Why should they not be permitted to do so?

Mr. COURT: There are adequate facilities. Does the hon. member suggest, as was suggested by the member for Collierie, that the Government should run a shirt factory, a boot factory and other factories to serve the needs of the public? After all insurance is only another commodity or service.

I want to touch on the question of uninsurable risks. I think members are entitled to a clear statement of the position from the Minister when he replies to this debate. He has not only hinted but more or less assured the House that certain risks regarded by the insurance world as uninsurable will be accepted by the State Government Insurance Office. If he has done nothing else to damn the Bill, this should completely shatter its prospects. It is unthinkable for the Minister to advocate an extension of the State Government Office so that it will function as anything but a proper insurance office within the true meaning of the word. It gives a hollow ring to his claim of fair competition and efficient insurance. In fact, it reflects on the manager and the staff of the State Government Insurance Office because up to date they have shown a degree of responsibility in this matter and have not shown a desire to launch themselves into risks which are termed uninsurable in the insurance world.

It is interesting to note the reaction of other State Government insurance offices to this proposition. We find that the

Premier of New South Wales, Mr. J. J. Cahill, stated that it would be impracticable to set up a State contributory scheme to provide compensation against acts of God. He said this was the view of insurance officers and departmental officers. He said if the Government made the scheme compulsory it would meet with the disapproval of people living in areas not affected by droughts, floods and other acts of God. Then again, it is also interesting to note the position in Queensland. The Premier of that State announced in September last that a flood insurance scheme was not practicable. He further appointed an inter-departmental committee in 1949 to investigate the practicability of establishing an insurance scheme to cover damage caused by cyclones and floods. The committee reported that such a scheme was not practicable.

Just by way of elaboration, I would like to refer to one of the finest examples of uninsurable risks which could not be possibly absorbed by any private or government office. I refer namely to the war damage type of insurance as we had during the last war. As we are all aware, a fund was created in this country and in the United Kingdom which operated compulsorily and out of which the damage caused by the calamity of war was met.

It is disturbing to think that this Government would ask the State Government Insurance Office to meet out of its funds any risks it felt inclined to meet in order to remain popular with a certain section of the community. In other words, the provision of cover over uninsurable and undesirable risks. On the one hand the Minister praises the management and the staff and on the other hand he infers they are not proper insurance people in the true sense of the word, but pawns in a political game—if ever this extension is achieved.

I want to carry on from the comments on uninsurable risks to deal briefly with the problem of calamities and disasters because if we are to take the proper long-term view of insurance, it is important that we should have regard for the final and possible effect of calamities and disasters. There is no valid reason, I feel, why a Government through its insurance office or in any other way should be exposed to risks which could be otherwise carried.

It is difficult for people living in a State such as Western Australia where we have had no colossal national calamities such as bombing, flooding, earthquakes or fires of an extensive nature, etc., to appreciate the significance of the insurance world's backing at such times as these. I sincerely trust that the strength of the insurance world will not be tested in this State, but we must realise that just as the South Australians were caught with earthquakes, it is possible that it could happen here.

Nevertheless it will create a permanent memorial to the effectiveness of insurance cover if it is ever put to the test with respect to properly conceived insurance risks as can be covered by the existing insurance world. History is punctuated by examples of the performance of the insurance world in times of national disaster and calamity. None of us would have thought that the tremor which took place in South Australia would have involved claims of more than £3,000,000, but it did.

Mr. Hall: It was no tremor.

Mr. COURT: Then, of course, there is the famous San Francisco disaster which is outstanding in the performance of the insurance world. In more recent times we have the disaster between the Italian and Swedish liners—an unfortunate maritime disaster. The speed with which the insurance world met these obligations has had a material effect in assisting the people concerned to take steps to rehabilitate their services, and it has had a material effect, of course, on employment in the places where ships are built.

The fact is that the insurance world has shown financial stability and strength in times of disaster and has readily found the money to make certain that the work of repair and reinstatement can be put in hand forthwith. Some people have endeavoured to step outside the normal insurance world thinking it is very profitable. They say, "I will have the profit for myself and will set aside the premium I would normally pay to provide and build up a fund of my own."

One of the famous reported cases is that of the City of Hamburg. The authorities there built up an insurance fund over a period of 175 years but were eventually involved in a catastrophe, and suffered a loss of some £7,500,000. I think the fund had been very successful over the 175 years of its existence and everyone was of the opinion that it no longer mattered. However, the fact is that it failed in its crucial test at the time when the city needed the money for rehabilitation. It failed and was unable to meet the major commitment arising from that catastrophe.

The Minister for Health: One would think they would have built up a fund of more than £7,500,000 in 175 years.

Mr. COURT: I will demonstrate that point in connection with the pool system being conducted by the State Government Insurance Office because it has a particular bearing on this point. The people I have just mentioned contributed to a pool system and thought they had the position well and truly covered. They were so confident that over 100 years they did not make any special demands and out of it all they got caught and were not able to meet the commitments.

In view of the point that the Minister for Health has raised, I will deal with the question of pools because it is relevant. The Minister has told the House of the advantages in his opinion being experienced by the local governing authorities through this local government insurance pool. I feel that he should tell us more about the operations of this pool. Is it a genuine pool, because if it is, it means, of course, that the State Government Insurance Office does not indemnify the local government authorities against their risks?

It is more of a co-operative or partnership effort as the case may be. If it is a pool, it follows likewise that the members of the pool—the local governing authorities—are, in fact, self-insurers. If they are self-insurers they should be made to understand thoroughly that they are, because they might be placing some reliance on their apparent insurance saving, which is unreal.

For instance, we find that in the published accounts of the State Government Insurance Office there is a separate section for the local authorities' pool insurance. They show that in 1953-54 there was a net surplus of £7,698, and for the next year, 1954-55, there was a surplus of £6,620. There were certain small transfers made, and they then appropriated as members' rebates, £5,894 in the first year and £5,223 in the second year. This has gone back to the local governing authorities as a rebate or discount, and I imagine that they accept that as a saving in the premium.

Members will realise that when the business was taken from the private companies—it was a voluntary transfer from the private companies to the State Government Insurance Office—they received the the equivalent of a 20 per cent. discount on the old rates, but they actually paid the same amount of insurance because they were all receiving from the private insurance companies an automatic discount of that 20 per cent. So they start off at the same level of premium as far as net cash outgoing is concerned. However, the State Government Insurance Office, because of the operation of this pool, has rebated each year a sum of money to the local authorities.

