Legislative Assembly

Tuesday, the 11th December, 1973

The SPEAKER (Mr. Norton) took the Chair at 4.30 p.m., and read prayers.

PARLIAMENTARY COMMISSIONER

Appointment of Deputy: Motion

MR. J. T. TONKIN (Melville—Premier) [4.32 p.m.]: I move, without notice—

> That pursuant to section 12 of the Parliamentary Commissioner Act, 1971, this House makes the following additional rule for the guidance of the Parliamentary Commissioner in the exercise of his function:—
>
> > Rule 6.—For the purposes of section 7 of the Act a person may be appointed to act in the office of the Parliamentary Commissioner during any period for which the Parliamentary Commissioner is absent on leave or is, by reason of illness or incapacity, unable to fulfil the duties of his office, and a person so appointed may—
> >
> > (a) during the period for which he is appointed, exercise all the powers and functions of the Parliamentary Commissioner; and
> >
> > (b) after the expiration of the period for which he is appointed, exercise all the powers and functions of the Parliamentary Commissioner in relation to any investigation which he commenced during the period for which he was so appointed.

Section 7 of the Parliamentary Commissioner Act enables the Governor to appoint a person to act in the office of the commissioner in such cases or in such circumstances as may be specified in the rules of Parliament made under that Act.

Apart from that section, the Act makes no provision for the appointment of an acting commissioner during the absence of the Parliamentary Commissioner on leave or through sickness or incapacity, and accordingly, it appears to be necessary that each House of the Parliament agrees on a suitable rule to permit the appointment of an acting commissioner in those circumstances.

The new rule 6 which I have proposed would authorise the appointment of an acting commissioner during the absence on leave or during any illness or incapacity of the Parliamentary Commissioner and is therefore almost essential for the proper administration of the Parliamentary Commissioner Act.

It will be noted that the proposed new rule 6 will also permit an acting commissioner to complete investigations on which he has embarked during the proper period of his appointment, but which he has not completed when the Parliamentary Commissioner returns to duty. Such a provision would appear to be a common-sense one to avoid the necessity of the Parliamentary Commissioner having to re-conduct parts of investigations which have already been done by his acting commissioner.

I might add for the information of members that similar provision has been made for many years in relation to acting judges of the Supreme Court and, of course, in more recent times, for acting judges of the District Court, to permit those acting judges to complete the trials of matters which they commenced during the ordinary period of their acting appointments.

I apologise to members for having introduced this motion so late, but I was unaware of its necessity until a few days ago when it was intimated to me that the Parliamentary Commissioner desired to take some holidays.

Mr. O'Neil: Half his luck!

Mr. J. T. TONKIN: It was then a question of whether his work should stop completely during the period he was away or whether some arrangement should be made for it to be carried on in his absence.

I believe it is a reasonable proposition that an acting commissioner should be appointed, and that is the reason for the motion.

Sir Charles Court: Before you conclude, I take it that the Crown Law Department has advised that this can be done under the rules, because it seems more like something which should be done under the Statute.

Mr. J. T. TONKIN: The advice tendered to me is that this is the way it can and ought to be done. The action needs the concurrence of the Legislative Council because the rules are the rules as made by Parliament.

MR. T. D. EVANS (Kalgoorlie—Attorney-General) [4.37 p.m.]: I confirm the remarks made in reply to the query of the Leader of the Opposition, and I second the motion.

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

FRIENDLY SOCIETIES ACT AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion by Mr. Davies (Minister for Health), and read a first time.

Second Reading

MR. DAVIES (Victoria Park—Minister for Health) [4.39 p.m.]: I move—

That the Bill be now read a second time.

This Bill seeks to relax, to a limited degree, the restrictions which are applied to friendly societies which desire to open new pharmacy outlets to serve their members.

Under existing legislation no shops, in addition to the 10 now operating, may be opened.

Friendly Societies Pharmacies now exist in 10 centres, these being—

Fremantle
Willagee
Canning Bridge
Victoria Park
Perth
Leederville
Subiaco
Claremont
Boulder
Bunbury

These centres, in the main, are old districts. This means that members of the public in the many new suburbs who belong to the movement, or who desire to join, have no pharmacy within reasonable distance to serve their needs.

Many of those seeking to avail themselves of the benefits of membership have young families. Mothers with numbers of small children have reason to be grateful for the savings which they make by securing their medical needs from a Friendly Societies Pharmacy. It is therefore a reasonable proposition to allow some expansion of Friendly Societies Pharmacies to serve new centres of population.

According to the latest census, which was taken in 1971 the population of Western Australia was 1,027,852. When compared with the census figure for 1961, a population growth of some 40 per cent. is shown. It is obvious that a population increase of this magnitude demands an expansion of community facilities of all kinds. The expansion should be regulated so that the needs of all centres of population are served.

The friendly societies movement, as it was known in the 1930s has undergone change. This is a direct result of Government schemes which have provided social services on a universal basis.

There is now less need for individuals to insure themselves against the financial burdens of illness, particularly in the areas of loss of pay due to illness, or heavy hospital bills.

There is, nevertheless, considerable benefit to be gained from the special service and concessions offered by Friendly Societies Pharmacies. Dealing with the Bill now before the House, members will note that the whole of the intention is presented in clause 2 which inserts a new section 7B. This comprises several subsections, which I will explain in order.

Subsection (1) empowers the Minister to authorise the opening of pharmacies in addition to those now operating. The Minister has discretionary power and may take into account all pertinent facts in reaching his decision.

Subsection (2): The Minister is restrained by this provision to the granting of no more than eight approvals. This is further limited by the provision that no more than four of the approvals shall be granted in either the metropolitan region or the rest of the State.

In subsection (3) it is made clear that only a registered friendly society may be granted approval, but it is important to note that this is not limited to those societies which currently operate pharmacies. It would be within the power and discretion of the Minister to approve an application from a registered society which has not previously been engaged in this activity.

Subsections (4) and (5): This is a necessary qualification of the references in the Pharmacy Act, which relate only to those Friendly Societies Pharmacies which operated in 1964. Those references would be extended, under the amendment, to additional premises which had received the Minister's approval.

Subsection (6) ensures that section 7A of the Act, which was enacted in amended form in 1964, is not affected. The principal purpose of the section is to confer the right of trading with the general public on Friendly Societies Pharmacies. The intention is that this right should continue.

Subsection (7) assists in the interpretation of certain expressions used in the new section: "Dispensary" and "Metropolitan Region" are defined.

I suppose this Bill could be considered controversial and I apologise for introducing it at this late stage in the session. The fact of the matter is, of course, that the Parliamentary Counsel has been hard pressed over the past several months and has had some difficulty in framing a suitable measure. I appreciate the time which has been put into drafting the legislation.