If this is a genuine pool, it follows that the local authorities are self-insurers, and, in that case, they have very little behind them as a pool because on the balance sheet of the State Government Insurance Office, the actual provision shown—outside the liability for the rebate I have mentioned—is, Local Authorities' Pools, £5,090, under the heading of "Provisions" which is a subdivision of the heading, "Unadjusted Claims in Course of Settlement." Taking the analysis of the Appropriation Account—General Reserve, as it is called—we find that the appropriation of that

reserve, which belongs to the local authorities' pool insurance, is very small indeed; in fact, only about £3,315 if I read it correctly.

Mr. Ross Hutchinson: Who would pay in the event of a calamity?

Mr. COURT: I am seeking clarification of that very point from the Minister, because if there were claims beyond the amount of the pool premiums, the local governing authorities' pool insurance would not be sufficient to meet the situation. It could be an unpleasant shock to those bodies if they were told, in the event of some disaster, that they had to contribute more instead of receiving a rebate to make good the position.

However, the Minister might say that the State Government Insurance Office, or the State Government, has indemnified these authorities; in other words that they are not self-insurers and there is not really a pool, but that this is just a means of recording their premium income. It is apparent from the published accounts that no great reserve has been established from the pool income to stand behind these local authorities should there be a calamity, or claims made beyond the normal annual income.

It is important, therefore, to note that the amount they receive by way of rebate is not really a discount at all, but just a return of their own money. This brings us to the very interesting position which was raised by the member for Mt. Marshall last session. He referred to the taxation deduction which the State Government Insurance Office was, I believe, making in respect of the net income of the pool. A legal opinion from Mr. John Hale, Q.C., who is an authority on these matters, is very interesting and I shall just quote a portion of the case that was submitted to him.

Sitting suspended from 3.45 to 4.5 p.m.

Mr. COURT: The questions submitted to Mr. John Hale, Q.C., were as follows:—

- (a) During the last eight years should the amount debited to the State Government Insurance Office's account pursuant to Section 7 of its enabling Act have been calculated upon an amount equal to the profit derived from the other operations of the office plus an amount equal to the difference between premiums paid by a group of local authorities to any pooling scheme arranged with the office and losses and administration charges?
- (b) If Clause 7C of the Bill were amended by deleting the words "except in respect of business

transacted by the office solely with any group of local authorities pursuant to a pooling scheme arranged among the local authorities in the group and the office" and the clause as so amended became law, would the amount to be paid to the Treasurer pursuant to the clause be calculated upon both the amounts referred to in question (a)?

- (c) Could the Commissioner of Taxation assess for taxation under the Income Tax and Social Services Contribution Act the difference between the premiums paid by a group of local authorities to any pooling scheme arranged with the office and losses and administration charges?

In submitting these questions to Mr. Hale, the solicitors concerned went on to say—

So far as we have been able to ascertain the pooling scheme referred to in the Legislative Assembly operates in the following way: Each local authority in the scheme each year informs the State office what cover it requires and in respect of what types of insurance. The State office then advises each authority of the premiums payable by it and such premiums are paid. At the end of the year the State office deducts from the gross premium income losses and its administration charges. The office calculates the equivalent of income tax on the resulting sum plus the profits from its other business and deducts a proportionate part of such tax from such sum. It then returns to each local authority as a rebate a portion of the final sum in proportion to the amount of business done by the authority with the pool.

Then there is some other information put forward to the Q.O. in question. The document went on to say—

The writer yesterday afternoon conferred with Mr. Hale and on the assumption that the above accurately describes the method of operation of the pool he answered the questions asked as follows:—

And this is very important so far as local authorities are concerned—particularly country local authorities who were very perturbed about this time last year. Continuing to quote—

- (a) The excess of premiums received through such a pooling scheme over losses paid and administration charges is not profit or income for the purposes of Section 7 (7) of the existing Act and should not be included in the

amount upon which the equivalent of income tax is calculated under that provision.

In effect the members of the pool make a contract with the State office whereby the office agrees to grant each authority in the pool cover against the risks specified at a rate of premium sufficient to cover losses and administration expenses; in other words, at cost. Since the office cannot be expected to meet claims and to wait until the end of the year when premiums can be calculated it initially fixes a rate of premium which in the light of experience it considers will be sufficient to cover losses plus a margin for unusually heavy losses. When the losses are known and the actual premium can be calculated the amount overpaid is returned by way of rebate. It seems that the local authorities have a contractual right to receive this rebate: It is not a mere gift by the State office.

In short, although the basis of calculation is different, the practice is analogous to that adopted in workers' compensation when an estimate of the premium is made and an adjustment carried out at the end of the insurance period. The amount of the rebate made to members of the pool is no more a profit or premium income of the State office than the amount returned by a workers' compensation insurer to an employer when his wages bill for the year is less than estimated is premium income of the insurer concerned.

It would be interesting to know whether, and it may well be the case that if the total premiums paid at the estimated rate are insufficient to cover losses, a further premium at a rate to make up the difference is payable. Otherwise, presumably, the difference is in effect added to the premium for the next year.

I will not quote the rest of this opinion although it is available to the Minister and members if they desire to read it. The opinion is submitted by the firm of Messrs. Jackson, McDonald, Connor and Ambrose.

The Minister for Labour: What is the point you are making here?

MR. COURT: The point I am making is that, as far as we can determine from information available to us, the local government pool, conducted by the State Government Insurance Office is a pool and therefore the members are self-insurers. If there were a calamity or some very heavy incidence of claims outside of the usual course of events, the pool members could be called upon to contribute additional money instead of receiving a rebate. In

other words, if it is a genuine pool and they are self-insurers, they are not indemnified by the State Government Insurance Office. A further point which will be of interest to the member for Mt. Marshall is the fact that under the present law the State Government is wrong if it deducts anything by way of income tax from a proportion of the profit disclosed in respect of the pool. The Minister will recall that last year, and again this year, an attempt was made to amend that particular section so that it placed beyond doubt the freedom of the local government insurance pool from taxation deductions.

The Minister for Labour: That is right.

Mr. COURT: What I have endeavoured to demonstrate is, firstly, so far as we can determine, the members of the pool are self-insurers and, secondly, that it is wrong to deduct any tax in respect of profit or surplus made by the local government insurance pool. I think it is right and proper that the Minister should clarify that to the House during his reply to the debate.