Also, members will be aware that a great deal of literature for and against this scheme has been distributed. It would be easy to mount an argument, for or against, as one thought fit. I have spoken with members of the guild and I must say that they expressed some reservations. Perhaps I should rephrase that remark and say that they expressed outright opposition to the measure.

The fact remains that the Government, after considering all the points, believes that as the community expands so friendly

societies should be given the right to expand. There is a general feeling abroad that if they are given the right to expand they will quickly extend into all sections of the community and this will cause some hardship to existing chemist shops. This fear could have some degree of realism.

Mr. O'Neil: What does Percy Johnson think of this Bill?

Mr. DAVIES: I think he is going to take a job with a friendly society.

Mr. Thompson: Not stand for Parliament?

Mr. DAVIES: The position is that, although the friendly societies are presumed to have vast sums of money and reserves, they are fairly limited in the amount of money they have available for expansion purposes. I cannot imagine their taking up all the opportunities available to them under this measure.

In South Australia where the restrictions were lifted some time ago the effect on the trade has been negligible. Several years ago I made inquiries in Victoria and all the Friendly Societies Pharmacies which could have been opened were, in fact, not opened at that time. In New South Wales I understand the position is quite different and I am not sure what applies in Queensland and Tasmania. However, this should not really worry us. We are looking at this Bill as a justifiable measure for this State.

As I said previously, some hardship is experienced in getting to a Friendly Societies Pharmacy if a person wants to take advantage of the facilities it offers.

I hope all members will have read both sides of the argument and that they will see there is a great measure of justice in what we propose to do.

The Pharmaceutical Council was approached and I gave it the opportunity of my writing into the measure other points it may wish to have included in the Pharmacy Act at this time. The council submitted some suggestions to me but a week or so later wrote and said it would be preferable for me to deal only with this question at this time.

As I have said, we believe there is a measure of justice for this in an expanding community. Although this has only been conveyed to me secondhand and I cannot, therefore, vouch for it, I understand that the thinking is for two shops in new suburbs well to the north of the city and possibly one at Geraldton. Possibly one could be established on the university grounds. I received a deputation from the Guild of Undergraduates asking whether I would amend the Act. The first deputation was made about three years ago and another deputation was made last week. The guild would like a pharmacy on the campus of the university. There was also a request at one stage to provide one on the campus at W.A.I.T. This is the only outline, in terms of general thinking, that I can give at the moment.

In regard to the Geraldton area from where there has been some pressure, the organisation is looking to buying out an existing pharmacy. All this is hearsay and I cannot vouch for it, because the information has been given to me only indirectly although, of course, after I had requested it.

Debate adjourned, on motion by Mr. Hutchinson.

QUESTIONS (20): ON NOTICE

1. DEVELOPMENT

Alternative Industrial Site

Mr. RUSHTON, to the Minister for Development and Decentralisation:

(1) Has an investigation been undertaken by his department to find the most suitable alternative industrial site in Western Australia for when the Kwinana complex reaches saturation?

(2) Which sites have been considered?

(3) Which general area is favoured?

(4) If the department supports the Salvado industrial site as the alternative site, will he please give me the department's supporting reasons?

Mr. T. D. Evans (for Mr. TAYLOR) replied:

(1) Yes.

(2) Sites at Geraldton, Jurien Bay, south of Guilderton, Bunbury, Albany and Pilbara.

(3) It is anticipated that industrial development will occur at several of these sites in due course.

(4) In so far as an alternative site in proximity to the metropolitan area is concerned the area south of Guilderton is preferred because of port, environment and related infrastructure needs.

2. TEACHERS' TRAINING COLLEGES

First Board Meeting

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

When was or is going to be the first board meeting of each of the teachers' colleges after the appointed day?

Mr. T. D. EVANS replied:

Churchlands Teachers' College—4th December, 1973.

Claremont Teachers' College—Some time during third week in January.

Graylands Teachers' College—14th December, 1973.

Mount Lawley Teachers' College—
Date yet to be finalised.

W.A. Secondary Teachers' College —A special meeting was held on appointed day (26th November, 1973) and the next meeting was 7th December, 1973.

3. TEACHERS' TRAINING COLLEGES

Board Members

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

Could he please give the names of board members appointed to each of the teachers' colleges?

Mr. T. D. EVANS replied:

Churchlands Teachers College—
Chairman: Dr. D. A. Jecks.
Staff:
Mr. G. Munro
Mr. J. Liddelow
Mr. J. Carroll
Mr. E. Jaggars
Mr. D. Goodrum
Students:
Mr. J. Cramer
Mr. L. Hall
Outside community:
Mr. A. Mensaros
Mr. G. Nicholls
Mr. A. Chapple.

Claremont Teachers College—
Chairman: Mr. L. E. Pond.
Staff:
Mr. G. Barrett
Mr. T. Ryan
Miss L. Hale
Mr. M. Cullen
Mr. C. Cook
Students:
M. F. Larsen
Mr. P. Hutchinson
Outside community:
(Awaiting official invitation to join board by Minister.)
Mr. Bruce Atkinson
Dr. John Woolcott
Mr. Robert Teasdale
Mr. Patrick Kirkby

Graylands Teachers College—
Chairman: Dr. C. F. Makin.
Staff:
Mr. E. Nowotny
Lesley Graham
Mr. P. Barry
Mr. Ted Buttfield
Mr. M. Jordan
Students:
Mr. Peter Frusher
Mr. Terry Wyborn
Outside community:
Miss Margaret Feilman
Mr. Mal Bennett.

Mount Lawley Teachers College—
Chairman: Mr. R. G. Peter.
Staff:
Mr. L. Hunt
Mr. R. Lamb
Miss B. Buchanan
Mr. B. O'Sullivan
Mr. J. Twycross
Students:
Mr. Philip Harman
Mr. Steven Richards
Outside community:
(Yet to be appointed.)

W.A. Secondary Teachers College—
Chairman: Mr. C. Cook.
Staff:
Mr. R. Kagi (deceased—no other appointment to be made until next year)
Mr. R. Fuller
Mr. T. Taylor
Mr. D. O'Dwyer
Mr. L. Pavey
Students:
Mr. S. Bullied
Mr. G. Zehnder
Outside community:
Dr. Gray
Mr. Firkins.
Mr. Naughton
Mr. Greenway

4. GOVERNMENT DEPARTMENTS AND INSTRUMENTALITIES

Reports: Tabling

Mr. MENSAROS, to the Premier:

Which are the reports—required by Statute or regulation to be submitted to Ministers and tabled in Parliament by various Government departments, instrumentalities or other bodies—which are still not tabled, showing separately those which are required to be submitted soon after a date—

(a) before 31st December, 1972;
(b) between 1st January and 30th June, 1973;
(c) after 30th June, 1973?