Another point on which clarification is also required is the vexed question of agents for the State Government Insurance Office. The Minister has consistently referred to what he calls open and fair competition, but if these agents are going to be members of the Civil Service scattered throughout the State, and particularly in the country districts, the question of open and fair competition takes on a hollow ring. It does not take much thought to realise just what great advantage this would be to an office such as the State Government Insurance Office. But even if we leave that point aside, there must be a very serious doubt in the minds of country people as to the possibility of a clash in respect of the official duties of the person concerned, and the duties arising in his capacity as agent for the State Government Insurance Office. On that point I would like to hear the opinions of some of the country members because they would have more experience of the problems that could arise in places where there are a limited number of Civil Servants available; and even now they are called on to carry out a most extraordinary list of duties.

Mr. Marshall: They act for the private insurance companies now.

Mr. COURT: I am not sure they do, but I do not think that is relevant to this case. If it interfered with their duties, I would have serious objection. For instance, I would not like to have a policeman in a small district where he had to operate on his own and administer the law, at the same time act on behalf of an insurance company in an accident. I can see a conflict of interest.

A major part of the Government's case—not so much in this Chamber but in another place—against the private companies, and advanced by the Government in favour of the State Government Insurance Office is the question of the financial strength of the private companies and the profits they have made. I have no doubt that the debate, particularly in another place, will take the same pattern; and there will be some rather vicious attacks made on the private companies and the profits they are alleged to make. I do hope that when figures are submitted on this occasion they will be related to the true basis of calculation. I know that members on the other side will parade before us the crime—or what they consider to be the crime—of making profits; reserves accumulated over many years will be spoken of in a disparaging manner and the problem of bonus shares will be attacked.

The Minister for Labour: It is true, is it not?

Mr. COURT: I had hoped the Minister would come in on that, and I am very pleased he has. Let us examine the facts. I am not going to run away from this problem because I know it is one on which the Minister and I are in complete disagreement.

The Minister for Transport: Who is pushing you?

Mr. COURT: Firstly, I do not deny that insurance companies are originally conceived to make a profit; and that is desirable. Secondly, they are conceived to be financially strong; thirdly, they are conceived to have a long life, and, fourthly, they are conceived to have wide and well spread ramifications. I think those are the four basic points one would take into account in conceiving an insurance company. Imagine how silly it would be if anyone set up an insurance company and it did not have those four qualifications or requirements. For instance, the only thing that would be guaranteed if anyone did set out to establish an insurance company without those four basic requirements would be instability; whereas at the moment we have learned to expect a high degree of stability.

I do not deny that many of these companies have very attractive balance sheets; and so they should because some of them have been operating since 1720, and steadily accumulating profits through their prudence. Just imagine the silly position they would have been in had they not been prudent in the husbanding of their assets, paying so much out as dividends and building up so much by way of reserve. It is out of their reserves that they have built up their stability. There is no suggestion that a company will rush in tomorrow and distribute that money. It

belongs to the shareholders anyhow, despite the arguments put up from the other side of the House that we should always relate the return to the original contribution. No allowance seems to be made for a change in money values; for instance in the case of some of these companies going back to 1720, which I have before me.

Mr. Marshall: Which one goes back to 1720?

Mr. COURT: I am referring to an insurance company that had its origin in 1720 A.D.

The Minister for Transport: Not B.C.?

Mr. COURT: I thank the Minister for the interjection. I am referring to a particular list of companies that the Minister in another place quoted in his speech in 1955 and the hon. member will find them all listed in that speech. He made rather a long utterance on that particular matter following the debate in this House last session. In his selection of companies he has taken 20, obviously hand-picked, from something like about 200. They have been in existence for a very long time and, as I was saying, one went back as far as 1720. It is natural to suppose that over the intervening years they have built up considerable reserves.

Some of the companies to which the Minister referred not only conduct ordinary types of business—that is, fire and accident business—but life assurance as well, which in turn, and of necessity, brings with it the creation of reserves. The recent balance sheets of four Australian companies provide an interesting study. The average age of these four companies is 92 years; the paid up capital totals £4,500,000; assets and reserves total £6,500,000. At first blush, members on the other side will say that is bad. I say it is nothing of the kind, because if we examine the position we will find that it leaves an average accretion of £73,000 a year over a 92 year period. We will find that if, for example, the dividends are quoted at 15 per cent. on paid up capital, the rate on the shareholders' capital funds of £11,000,000 is 6 per cent.—a very different picture.

It is also highly significant that 45 per cent. of the profits is derived from income from investments. I want to lay some emphasis on that. As these companies have accumulated their reserves over the years, they have invested their funds to a large extent in real estate and in Government and other securities. It now transpires that many of the old-established companies are earning a very large, and an increasing, proportion of their income from investments. That is a good thing, because it gives them a greater

stability which they would not have otherwise. If they have a bad year from insurance business, they will still have a steady income from their investments.

Moreover when they have to meet an unusual claim which can arise out of the blue, like the collision between the Italian liner "Andrea Doria" and the Swedish vessel "Stockholm," they can, in an emergency, realise on their gilt-edged investments. The State Government Insurance Office has up to date followed a similar practice. For instance, out of its profits for 1953-54 there is a net surplus for appropriation amounting to £121,595, and no less than one-half of its income came out of the income from investments. That is shown in the Public Accounts at £59,529. For the year 1954-55, the last accounts I was able to obtain for the purpose of this debate, the net surplus disclosed was £60,135.

The income from investments for that year was actually in excess of the profit available for appropriation because the income from investments was not less than £60,692. I am not decrying the fact that it earned that income. That is the sound approach. It is the approach which private industry has adopted over a very long period of years. I hope I have made my point clear. There is good reason why these companies should have accumulated reserves and the large bank of accumulated investments from which they receive a large portion of their income. The group of four Australian companies I referred to, on a rough calculation, would derive about 45 per cent. of their income from investments as distinct from insurance income.

A further point that has been stressed by various members in this House—for instance by the member for North Perth last year—was the number of major insurance office buildings in this city. I want to make this observation: The mere fact that these companies have mighty structures is no crime. In fact, it is not even a measure of the extent of the profits they make in this State. There are three aspects to those buildings. Firstly, when an insurance company decides to build in this city it does so as an investment, and it brings funds here to do it. Immediately it starts building it creates employment. For instance, at the moment the M.L.C. is building a new structure in St. George's Terrace; the National Mutual Life is building another next to the old "Daily News" office; there is another fairly small building going up near Merthyr House on the north side of St. George's Terrace.

I understand that the South British Insurance Co. is shortly about to rebuild in Barrack-st. There is rumour of yet another major building to be undertaken. For the good of this State I hope they hurry

and complete these structures. For those companies to put up buildings which to-day cost between £500,000 and £1,000,000 is to the good of this State. Immediately they start, they create a lot of employment and a lot of materials are used. Therefore, rather than criticise the companies for constructing these large buildings, we should applaud and encourage them.

A second reason why these buildings have been erected by the insurance companies is that they provide an essential service. If they had not come to this city over the years and built the offices, I do not know from where industry and commerce would be carried on. They do give a letting facility to people who could not otherwise afford to build the offices. They could not afford the ground, nor do they need accommodation of that size, and it suits them very well to be tenants of the insurance companies.

Then again a further point that influences the insurance companies to erect buildings in various parts of the world is to provide an additional spread of their investments and risks, and to give them an increased degree of stability while at the same time giving them a degree of borrowing strength which they hope never to use, but which they can use in time of a disaster risk. There are many occasions when insurance companies have had to call on their freehold investments in various parts of the world to obtain the necessary finance to meet disaster risks.

I also invite the attention of members to this point: When an insurance company constructs a large building in a capital city like Perth, or in any other part of Australia, it makes a contribution to that section of the community. It is immediately contributing something towards the rating values in that area. It is making a contribution to the land values and tends to push them up. In turn it also pays rates and taxes.

The Premier: Is there anything in the Bill about this?

Mr. COURT: Rather than criticise these companies for establishing the large buildings we should commend them. Personally, I am very pleased to know that we have so many of them under construction at the moment, and with at least two in prospect.

Mr. Lapham: Has anyone criticised them for having the buildings?

Mr. COURT: If the hon. member will read his comments in 1955, he will find that he made a rather scathing attack on them. I remember reading a speech before I came to this House when the Premier made a very scathing attack on the Government for allowing the Prudential insurance building to be constructed in St. George's Terrace, yet he opened it in 1954.

The Premier: Would you mind quoting that so that we can understand what your interpretation is like in respect to accuracy?

Mr. COURT: I did quote that in the first year I was in this House. I shall be glad to comply with the Premier's request. I explained the circumstances under which I came to read it. The Premier congratulated me for having the good sense to read his speeches. It is recorded.

Hon. Sir Ross McLarty: I remember the Premier opening the Prudential building in great style.

Mr. COURT: Another phase of these big buildings I want to touch on is this: If it is so bad for insurance companies to construct large buildings, and if it is considered to be a display of rude wealth, I would point out that the State Government Insurance Office has put on a fair demonstration by erecting the very fine structure it has built in St. George's Terrace. The Minister dealt with it in his speech. He also lauded the freehold transactions of the State Government Insurance Office in the Mill-st. property which received some prominence in the Press at the time.

The Minister for Labour: Are you pleased with the State Government Insurance Office structure in the Terrace?

Mr. COURT: I am always pleased to see building in progress in this State. I do not want to discuss that at the moment, but I think it would have been wiser if the Government had pursued its original proposal in regard to the letting of the State insurance building.

Mr. Jamieson: He shrinks from its socialistic shadow every time he passes.

Mr. COURT: It took a long time to cast a shadow. So far as research is concerned, I just want to touch on this aspect lightly. However, I invite the attention of members to the great degree of research carried out by the insurance world. They do not publicise sufficiently the great work done which is of value to Governments and industry throughout the world and a service which is very well used. I believe the member for Cottesloe has made some research in this regard and may make some contribution if he speaks during this debate. It is an important side of the insurance world. I say that because members are inclined to think the insurance world just takes money out of the business community and does nothing to put anything back.

My final point is the question raised so often as to the reason for so many insurance companies being here. It is a matter which is subject to criticism from time to time, but there is a good reason. It

is proof of the interstate, interdominion and international character of insurance, and if it were not for that widespread ramification the position would cease to become insurance and be a gamble. I can say without fear of successful contradiction, there is comparatively little profit made by the insurance world in this State, but they come here because it is important for them to have connections throughout the world. They make settlements throughout the world, in say, Buenos Aires, London, Perth and Melbourne and they are jealous of the service they render. It is not uncommon for them to establish offices that are unprofitable in various parts of the world.

With regard to the Bill I feel there is no need for the proposed extension of the State Government Insurance Office. I do not see why the Government should want to extend its activities as it is at present conducting a very attractive type of what is, to a large extent, favoured business. It does not have the same procurement problems as the other companies. It has a business thoroughly understood by its officers at the present time, and I do not think anyone would quarrel with it. But the real point is that a Government enterprise would be exposed to a risk which is not fully appreciated.

The Minister for Labour: You always use the same old argument.

Mr. COURT: The Minister puts up the same story every time.

The Minister for Labour: Because it is a fact all the time.

Mr. COURT: I am sitting on one side of the fence and the Minister is sitting on the other, and policy divides us.

The Minister for Labour: In what country would the policy in this Bill be determined, Western Australia or somewhere else.

Mr. COURT: The Minister must determine his own policy, but we do not believe in an extension. In 1937 a committee dealt with this particular problem and the Leader of the Opposition and the Leader of the Country Party were members. The decision on which this committee was unanimous was that the State Government Insurance Office should be allowed to operate so as to cover all types of insurance broadly referred to as those of a social character, and to the best of my observations, that has been achieved. I do not know why the Government does not let it remain at that instead of extending further.

The Minister for Transport: I think it gives a cheaper service to the public.

Mr. COURT: It will not achieve that in its ultimate result.

The Minister for Transport: Have you checked the insurance paid on a motor-vehicle?

Mr. COURT: Yes, and I do not agree that one can get it cheaper at the State Government Insurance Office than with private insurance. A person who is an ordinary insurance risk can get, with no special qualifications, his policy outside just as cheaply as he can with the State Government Insurance Office. I made a check of this only last week because I realised this point would be raised and I found, in fact, that it could be a few shillings cheaper including the non-claim bonus. I have examined everything carefully so far as the conditions of the policy are concerned, and the premium is just a little cheaper.

The Premier: Is the hon. member going to quote from my 1952 speech before he sits down?

Mr. COURT: I would not mind quoting it but cannot do so as I have not the 1952 Hansard here. However, at a later stage of the sitting I will be glad to do it.

The Premier: Would the hon. member give a reason why I advocated a certain line of action.

Mr. COURT: On that occasion the Premier complained that the materials and labour should have gone into housing.

The Premier: That is important.

Mr. COURT: The Premier claimed there were too many insurance offices in the city. I think he referred to 71 companies being established in this State, but immediately this Government gets into power it builds an office of its own.