Mr. J. T. TONKIN replied:

I seek permission to table the answer.

The SPEAKER: Permission granted.

The answer was tabled (see paper No. 561).

5. MOTOR VEHICLES

Delivery: Waiting Period

Mr. MENSAROS, to the Minister for Consumer Protection:

(1) Is there a shortage of supply in new other than commercial vehicles at present in Western Australia?

(2) If so, what is the average waiting time between the order and delivery?

Mr. HARMAN replied:

(1) Yes.

(2) The average waiting time for delivery appears to be up to approximately seven to eight weeks, with a slightly longer delay for the more popular make of cars.

6. MERREDIN RESEARCH STATION

Pig Unit

Mr. W. G. YOUNG, to the Minister for Agriculture:

(1) Did the pig industry approach the Minister and, if so, what sections of the industry, to establish a pig research unit at the Merredin research station?

(2) If "Yes" to (1), when was this approach made?

(3) Has any decision been made as to what specific areas of research will be undertaken?

(4) How many registered stud pig breeders are there in each of the Shires of Merredin, Bruce Rock, Nungarin, Yilgarn, Narembeen and Mukinbudin?

Mr. H. D. EVANS replied:

(1) and (2) Yes. Pig producers from Narembeen did so in June 1971 through the medium of the Narembeen branch of the Farmers' Union. The Shire of Merredin also made an approach in August, 1971.

The matter has also been discussed at meetings of the Pig Liaison Committee.

(3) No.

(4) Merredin—6
Bruce Rock—4
Yilgarn—Nil
Nungarin—Nil
Narembeen—2
Mukinbudin—1

Almost half of the pigs in Western Australia are located in the central agricultural area.

7. ERIC STREET, COTTESLOE

Overway and Dual Carriageway

Mr. HUTCHINSON, to the Minister for Works:

(1) Is it not a fact that the Eric Street bridge over the railway in Cottesloe poses difficult problems in regard to traffic hazards and traffic congestion?

(2) Has not preliminary planning (at least) taken place in regard to the projected reconstruction of Eric Street as a dual carriageway?

(3) Will he ascertain the degree of planning incongruity with possible wasteful expenditure in the Main Roads Department's proposals to provide new channelisation works to service the present inadequate and dangerous bridge?

(4) Would it not be infinitely better to upgrade or replace the bridge so that it will adequately and safely service the proposed dual carriageway?

(5) Will he have the whole matter reconsidered in regard to achieving the objective suggested in (4)?

(6) If the department's proposed changes are made to the present bridge, how will they be able to be incorporated in the proposed dual carriageway?

Mr. JAMIESON replied:

(1) It is recognised that the bridge is restricted in width resulting in some inconvenience to traffic. However, it is proposed to install traffic signals at Curtin Avenue in the near future and carry out channelisation at the Railway Road intersection. This will improve traffic safety in the area.

(2) Eric Street is the responsibility of the local authority, and it is understood that the Cottesloe Town Council is in the process of drawing up plans for improvement of Eric Street.

(3) Works of a major nature often need to be carried out in stages. The channelisation will need modification if and when the bridge is rebuilt, and in the meantime will make a significant contribution to road safety.

(4) Not necessarily. It is a question of priorities.

(5) No. The present proposals are a practical interim safety measure.

(6) Any new bridge proposal would be designed to match the proposed dual carriageway.

8. BRUCE STREET, NORTH FREMANTLE

Access

Mr. HUTCHINSON, to the Minister for Works:

(1) Further to previous questions asked on access problems which will be faced by residents of Bruce Street, North Fremantle, will he have considered, while there is still time, the feasibility of having constructed minor service roads?

(2) If this is not proved feasible, will he have considered the possibility of constructing service parking bays in appropriate places north of John Street?

Mr. JAMIESON replied:

(1) The construction of minor service roads is not considered to be feasible.

(2) The possibility of constructing service parking bays will be examined. Construction of any such parking bays would be undertaken in conjunction with present road works.

9. TRAFFIC ACCIDENTS

Advice and Co-operation: Youth Organisations

Mr. O'CONNOR, to the Minister representing the Minister for Police:

(1) Will he name the youth clubs and youth organisations he has sought advice from and co-operation in connection with the road toll?

(2) Will he advise the dates each of these organisations were contacted?

Mr. T. D. EVANS replied:

(1) and (2) The Minister for Police is not aware of any contact that has been made with youth clubs and youth organisations in connection with the road toll.

10. TOWN PLANNING

Metropolitan Area: Defining

Mr. O'CONNOR, to the Minister for Town Planning:

(1) On how many occasions has the area defined as metropolitan area been altered?

(2) On what date did these alterations occur?

(3) Is there any possibility of an alteration to the boundaries of the metropolitan area in the future?

(4) To what maximum area is it intended eventually to define the metropolitan area?

Mr. DAVIES replied:

I will answer the question on the assumption that the reference to metropolitan area means metropolitan region.

(1) None.

(2) See above.

(3) This must always be a possibility.

(4) This could only be an assumption and therefore not possible to answer.

11. SHENTON PARK ANNEXE

Teenage Patients: Hostel

Mr. THOMPSON, to the Minister for Health:

(1) As hospital facilities and a workshop already exist at Shenton Park to cater for physically handicapped persons, will he give consideration to provision adjacent thereto of a hostel to accommodate handicapped teenage persons?

(2) Will he advise the names of institutions that are designed—

(a) specifically to cater for teenage handicapped persons;

(b) to cater for handicapped persons alone (other than in (a))?

Mr. DAVIES replied:

(1) Yes, the matter will be examined.

(2) (a) The secondary school for the deaf, Cottesloe.

(b) Quadriplegic centre.

Sir James Mitchell Spastic Centre—Nadezda Hospital.

Lucy Creeth Hospital (for muscular dystrophy and spina bifida).

Lady Lawley Cottage.

Speech and hearing centre, Cottesloe.

Sutherland blind centre.

Braille Society.

Mental Health Services facilities (including Stubbs Terrace clinic and autistic centre).

Slow Learning Childrens Group (West Perth and Albany).

Good Samaritans.

Goodwill Industries (Spastic Welfare Association).

FCB Industries (T.B. and Chest Association).

12. BUS SERVICE

Kewdale-Forrestfield

Mr. THOMPSON, to the Minister representing the Minister for Transport:

(1) Is he aware that several persons employed in the Kewdale industrial area live in Forrestfield?