The Premier: Did not I speak in regard to the substantial Prudential proposition? I argued that housing should be given a higher priority.

Mr. COURT: The Premier did, but it was only complementary to the fact that there were too many insurance offices in this State.

The Premier: Companies.

Mr. COURT: I shall read the Premier's remarks the next time I get the opportunity to speak.

On motion by Mr. May, debate adjourned.

BILL—LOCAL GOVERNMENT.

Second Reading.

Debate resumed from the 30th August.

HON. A. F. WATTS (Stirling) [4.38]: Like the member for Nedlands, perhaps I had better say at the outset what I propose to do in regard to the second reading of the Bill.

The Minister for Health: Are you going to support it?

Hon. A. F. WATTS: I will banish the Minister's fears by saying that I propose to support the second reading of the Bill. It would be strange if I did anything else, much, as I might, and do, disagree with some of the provisions inserted in it. After the local authorities, over a period of 20 or 30 years had been asking—sometimes casually and sometimes earnestly—for new local government legislation, I, as Minister for Local Government between 1947 and 1950, brought to the House the first Local Government Bill, so far as I know, that had been introduced in response to that desire. The second reading of the measure was moved and a few speeches were made on it in much the same way as happened again in 1954, when this Bill, or one very closely resembling it, was introduced on behalf of the Minister for Local Government by Hon. H. H. Styants who was then a Minister in this House.

At that time, in response to the motion for the second reading, I agreed to support it with the reservations that I made then and which I shall again make in a few minutes. I do wish at this stage, however, to refer to one or two aspects of the short debate that took place in 1949 when the Local Government Bill first came along, and just before it was referred to a Royal Commission, which Royal Commission contained representatives of all shades of political thought in the State. The Premier, as he is now—then deputy or acting Leader of the Opposition—was one of the first speakers to address himself to the second reading of the Bill, and he said—

I have received communications from several local authorities, setting out their views of the measure and giving, in some instances, listed amendments that are not only formidable in extent, but also almost overwhelming.

There is a great similarity between the position of the Premier, in his then position as Leader of the Opposition, and the position in which I find myself today, because the requests from local authorities, and in some instances from other people and organisations, which have poured in upon me in recent times in regard to amendments to the Bill are, as the Premier said in 1949, not only formidable but almost overwhelming. Among them are communications from about 50 per cent. of the local authorities in Western Australia, protesting against several of the provisions which the Government insists, apparently, on having in the Bill; and which were not recommended by the Royal Commission,

And nearly all the local authorities, as I understand it, and particularly the large number that communicated with me—

Mr. Nalder: I hazard a guess that some of them would be in the Premier's electorate.

Hon. A. F. WATTS: That might be—do not find any reasons for agreeing with these proposals. So it will be easy to understand why I whole-heartedly agree with the remarks which were later passed by the Premier in 1949 in regard to those overwhelming and formidable amendments, because he said at page 300 of Hansard of that year—

If there is one Bill upon which the Government and the people most concerned should reach almost unanimous agreement, it is one dealing with local authorities.

Surely that measure of agreement which will be arrived at by the Government accepting these suggested amendments, could have been reached before the Bill was finally presented to Parliament.

Hon. Sir Ross McLarty: That looks as though you have a good chance of getting a number of your amendments accepted.

Hon. A. F. WATTS: It does make one hopeful.

Hon. Sir Ross McLarty: The Premier's very reasonable attitude.

Hon. A. F. WATTS: The hon. gentleman expressed the opinion that if there was one Bill on which the Government and those most concerned should reach almost unanimous agreement, it was that dealing with local authorities. If there was any sign of unanimous agreement on some of the major proposals of this measure; if there was even some sign of majority agreement, it would be very refreshing, but it is perfectly obvious to everyone who has anything like close contact with the subject, that unanimity is all the other way. So, it is not the slightest good the Government expecting the Bill in its present form, in some aspects, to meet with the concurrence of the majority of the local authorities concerned.

I might say, too, that among the other contributors to this voluminous and overwhelming correspondence, I have had a communication or two from the Farmers' Union of Western Australia, an organisation which, like local authorities—perhaps even more so—is not given to dabbling in political matters unless they go to the root of some belief which it possesses as a body; as it obviously does in this case.

So I shall have to make some criticism of quite a number of provisions in the Bill, and I hope that the Minister will bear with me for quite a little time while I do so,

because I think it fair, in regard to the major matters anyway, to give some sort of advance notice of what is likely to be said in Committee. Before I come to that, one of the complaints against the 1949 measure which, of course, for the first time sought to amalgamate the Road Districts Act and the Municipal Corporations Act, was that there was too much ministerial control. A Royal Commission considered this matter in 1950 and at page 5 of its report disposed of it in these terms—

Although a number of the requests made actually involved an increase in ministerial control, and one or two giving evidence stated that they were not concerned over this aspect, practically all those representatives of local authorities who gave evidence objected very strongly to the degree of control which the Bill provides.

We are quite satisfied that there was no ulterior or sinister purpose behind the apparent increase in the powers to be possessed by the Minister or Governor. We are of the opinion that the trouble was due to the fact that the more modern Road Districts Act had been used instead of the older Municipal Corporations Act. This Act having been accepted as the more recent expression of the opinion of the legislature, the local authorities and the public, apparently the committee did not eliminate from provisions culled from the legislation of other States those ministerial controls which existed therein. Moreover, as some of the new powers to be exercised by local authorities are somewhat novel, and are capable of being very widely interpreted, the committee apparently felt that, during the "experimental" stages at least, some control would be necessary. Possibly, if they had been drafting an entirely new Bill instead of merely amalgamating the two main statutes, the members of the committee would have given more attention to the question of whether or not the controls included were all necessary or desirable.

I have been through this Bill and its immediate predecessor—not the 1949 measure—and I must confess that I can find no diminution of ministerial control. Yet, as I shall say to the Minister a little later on, if he wanted to justify to the House and to the public the theories which he has been advancing a la democracy as concerned in local government, he should have been ready not only to subscribe to a diminution of the number of ministerial controls but perhaps have cut them out altogether. If these local democracies are dear to his heart, then surely within the limited areas in which they are going to govern they should be entitled, in the Minister's opinion, to complete self-government powers, unrestricted

by anybody and without supervision at a distance from the Minister or Executive Council, as the case may be. But, of course, under this Bill he did nothing of the kind.

The Minister for Health: The Government has, more or less, reduced them.