(2) Will he give consideration to provision of a bus service to cater for those people living in Forrestfield who work in Kewdale?

Mr. JAMIESON replied:

(1) Yes.

(2) A bus service is not warranted for several persons only. If sufficient Forrestfield residents would guarantee to use a service, if provided between Forrestfield and Kewdale, the Metropolitan (Perth) Passenger Transport Trust would give favourable consideration to it.

People working at Kewdale and living in northern suburbs requested a direct service. This was instituted between the Morley collector point and Kewdale, however, it was found that the maximum usage was two persons.

13. CIVIL DEFENCE

Involvement of Local Authorities

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

Is it his intention to introduce legislation this session compelling local authorities to become involved in civil defence?

Mr. HARMAN replied:

No.

14. DROUGHT RELIEF

Allocations to Local Authorities

Mr. NALDER, to the Minister for Agriculture:

(1) What was the total sum of money paid out to shires or credited to local authorities who had their areas declared drought areas?

(2) What was the amount of compensation paid to or credited to the Department of Country Water Supplies for water supplied to declared drought areas during the years 1969-70, 1970-71, 1971-72 and 1972-73?

Mr. H. D. EVANS replied:

(1) For shires declared drought affected and/or water deficient:—

	1969-71 $	1971-72 $	1972-73 $	Total $
(a) Recoup for water drawn from standpipes	20,025	6,568	12,287	38,880
(b) Establishment and improvement of supplies	260,196	1,132	9.107	270,435
	280,221	7,700	21,394	309,315

(2) The moneys shown in 1 (b) which would normally have been paid by the shires to the Country Water Supply were paid by the Government.

15. STATE HOUSING COMMISSION

Offices: Tenders for Air-conditioning

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

In view of the answer to question 23 on Thursday, 6th December, what approaches and extenuating circumstances persuaded the State Housing Commission to regard the Modern Air air conditioning tender as a valid tender?

Mr. Davies (for Mr. BICKERTON) replied:

Having considered—

The Statutory Declaration lodged by the representative of Modernair Pty. Ltd., in which he declared, *inter alia*, that he was—

(a) an employee of Modernair (Air Conditioning Contractors) of 4 Whyalla Street, Willetton;

(b) Modernair had prepared a tender for submission to the State Housing Commission in respect to "Head Office Air Conditioning" knowing that the tender closed at 12 noon on 24th September, 1973;

(c) that he personally carried the said tender document to the specified address of 197 St. George's Terrace, Perth and arrived at this address at approximately 11.50 to 11.52 a.m. on 24th September, 1973, in readiness to lodge the tender before the specified time of 12 noon;

(d) that upon his arrival he inquired from a clerk of the State Housing Commission as to the whereabouts of the tender box and was informed by him that he must proceed to 160 Hay Street, where the tender box was located. Although he pointed out to the clerk that the tender address was given as 197 St. George's Terrace, Perth, it was reaffirmed it would be necessary to go to 160 Hay Street;

(e) he immediately proceeded to 160 Hay Street, and arrived at approximately 12.08 p.m. He was informed there that he had been misdirected and that he needed to lodge the tender at the original address of 197 St. George's Terrace;

(f) he arrived at 197 St. George's Terrace at approximately 12.15 p.m. to 12.18 p.m. on 24th September, 1973, and handed the tender document to the officers in charge and explained to them the circumstances surrounding the late lodgment;

As investigations by the Acting Assistant General Manager into the actions taken by officers associated with the matter, confirmed the claims made in the Statutory Declaration; and—

The timing sequence, nature and location of the events leading to the late lodgment and opening of the tender

box and subsequently the tenders, the commission considered there was no possibility of other tender prices being known to Modernair Pty. Ltd. between closing time of tenders and the conditional receipt of Modernair Pty. Ltd's tender;

The commissioners, therefore, ruled that the tender of Modernair Pty. Ltd., could be accepted for consideration with the other eight tenders lodged.

This decision was made prior to and distinct from the subsequent consideration of tender prices, tenderers' experience and capacity to perform, etc. etc.

16. ROAD TRANSPORT

Sulphuric Acid

Mr. W. A. MANNING, to the Minister representing the Minister for Transport:

(1) What quantity of sulphuric acid was transported by road from Kwinana to Picton weekly for the last six months?

(2) Has this been approved by the Transport Board?

(3) If so, why is transport by rail not encouraged?

(4) What is intended for the future?

Mr. JAMIESON replied:

(1) The company involved is not prepared to make the information available.

(2) Yes.

(3) The W.A.G.R. does not have specialised equipment to handle the transport.

(4) Unless alternative arrangements are made, the present system of delivery by road will continue.

17. AGRICULTURAL SPRAYING

Restrictions on New Buildings

Mr. RIDGE, to the Minister for Health:

(1) Has a limit been imposed on the building of new residences on properties which are adjacent to areas subject to agricultural spraying?

(2) If "Yes" what is the extent of the limit in—

(a) the Ord valley;

(b) other areas in Western Australia?

(3) If such a limit has been imposed, is it considered safe for people who already reside within such areas to continue living there?

(4) If the answer to (3) is "Yes" why then should new residential build-

(5) If it is feared that there may be a danger within a prescribed area, are those people already within that area to be considered as experimental subjects?

(6) If no experimentation has been undertaken, on what basis has the limit been set?

(7) Is it intended to conduct any experimentation or investigation to accurately determine the amount and effect of spray drift?

(8) If it is found at any time that the amount and effect of spray drift is significant, will residents who live within the area of danger be required to move?

(9) If so, at whose expense?

(10) Does he anticipate a ban on the use of domestic pesticides in residential areas which are close to agricultural spraying areas?

(11) Is it anticipated that a ban will be placed on the spraying of agricultural areas which are in close proximity to residential areas?

(12) If there is a restriction on building only in the Ord valley when will similar provisions be applied to the rest of the State?

(13) If no limit or restriction has been imposed, why then is there a non-residential clause in new land allocations on the Ord irrigation scheme?

Mr. DAVIES replied:

(1) The Pesticides Advisory Committee has recommended that domestic buildings should not be built within 1500 metres of land likely to be subject to aerial spraying. D.C.A. requires pilots to avoid spraying within 2000 horizontal feet from a township.

(2) (a) and (b) The recommendation is as in (1).

(3) This would depend on the type and quantity of spray used.

(4) To avoid the risk from toxic concentrations or frequent applications.

(5) Special warning would be given if it was known a danger existed within a prescribed area.

(6) The limit was set after consideration of wind drift distances.