Hon. A. F. WATTS: It has done nothing of the kind. There are just as many ministerial controls—I think if they were added up one would find that there are rather more, under this measure, than there are at present.

The Minister for Health: Personally, you would not have any objection to them.

Hon. A. F. WATTS: Personally, I have no objection to them under local government, as I believe local government ought to be, but I think one or two of those that have been proposed should be done away with. I am not going to state that every one is essential or even those about which we have had a difference of opinion, but I am saying that if the Minister is going to accept the whole principle that he laid down with such clarity a week or two ago, then he should be prepared to have self-government without any restrictions or ministerial control. For the life of me, I cannot see how he will achieve democracy such as he talks about and still have ministerial controls by the yard. I suggest to him, with the utmost respect, that most of his talk in this regard was bunk. However, I will go on with the next chapter.

I am greatly intrigued, as I was two years ago, about the position of the ratepayer under this Bill. Obviously, he is going to be the person actually responsible for the provision of a considerable portion of the revenue and, if I understand the position, he will be entitled to attend a ratepayers' meeting, but the recommendation of such meeting, as of yore, will not be binding on the board or council. Beyond that, he virtually ceases to exist. It seems to me that in those circumstances the provision in the Bill for a ratepayers' meeting is almost ludicrous, and feeling as I do in that regard it is a wonder to me that the Government bothered to even place in the Bill provision for a ratepayers' meeting. Somebody suggested to me that the Government probably forgot to take it out; somebody else said that it was left in to soften the blow to the ratepayers.

Hon. D. Brand: It was left in so that it could be taken out.

Hon. A. F. WATTS: It could have any one of those three interpretations. But I know that the Bill reduces ratepayers to a position inferior to that of a rubber-stamp. At least rubber-stamps have some effect upon the paper they touch, but so far as I can see the ratepayers will have

no effect at all on local government, as ratepayers under this measure. So we will have to argue the point about that aspect.

In support of the general proposals that the ratepayers should cease to exist, the Minister argued that all occupiers, even boarders, are making a contribution to rates levied by local authorities, presumably because the boarders have paid for their board; although what that has to do with the payment of rates, I do not know. I always assumed that it was payment for the food and drink that they consumed. But before being prepared to accept that argument, I hope I can blow it to pieces.

Let us carry that aspect a little further. Would it not be just as logical to say that an employer, and even members of the public who provide the funds for the employer to employ by purchasing his goods, should be entitled to hold office or exercise privileges in a trade union? After all, the trade union proceeds through the dues that the trade unionist pays. He could not pay if the employer did not pay him his wages and his employer could not pay him his wages if the public did not buy his goods, and so ad infinitum. It would seem to me to be just as logical to argue along those lines at it is to say that a boarder is a ratepayer. However, I will agree that it is not sensible to say it in either case.

The Minister for Health: I did not say that he was a ratepayer. I said he was a contributor.

Hon. A. F. WATTS: The Minister's words were, I think, that all occupiers, even boarders, are making a contribution to the rates levied by local authorities, etc. Of course, as I have just said, it is just as logical to say that the public is making a contribution to the subscriptions paid by a member of a trade union to his union and, in consequence, should have some say in the conduct or control or management of that union.

The Minister for Health: I do not think that is comparable.

Hon. A. F. WATTS: I think if the Minister submitted both those cases to a proper authority for judgment he would find they would be regarded in the same light in principle. It is true, and I would like to concede this to the Minister, that a contribution to revenue is made by persons who, in some cases, do not actually come under the definition of ratepayers; I am talking of those who pay for motor-vehicle licences. They do not make contributions to all types of local government revenue because the fees that they pay are directed entirely to roads. Local authorities, of course, have powers and expend money in relation to many departments other than roads, such as health, building, surveying, vermin and so forth. There might be some justification for giving

some qualified voting power to these people to the extent that they do contribute to the revenue which is expended upon roads, etc. But, of course, there is no proposition in the Bill in regard to that point.

Beyond that I certainly would not be prepared to go with the Minister. I must say, too, that, in further support of this contention, he raised the question that local authorities were assisted by Government grants. That is not strictly so today. The Government grant as such from Consolidated Revenue passed out of existence long years ago. What money they get now is, again, money extracted from motorists—from those who use liquid fuel and that means the motorists because diesel fuel is not taxed. In consequence, it is not a Government grant but is merely a sum of money distributed as trustee by the Government in accordance with the provisions of legislation which has been passed to deal with it.

Therefore it is not a contribution from the taxes paid by the general public but a contribution from taxes paid by a limited section of it, regarding whom I have already said that if there were some proposal in the Bill to give him or her some qualified voting rights, I would have no quarrel with it. There is nothing in the report of the Royal Commission to support the proposal. Members have doubtless read the report of the Royal Commission—or most of us have—and they will not have seen anything there to recommend this proposal which can be summed up in two words—adult suffrage.

I suggest that, if adopted, it can only result in bringing about political strife among local authorities in this State which, I suggest, is something that should be avoided like the plague. So quite apart from the other reasons which are against it—and to which I am endeavouring to make some reference—there is another one of some importance. I will now read to the House what the Local Government Association had to say about it in a letter addressed to me dated the 21st August, 1956. It is as follows:—

My association would greatly appreciate your co-operation in countering Sections 41 and 42—adult franchise. The proposal is contrary to the recommendations of the Royal Commission. Owners of property and ratepayers would be completely outvoted if adult franchise operated. The greater part of the business area of the City of Perth would be disfranchised as few people, if any, reside on business premises. Any council with more than 50 per cent. of the councillors, who are non-ratepayers, would spend the ratepayers' money how and when it wished, without ratepayers having any say in the matter. The proposal, if implemented, would undoubtedly lead

to abuses of all kinds and would result in chaos. The proposal is entirely opposed to the principles of democracy—would completely undermine the principles of good local government which have worked so well in the past and have attracted such worthy men to its ranks. The result of the proposals would be to reduce local government to the level of "a political stamping ground". Adult franchise for Commonwealth and State elections is justifiable because of contributions to revenues by way of income tax and indirect taxation. Such franchise is not justifiable in local government elections because the revenue of local authorities is derived from owners and/or occupiers of property which benefits from local government services and is subject to local by-laws. In all organisations including trade unions, the franchise is dependent upon a determined financial contribution by the members. There should be no representation without taxation or contribution. The intention of the law, at present operative, is desired.

Those are not my comments but the comments of the Local Government Association written by the secretary under instruction from its members.

The Minister for Health: The only circular I received referred to adult franchise and unimproved capital value.