(7) Tests are made on pastures and cattle.

(8) If the effect of the spray was significant either the people would have to move or the spraying would have to stop.

(9) This may vary with different circumstances.

(10) No.

(11) This may be necessary in certain

(12) Where similar circumstances exist in the State similar provisions apply.

(13) To protect the health of the settlers.

18. NURSES

North-West: Salary Comparison

Mr. RIDGE, to the Minister for Health:

(1) What is the difference in the salary payable to nurses and nursing sisters who work in the metropolitan area as compared with those who work in Government hospitals north of the 26th parallel?

(2) What incentives over and above the award salary are offered to nurses and nursing sisters from the emergency nursing service, who are required to serve in the north-west?

(3) What is the average length of time that emergency nursing service staff remain in the north on tours of duty?

(4) Considering the high cost of return air fares for comparatively short visits and the value of bonus payments to emergency nursing service staff, would it not be more desirable to increase the salaries of regular nursing staff in northern hospitals, with a view to maintaining continuity of service?

Mr. DAVIES replied:

(1) The salary difference between registered nurses in the metropolitan area and nurses working in Government hospitals north of the 26th parallel is represented by the payment of district and country service allowances.

(a) District allowances—designed to compensate for increased cost of living, climatic conditions, isolation, etc. Current rates are as follows:—

	Nurses living out	Nurses living in
Carnarvon	$4·50 p.w.	$2·25 p.w.
Onslow, Port Hedland, Broome, Marble Bar, Roebourne, Derby, Wittenoom, Dampier, Exmouth, Tom Price, Newman	$9·00 p.w.	$6.38 p.w.
Wyndham, Kununurra	$10.50 p.w.	$7.50 p.w.

(b) Country service allowances—the country service allowance is payable on a basis of each hospital's adjusted bed average—

	Payable at	Amount
Over 50 beds	Carnarvon, Port Hedland, Derby, Wyndham	$1.00 p.w.
Over 20 beds and under 50 beds	Broome, Dampier, Tom Price, Kununurra	$2.00 p.w.
Under 20 beds	Onslow, Marble Bar, Roebourne, Wittenoom, Exmouth, Newman	$3.00 p.w.

(2) Registered nurses are entitled to a return air fare south each year for annual leave.

A taxation allowance of $540 is available to workers in areas above the 26th parallel provided they have been resident in the north for at least six months.

Emergency nursing service staff receive a bonus of $1,250 at the completion of 12 months' service at hospitals where directed, including north-west hospitals.

Special emergency nursing service staff who commence employment from October to December, receive a $625 bonus after the completion of six months' continuous service at hospitals in the north-west, Murchison and Eastern Goldfields.

(3) Approximately three months for ordinary emergency nursing service staff who are engaged on a 12 month contract.

Of the six months' service by special emergency nursing service staff, approximately three months would be in the north-west and approximately three months in the Murchison and Eastern Goldfields.

(4) The payment of increased salaries to regular nursing staff in northern hospitals would not necessarily improve the position. It could cause industrial problems.

Great reliance must be placed on other than local residents. Most nurses use the opportunity to travel north as a working holiday. Return fares to Perth are paid only after the completion of six months satisfactory service.

19. SUPERPHOSPHATE

Deliveries

Mr. W. G. YOUNG, to the Minister for Agriculture:

(1) What is the position regarding superphosphate deliveries when a client having ordered superphosphate for delivery last month failed to take such delivery on the appointed day of that month and now wishes to take up his order where this order was to be picked up in the growers own truck and did not involve rail transport?

(2) Are the superphosphate works operating at maximum output?

(3) What is the position for growers wishing to order extra superphosphate for early new year delivery?

Mr. H. D. EVANS replied:

(1) Superphosphate is supplied in accordance with the delivery plan adopted by the State Distribution Committee representing users, distributors, manufacturers and

the other responsible parties, under the chairmanship of the Minister for Agriculture.

Particulars of the delivery plan are very widely publicised to farmers. All specific individual queries should be referred to the distributors who handle each farmer's order.

Under the plan, farmers schedule their superphosphate requirements in the months of their choice. Any scheduled delivery not picked up (by road) in the month scheduled by the farmer automatically lapses so as not to prejudice subsequent deliveries to other farmers.

(2) I am informed that all superphosphate works are operating at full output.

(3) It is expected that additional non-scheduled orders may be placed later where these will not prejudice timing or completion of scheduled orders.

20. PINE PLANTATIONS

Promotional Brochures, and Fire Fighting Equipment

Mr. McPHARLIN, to the Minister for Forests:

(1) Has he seen a brochure printed and mass distributed by Pinelands Australia Pty. Ltd. claiming a 50% return per year on an outlay of $24 per month with an all up investment of $800 returning in excess of $5,000?

(2) Is he also aware the Forests Department—

(a) advised the company on 8th March, 1973 that 800 acres of the 1,000 acre site of Swan location 5712 "appeared generally unsuitable for pines" including the *pinus pinaster* species, a slower growing variety suited to poorer soils;

(b) forwarded a second letter to the company in July drawing attention to a number of misleading statements and inaccuracies that had appeared in a second follow up brochure?

(3) Has a qualified private forester recommended the site for a softwood plantation and, if so, what is that person's name?

(4) In view of the important need to promote private softwood plantations and at the same time safeguard public interest in investments in the same, would he give immediate consideration to—

(a) recommending amendments to the Companies Act in relationship to partnerships and misleading promotional brochures;

(b) reconsidering an earlier proposal for a new Western Australian softwood policy combining State and private interests?

(5) Would the Forests Department supply men and assistance in the event of a serious fire in a private plantation?

(6) Is he aware what firefighting equipment is owned by private softwood companies in Western Australia?

Mr. H. D. EVANS replied:

(1) Yes.

(2) (a) The Forests Department did not advise the company on the 8th March, 1973, that 800 acres of the 1,000 acre site of Swan location 5712 "appeared generally unsuitable for pines" including the *pinus pinaster* species a slower growing variety suited to poorer soils.

(b) By letter of 20th July, 1973, the company's attention was drawn to a number of statements considered to be misleading or inaccurate appearing in its brochure.

(3) Not known.

(4) (a) Inquiries are currently under way by the Consumer Protection Bureau in the interests of consumers.

(b) No. There is no basis to justify a change in current policy.

(5) The assistance which is currently given in the event of a serious fire on private property areas in the vicinity of State Forest will be continued.

(6) No.

QUESTIONS (7): WITHOUT NOTICE

1. FRUIT JUICES

Commonwealth Assistance to Industry

Sir CHARLES COURT, to the Minister for Agriculture:

Further to my question dated the 6th December, will he please advise the outcome of discussions with the Federal Minister about the impact of the Federal Budget on fruit juices and how Western Australian growers will be treated under any arrangement agreed to?

Mr. H. D. EVANS replied:

I thank the Leader of the Opposition for the ample notice he gave of this question, the answer to which is as follows—

The Australian Government has received representation

from both Tasmania and Western Australia on the problems facing apple producers, but, to date, has reached no decision.

2. STATE FINANCES

Premier's Claim of Bankrupt Treasury

Mr R. L. YOUNG, to the Treasurer:

(1) In view of the credit balance of over $8,000,000—all since spent—in the Public Moneys Investment Fund at the time of his Government taking office, and in view of the unliquidated deficits at the 30th June, 1973, of $4,489,974, can the Treasurer still justify his oft-repeated claim that he inherited a bankrupt Treasury?

(2) Is it not true that the amount of funds standing in the Public Moneys Investment Fund at the 20th February, 1971, was alone sufficient to fund unliquidated Consolidated Revenue deficits from and including the years ended the 30th June, 1970, 1971, 1972, and 1973, within $70,000?

(3) Is it not true that the state of our Treasury as at the 30th June, 1973—after deficit funding and transfers to Consolidated Revenue—was that—

(a) there were no funds left in the Public Moneys Investment Fund; and

(b) the Treasury faced a deficit of $6,948,000?

(4) What budgeted capital works have to be curtailed to fund the $6,948,000 deficit out of loan funds?

Mr. J. T. TONKIN replied:

(1) The question repeats, in substance, a question asked by the member for Dale on the 8th November, 1973, and is therefore inadmissible (See Erskine May's *Parliamentary Practice*, 18th Edition, page 327).

Sir Charles Court: Did you not question the question asked by the member for Dale? I think he used a word slightly different from that which he intended.

Mr. Bertram: Speak up so that we can hear you.

Mr. J. T. TONKIN: Continuing—

(2) Yes, but it has to be borne in mind that this situation resulted from substantial curtailment of expenditure of revenue enforced upon the State by the insistence of the Prime Minister as a condition upon which grants were made to reduce the State's deficit.

(3) (a) Yes.

(b) No, as the estimated revenue deficit for 1973-74 is to be financed from a general purpose Commonwealth capital grant.

(4) Nil.

3. LAND

Mullaloo: Ocean Reef Development

Sir CHARLES COURT, to the Minister for Town Planning:

(1) Will he advise the House the details of the arrangements made between the Government and the Ocean Reef developers and, in particular, make available any correspondence or other documents which cover these details in view of the fact that he advised last Thursday that the Government could not enter into any formal agreement with the company?

(2) Will he advise where the Ocean Reef development differs from the basic principles negotiated by the previous Government in respect of the Sorrento-Mullaloo project?

Mr. DAVIES replied:

(1) I thank the Leader of the Opposition for some notice of this question, and being co-operative as always, I am pleased to table a letter from Kaiser Aetna Australia Pty. Ltd. dated the 30th November, 1973, which sets out its intention—and it has been signed by various people. I also wish to table a map showing the areas referred to in the letter.

(2) The basic principles are the same except the lifting of urban deferment will take place progressively stage by stage rather than in one piece and will depend on satisfactory development and renegotiated conditions.

The plan and letter were tabled (see paper No. 562).

4. FRUIT JUICES

Commonwealth Assistance to Industry

Sir CHARLES COURT, to the Minister for Agriculture:

The Minister answered my earlier question to the effect that the Australian Government has received representations from both Tasmania and Western Australia, and to date no final decision has been made. I preface my remarks by saying that when I was in the

north—and only through the radio —I heard that a sum of $5,000,000 had been allocated as a result of meetings that had been taking place relative to, but not directly specified as being in substitution for, the disabilities suffered under the Budget. I have not been able to find any reference in the Press to this matter. I am wondering whether the Minister could say such decision was announced at the conference or whether the matter has been misreported?

Mr. H. D. EVANS replied:

It is also my understanding that the sum of $5,000,000 has been specified broadly for general relief to the fruit industry, but precisely in what way this will be utilised—if indeed the full amount is utilised, and it is expected to be so utilised—is not yet known. The money could be used in payment as compensation for devaluation to supplement the return to the fruit-juice manufacturers or the fruit producers. It has not been determined as yet in what way such moneys will be allocated.

5. STATE FINANCES

Premier's Claim of Bankrupt Treasury

Mr. R. L. YOUNG, to the Treasurer:

Following my previous question without notice and the non-answer he gave to part (1), in view of the fact that he did not answer the question asked by the member for Dale, being question 24 of the 8th November, in any shape or form in accordance with the wording of the question, is he prepared at any stage to admit that the State did not inherit a bankrupt Treasury, notwithstanding the fact that he is trying to hide behind May's *Parliamentary Practice?*

Mr. J. T. TONKIN replied:

Although I am under no obligation to answer the question of the honourable member, I will tell him that never at any stage did I state that I inherited a bankrupt Treasury. What I did say was that within a very few hours of our attaining office, the Under-Treasurer advised me that I was facing a deficit of $10,000,000. He further advised that this advice had been tendered to the previous Premier.

Mr. O'Connor: And he put it in the newspaper.

Mr. J. T. TONKIN: The Under-Treasurer also stated that so far as he knew, no steps had been taken by the previous Government to contain expenditure in order to prevent the deficit rising to higher proportions.

Sir Charles Court: This was given to the Premier on the night before the election. That reflects no credit on the Under-Treasurer.

6. SHOPPING CENTRES

Increase in Rentals

Mr. BERTRAM, to the Minister for Consumer Protection:

Is the Minister for Consumer Protection and Prices Control aware that in many large shopping centres as leases are expiring tenants are being forced to sign new leases incorporating very high increases in the rentals payable? Is the Minister further aware that in many cases tenants pay separately for cleaning charges, power, and other direct costs? Is the Minister further aware that in many shopping centres, in addition to a minimum rental, there is an additional rental tied to turnover, so the harder the tenant works to establish his business the more income the developer or owner of the centre receives? These practices are, of course, reflected by higher consumer costs.

Mr. HARMAN replied:

I have recently had some of the practices the honourable member mentions brought to my attention and I am having the matter investigated; however, there is little action that the Government could take at this stage, even if it is shown that unfair and unreasonable profits are being made by developers of these centres. The excessive prices Bill at present before Parliament will allow the commissioner for prices to investigate all costs affecting the final consumer price of an article. If any such investigation indicates exploitation occurring at any stage of the supply chain strong action will be taken immediately to prevent these practices.