Hon. A. F. WATTS: Those are the two things upon which I am working the hardest at the moment, or, at least, one of them. The Minister is probably as equally informed on this subject as I am, but other members ought to be informed so I will now read what the Farmers' Union had to say. The comments of that organisation were as follows:—

The proposal to allow adult franchise in connection with local government elections is opposed by this union. Consideration was given to this matter at a meeting of the general executive some time ago when viewpoints submitted by our branches were examined. It is felt that there is no justification whatsoever in extending the franchise to all adults whose only qualification is that they have resided in the area for at least six months. If the proposal is approved by Parliament it could easily be that the majority of electors in most road board areas would be those who make no contribution to the board's finances and yet could have the deciding voice in how the ratepayers' contribution should be spent.

The Minister for Transport: Theoretically, that could happen with Legislative Council elections, but within a period of three months.

Hon. A. F. WATTS: Quite possibly it could, but I do not want to engage in any theoretical discussion on the Legislative Council, because I am in deep enough now.

The Minister for Transport: I think the whole thing is fantastic in both cases.

Hon. A. F. WATTS: Nearly all of the local authorities have objected to this proposal. I think it has been put in the Bill as a child of Labour policy. I can only recommend them to adopt the advice given them by the Premier in 1949. He said that if there was one Bill upon which members should reach unanimity, it was the one dealing with local government and it is quite obvious that that proposal has to be amended.

Now I want to turn to the proposition that the president of a shire council should be elected by a majority of the electors. I do not think the word "shire" is a suitable one for use in this State. We have not any shires. It is a word that is foreign to our usage and I am going to suggest to the Government that it be not used in Western Australia. I understand that there are shires in England and in New South Wales and there may be some in other States, but there is certainly none here and, as far as I know, there is no intention to constitute them, except in so far as to call a local authority in the country a shire council. I feel it would be better to use the words "district council" rather than "shire council." It is only a minor point and I do not want to labour it, but I offer it to the Minister for his consideration.

Mr. Bovell: You do not favour the word "county"?

Hon. A. F. WATTS: No, because we have no counties here as I have said. We have, however, districts throughout the State. It is always the "Katanning district" or the "Morawa district." We are accustomed to those words and we should retain them.

Mr. Bovell: I merely thought that the word "county" might be better because we have already a president of the district council of the A.L.P. No doubt there are other district councils and the duplication of the term might become a little confusing.

Hon. A. F. WATTS: My immediate purpose now is to call attention to what I think is a bad reflection on, and what might be referred to as a gratuitous, insult to the 126 road board chairmen in the State at present. In his advocacy for election of a president by a poll of electors, the Minister said, "The system raises the president to a position of dignity, honour and leadership which he could not enjoy as a 'creature' of the members of the council."

Hon. Sir Ross McLarty: Yes, that was a most remarkable statement!

Hon. D. Brand: And by an ex-chairman himself!

Hon. A. F. WATTS: This statement, properly interpreted could, I suggest, mean only that under the present system road board chairmen are creatures of their fellow members without dignity, without honour, and without leadership. That is an extraordinary assertion, because it can mean nothing else. If the change will raise the president to a position of dignity, honour and leadership which he could not enjoy as a creature of the members of the council, obviously it is not a position of dignity, honour and leadership now and he is a creature of the council. When I come to consider the meaning of the word "creature," as used in this particular connotation, it means, "the tool of the council"—

Hon. Sir Ross McLarty: A very offensive term!

Hon. A. F. WATTS: —and for over half a century road board chairmen have been elected under the present system! I suggest that, in the great majority of cases they have been conspicuous for their unselfishness, their devotion to public interests and their attention to duty and often to their own detriment because they have had to give up so much of their time—instead of using it to attend to their own affairs—without reward of any kind except, I think, a feeling that they are rendering some good service to the community. I hope the Minister's statement is read by every road board chairman in the State and that he will not have a handful of resignations as a result of it; I think it would serve him right if he did.

The Minister for Transport: Who would lose any sleep, anyway?

Hon. A. F. WATTS: Ministers within the last three years on more than one occasion have extolled the virtues of those who work in local authorities in various parts of the State, and with justification.

Mr. Ackland: The Minister for Housing's father was one of the best chairmen that a local authority had; he was not a creature of anybody.

Hon. Sir Ross McLarty: What a pity his son did not take after him!

Hon. A. F. WATTS: The Minister said it would raise them to a position of honour, dignity and leadership which they could not possess as creatures of the council.

The Minister for Health: It was not meant offensively.

Hon. A. F. WATTS: The hon. gentleman should be more careful. I do not know what his intentions are; I can only

read the words in their ordinary meaning and utilise them in that manner. My objection to adult suffrage extends to the election of a mayor and a president, if we are going to have a president elected by a general election. Personally, I do not think there is the least reason for changing the system which has operated for so many years particularly as the majority of the local authorities do not desire it, and there are reasons I think where one can distinguish between the method by which a mayor is elected and that which elects a chairman of a local authority, now known as a road board, which is what we are really dealing with. A mayor is usually a mayor of a town or city—a comparatively small area with a compact population; whereas the chairman of a local authority in the country is just the opposite in the conditions as proposed.

Hon. Sir Ross McLarty: I think that under such conditions as are proposed for the election of a mayor you would have a job to get candidates to stand for it.

Hon. A. F. WATTS: I daresay that would be so, but I do not particularly mind that aspect of the matter. My point is that I do not think the situation in a rural local authority—and the larger and more scattered they are, the more difficult the position will become—justified an election by poll of electors. Nor do I think there is any evidence that there is any necessity for it because sterling service has been rendered under the present system. I do not think there has been one case in a hundred to justify the observations made by the Minister to which I have just referred.

The Minister for Health: I have been informed by two chairmen that they favour election by the electors.

Hon. A. F. WATTS: I have been informed, verbally by at least 22 chairmen, that they object to the proposed change, and by 59 local authorities who think along the same lines. One cannot do much better than that. The Minister made some reference which I would like him to clear up for me, because I do not understand it. I cannot understand the need for a voting certificate to enable voting in absence. If as the Bill proposes—and that is the basis on which the Minister makes this reference—the elector must reside within the district before he can get a vote at all, then for what purpose is the absentee vote required?

The Minister for Health: For the outer districts.

Hon. A. F. WATTS: But it would not be an absentee vote in that case; they would be within the district. While I can understand the Minister wanting to have some sort of absentee vote—the reference

the Minister made was to an absentee vote—there cannot be an absentee vote, surely, unless the person is residing outside the district; and if he is residing outside the district, he would have no right to vote for that district under this Bill. The Minister should have a look at the measure and tell us what he means.