7. ELECTRICITY SUPPLIES

Power Line: Caversham

Mr. O'CONNOR, to the Minister for Electricity:

(1) Is he aware of the problem of inconvenience being caused to people in the Hamersley Road area, Caversham, through the power line interfering with their

(2) As many of the vines the State Electricity Commission wishes to pull up contain heavy crops will it defer interference until the crops are picked?

(3) As dust interference also affects other vines will compensation for dust affection be allowed?

(4) Will his department review the ridiculous valuation of approximately $2,000 per acre for this vine-bearing land approximately nine miles from the G.P.O. Perth?

(5) Has the Minister visited the area?

(6) Will he visit the area personally at an early date to see the problems involved?

Mr. J. T. Tonkin (for Mr. MAY) replied:

(1) I am aware of the fact that the route of the 330 kV transmission line passes through a portion of Caversham. The work unavoidably will cause interference to some properties and the commission is negotiating with the owners.

(2) The vines to be removed are only those at actual tower positions and where access is required. Compensation will be agreed taking present and future crop values into account. Deferment of work until the present crop is removed would affect the amount of compensation to be paid. The commission is prepared to consider individual cases and adjust the timing of vine removal within the limits set by the overall works programme so that the present crop could be harvested.

(3) Compensation will take all factors into account.

(4) The figure stated is not considered to be ridiculous but is open to review in accordance with the zoning of the land. The relevant figure is used to establish the amount of compensation to be paid for the easement and the area occupied by any tower. Apart from the small area occupied by a tower position and the access thereto, the land in the easement can continue to be used for its present purposes.

Compensation for vines actually removed will be separately agreed to and paid, additional to the compensation paid for easement.

(5) and (6) I am familiar with the route of the transmission line and have seen the affected area.

MOTOR VEHICLE DEALERS BILL

Third Reading

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

METROPOLITAN (PERTH) PASSENGER TRANSPORT TRUST ACT AMENDMENT BILL

Second Reading

Debate resumed from the 4th December.

MR. O'CONNOR (Mt. Lawley) [5.24 p.m.]: The Bill before us contains much detail that had been discussed long before I became a member of this House. I can recall that as far back as 1953 reports had been prepared and presented to this House concerning the matter.

Initially, in the late 1950s when the Metropolitan Transport Trust took over the various private bus companies in the metropolitan area, the amalgamation was carried out in such a way as to bring them under one controlling authority for the purposes of more efficient operation and of reducing the overall costs.

There is no doubt that with the metropolitan railway services and the M.T.T. bus services operating separately, as they do at the present time, the cost to the State is increased, as is the cost to the travelling public.

I am sure that all members of this House have complete confidence in the Chairman of the M.T.T. and the Commissioner of Railways. At present certain railway lines and bus routes operate in competition with each other. One example is the railway service from Midland to Perth. On this service the department is trying to attract whatever patronage it can; and at the same time the M.T.T. which operates a bus service between Midland and Perth is also attempting to attract as many passengers as possible. With the two Government services operating in competition with each other in respect of the same route, no doubt the cost to the State would be increased in the long run.

In the 1970-71 policy speech of the then Premier (Sir David Brand) it was clearly pointed out that if our Government were returned to office he would set up a metropolitan transport operation with objectives similar to those indicated by the Minister when he introduced the second reading of the Bill. In view of that, I am sure the Minister will realise that in general we on this side support the Bill as far as amalgamation of the two services is concerned.

If we examine the various reports that have been presented in relation to metropolitan transport, we will see that almost every person who has undertaken a study of this question has recommended the amalgamation of the M.T.T. bus services and the metropolitan railway passenger services. If we look at the 1953 Stephenson report we will find that he made several recommendations as follows—

(a) Closer relationship between rail and bus services.

(b) Through-routing.
(c) Unification of the transport services.

Those recommendations are in line with the recommendations contained in other reports that were presented subsequently.

The De Leuw Cather report of 1964 recommended the eventual consolidation of public transport agencies in the metropolitan area. There was also the Wayne report; and many of us knew Mr. Wayne personally. I am sure we all respected his judgment. Mr. Wayne took over as Commissioner of Railways at a very difficult period, and he did a marvellous job in improving the operations and reducing the deficits of the department.

One recommendation made by Mr. Wayne was the establishment of a single transport authority to control public and private transport, trains, buses, taxis, ferries, and vehicle parking. Again, his recommendation is in line with those contained in the De Leuw Cather report and the Stephenson-Hepburn report. In the inquiry undertaken by Mr. Wayne he had the assistance of a very senior officer of the Railways Department; I refer to Mr. Alan Williams. He is a very competent and a very efficient officer.

In the Nielsen report of 1970 the following recommendation was made—

> There is need for one single transport organisation and land use planning.

When we examine all the reports we find they contain recommendations for control to be placed under one authority in respect of not only rail services, bus services, and ferry services in the metropolitan area, but also road construction, parking, and traffic management. Quite frankly I believe that in the long run this proposal must be implemented.

I would like to know when the Minister was looking into this matter—I am aware there are many problems involved—what response he had from the railway unions. From the information I have been given they would be opposed to the takeover of the metropolitan passenger rail services, because in general these unions are in favour of a build-up of the rail services and the retention by the Railways Department of as much control as possible.

I have indicated quite clearly that I think the action to bring these services under one controlling authority is correct. I wonder whether we are going far enough in respect of some aspects. When we look at the chart which has been produced by the Minister there appears to be some confusion. I hope the Minister will be able to explain this chart more fully to us at a later stage.

When two departments are involved in similar operations in the same area problems always arise. I can recall that in 1966 or 1967 it was necessary to increase fares. On that occasion the M.T.T. and the Railways Department were concerned that they would lose metropolitan passengers. As far as possible we attempted to keep the fares comparable so that the people travelling the same distances would pay the same fares. At the time we met with considerable opposition from the Railways Department because it felt that an increase in fares would mean a reduction in patronage, and would affect that department to a far greater extent than it would affect the M.T.T.

When one considered the deficit in connection with the operations of the Railways Department there was every justification for a price rise, more so with that department than with the M.T.T.

The one authority which is to be set up under the provisions of this Bill will eliminate many problems. It will be far easier to establish a comparable fare for people travelling over similar distances, whether they travel by rail or bus. The proposed authority will be able to eliminate some of the duplicated services now operating, where major roads run parallel to and, in some cases, alongside railway lines.