The Minister for Health: I will explain that when I reply to the debate.

Hon. A. F. WATTS: Regarding the qualifications for town clerks and engineers and the other persons referred to in the clause that deals with the matter, the Minister said that no doubt the regulations would provide that persons now holding such positions would be exempt from the examinations and qualifications that the Bill proposes. That is not a very satisfactory position to leave Parliament in—that no doubt the regulation will provide. So far as I am concerned, the Act is going to provide that those persons who are already holding the positions are entitled to retain their positions without taking all these examinations and obtaining the qualifications to which the Minister and the Bill refer. That would be the only way to make the position satisfactory, because without casting any aspersions on the hon. gentleman's bona fides—and I certainly do not want to do that—if there is no regulation, and the Act passes, these people will be deprived of their positions and many of them are entirely competent. I doubt very much also whether the Minister or myself could sit down at this time of life and start passing examinations. Let us have it in the Act. It will be quite simple to say that these people are going to have the right to retain their positions and that only the new appointees and so forth will have to accept the qualifications and restrictions with which, in those circumstances, I am quite in agreement.

I would now like to turn for a moment to the question of unimproved values. This is another one of those aspects which seems to get support from nowhere. I refer to the matter as it is connected with the local authority. The Royal Commission did not recommend it and the members of that body went into it fairly carefully and suggested that the option should be available as it is at present. I am in agreement, I think, with that sentiment. It is perfectly true that of the 126 road boards, I think all of them rate on the unimproved capital value basis except in certain places where in their experience the unimproved capital value method has not proved satisfactory from the point of view of bringing the revenue within measurable distance of the expenditure they consider necessary. On the other hand, however, the great bulk of what we now call municipal councils have as their basis of rating

the annual value, except in one or two instances, notably under the City of Perth Endowment Act, in regard to the Floreat Park area.

I know what has been said in regard to ratable values of Wembley and Floreat Park. I had the pleasure of talking to one or two of the people who were concerned with the matter about 18 months ago. I realised their particular point of view, but I suggest if the option were given to the local authority, the remedy would be in the hands of the ratepayers themselves, just the same as the remedy is available to the State at the Legislative Assembly elections. Boot out those whose policy does not suit one. If one succeeds in booting out enough of the members, one would get another policy. That is the long and the short of the matter.

There is a lot to be said about giving them the option. There are some areas in which I am convinced the imposition of the unimproved capital value in lieu of the present annual value could work a very considerable hardship, and that is something to be looked at very carefully. I think it would be far better to adopt the recommendation of the Royal Commission and to retain the option. Again I would look at the rate in the £. proposed in the Bill on the unimproved capital value. I shall forget the few, if any, of the local authorities which have a reticulated water supply, and I shall deal only with the 2s. and not the 3s. in the £. rate.

The present position is that the unimproved rate must not exceed 6d. without the consent of the Minister, and cannot exceed 9d. But this Bill by one fell swoop proposes to make it 2s. without anybody's approval, so far as I can discover. So it would be competent for a local authority to strike a rate up to 2s. forthwith, which would be a very, very considerable increase in the rates of all local authorities under the present circumstances. Then we would have to adopt, whether we like it or not, the Taxation Department's values. So again we are not going to be a local authority, but a local register for the Taxation Department. It seems that the idea of the democratic local government is vanishing further and further away every minute.

The Minister for Health: Do you not think that the Taxation Department's valuations will be more consistent and on a sounder basis?

Hon. A. F. WATTS: I do not know that it is more consistent. That is something which I do not feel disposed to answer. I do not see why everybody should be compelled to adopt them and then to have this beautiful proposition, as there is in the Bill: The Minister may

appoint three persons as a court of appeal. It does not say three members of the local authority, but only three persons. I presume it would be three persons in or around the district because it would not do to appoint one committee for the whole State as it would take five years before an appeal could be heard in some instances. So it will mean one committee in each area involved.

What is the position of the committee, tribunal or court of appeal, or whatever else it might be called? The council has been obliged to accept the Taxation Department's value. The ratepayer is dissatisfied and goes to the committee. If we are to be compelled to adopt the Taxation Department's valuations, then let us adhere to them, although I make it quite clear that I object to being compelled to adopt them. If we are to be compelled to adopt them, why play about with the right of appeal by an extraneous body?

In my opinion we should let the local authority decide whether it will adopt those valuations in whole or in part. Let them on all occasions be made available to the local authorities. Let them determine whether they will adopt them in whole or in part, and then when they do, it will be their business to justify, if they are called upon to do so, the values which they decided to adopt. Then we will have some semblance of local government, and not a local government getting more and more control from some person or organisation some distance away.

There are also in this measure a great many other proposals with which I do not entirely agree. I am sure the Minister will agree with me that the second reading debate should only be used in this case for a discussion on the major objections to the Bill. There are other objections and matters which, for the sake of time particularly, should be dealt with in Committee. I have raised three or four of my principal objections to the measure. I have criticised the Minister for some of his remarks which I think were entirely unjustified. I have pointed out to the best of my ability that part of the Bill, in my opinion, requiring examination because we are losing sight of the cardinal factor that this is supposed to be a local government Bill and not a Bill to control local government. The rest of my remarks and arguments can be advanced in Committee.

On motion by Mr. Bovell, debate adjourned.

House adjourned at 5.28 p.m.

Legislative Council

Tuesday, 18th September, 1956.

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

QUESTIONS.

TRAFFIC.

Convictions, Deaths, Injuries, etc.

Hon. A. R. JONES asked the Chief Secretary:

Will he give the House the following information in respect to the years—

1951-52;

1952-53;

1953-54;

1954-55;

1955-56:—

(1) How many persons under the age of 21 years were convicted of negligent driving of motor-cycles?

(2) How many persons over the age of 21 years were convicted of negligent driving of motor-cycles?

(3) How many deaths occurred as a direct cause of the offences mentioned in No. (1) and No. (2)?

(4) How many persons received major injuries as a direct cause of the offences in No. (1) and No. (2)?

(5) How many persons were charged with drunken driving?

(6) How many of the persons so charged availed themselves of the opportunity to consult a doctor?

(7) How many of the persons charged were convicted of drunken driving?

(8) How many deaths occurred as a result of accidents which were the subject of the charges under question No. (5)?

(9) How many persons received major injuries as a result of the same accidents?