Another advantage is that the uniform charges will result in the use of tickets which are interchangeable between bus and rail transport. At the present time a passenger is issued with a ticket for each form of transport he uses. If he catches a bus to a railhead, he receives one ticket; and he receives another ticket for the rail section of his journey. If he has to catch a bus again when he reaches the city he is issued with another ticket. The introduction of interchangeable tickets will reduce, to a minor degree, some of the costs now involved. Weekly and monthly tickets will be organised on a much more sensible basis than is the situation at the present time.

There are a few items I would like to mention and on which I would like the Minister to comment at a later stage. The Minister spent some time giving us a detailed explanation of the operations of various metropolitan bus and rail services in overseas countries. However, I think it will be found that most of those services have very little relevance as far as our local operations are concerned. We cannot compare a city such as London, with its huge population, with the city of Perth. I believe the requirements are completely different. The ability of rail transport to move large numbers of people does prove to be extremely effective in a country such as England, which is heavily populated, but the situation is different when compared with the operations of the M.T.T. in Western Australia.

The M.T.T., in taking over the responsibility envisaged, will incur an extremely heavy deficit, and I imagine the Railways Department will be very happy to hand over that deficit. During 1972-73 the M.T.T. tranported 59,000,000 passengers at a cost of $13,627,000. Revenue from

fares amounted to $9,014,000, leaving a loss of $4,613,000. That is an extremely heavy deficit and it reflects back onto the taxpayer through one avenue or another.

During 1972-73 the Railways Department transported 11,000,000 passengers at a cost of $5,766,000. The total revenue from fares amounted to $1,604,000, leaving a loss of $4,162,000. From those figures it is obvious that something will have to be done fairly quickly to reduce the loss of $4,000,000 resulting from an expenditure of $5,000,000.

The M.T.T. already runs at a loss of $4,613,000, and to that will be added the loss of $4,162,000 sustained by the Railways Department. However, not all costs are borne directly by those instrumentalities. For instance, the cost of transporting children for the purposes of their education is shown in the estimates as being $4,455,000, a large percentage of which would involve the Railways Department and the M.T.T. Another expense is that relating to pensioner concessions. The figure is $1,932,000—almost $2,000,000. A total of $15,162,000 is involved in those few items.

I realise that the whole cost involved in the transport of children for their education would not be a charge on the Railways Department and the M.T.T.'s metropolitan operation, but a fair percentage of it would. So, in the takeover, the M.T.T. will face a deficit in excess of $12,000,000. The Chairman of the M.T.T. will face an extremely difficult job in the takeover because the loss could be in excess of the total railway loss throughout the State. However, I believe that the takeover will reduce the loss to a great extent, and I am sure the Minister will impress upon the members of the board the need to look into various methods to reduce the deficit.

We must further examine the system of bus freeways, which were recommended in the Nielsen report. Quite frankly, I believe there is a lot of merit in such a system. The loss involved on the Perth-Fremantle railway line could be eliminated by channeling buses from the Cottesloe, Claremont—and even Nollamara—areas onto a freeway into the city. Such a system would speed up the operations of the M.T.T. and help to reduce its deficit but, more importantly, it would help to reduce the clutter of traffic on the roads in the metropolitan area which, after all, will be one of the main aims of the authority.

If the railway line from Fremantle to Perth were to be replaced with a bus freeway—for use by buses only—buses from outlying areas could join the freeway and reach the metropolitan area far quicker than is the case at the moment. The bottlenecks at the West Perth subway, and at other points, would be eliminated and such a system would help to encourage people to use public transport once again. For a number of years there has been an increase in the number of patrons using the M.T.T., but over the last 12 months there has been a slight downward trend.

I also suggest the authority should examine the feasibility of a feeder system. Buses which operate in areas outside of a three or four-mile radius of the G.P.O., Perth, could terminate their trips at various rail terminals, where the passengers would join the buses travelling to the metropolitan area on the freeways. This system would reduce the number of buses coming into the city area, and greatly reduce the traffic flow. The aim of the authority should be to provide a transport system for commuters in the metropolitan area, and also to reduce the clutter of traffic in the city area which is becoming worse and worse each year.

When development takes place in new areas the transport systems will have to be considered. Unless this is done in the initial stages of planning, a jungle is likely to develop.

The Minister pointed out that a Cabinet subcommittee has been looking into this matter, and he also said that the Perth Regional Transport Co-ordinating Committee was formed as a result of the recommendations in the Nielsen report, and that it included representatives of all interested bodies. I agree that the Perth regional transport authority should be set up as quickly as possible so that this matter is not deferred any longer. As the Minister pointed out, and as I have also said, recommendations along these lines were made as far back as 1953, and even at this stage nothing concrete has eventuated. I hope the formation of the authority will not be deferred for much longer.

The Minister said that one of the main reasons for amalgamating the operations of the Railways Department and the M.T.T. was that all running costs would be set out in one set of books, and we would then have a true record of the cost of providing transport. However, I do not think the Minister will be successful in creating such a set of books under the present set-up. Some of the trains which will be used to transport passengers in the metropolitan area will also be used in country areas and the staff involved will be employed partly on one service and partly on the other.

If the Minister knows the Railways Department as well as I knew it—and I am not being critical—he will realise that the department is out to get every dollar it can within its operations in an attempt to reduce its deficit. Quite naturally, the M.T.T. will also be endeavouring to reduce its deficit. Unless those trains which will operate under the direction of the M.T.T. are restricted to the metropolitan area, the Minister will never be able to get an accurate assessment of the cost involved.

I believe the new ticket system to be used on the integrated service will prove to be successful, and will help to reduce costs. The consolidation of timetables will avoid duplication. Planning, the handling of lost property, and ticket sales will be consolidated and will do away with the duplication which we now have.

I do not know how the Minister intends to reduce the number of stations at present operating, but I imagine the Treasury will advise him in the long run. I would like the Minister to comment in this connection because on page 2 of the Bill it is stated that "suburban railway passenger services" means passenger services on railways within the metropolitan area by means of rail conveyances travelling only between places in that area. I would like the Minister to explain his definition of "the metropolitan area". What will happen if, in the future, the metropolitan area expands to the extent that a place such as Northam is included? Would that mean that the operation of the rail service between Perth and Northam would come under the control of the M.T.T.? As I said, I would like the Minister to explain briefly the area which he intends to define as the metropolitan area, and also what he expects will happen if the present boundaries are altered.

There has not been much comment on parking, and I would like the Minister to take up this point because the various reports—such as the Wayne report—recommend that main roads and parking should come under the control of the authority. I believe such an amalgamation would be beneficial. At the moment the powers covering these items are split between two Ministers. There appears to be some confusion in this connection.

On the chart which the Minister has made available there is a split-up of the duties of the Minister for Police, Community Welfare, and Tourism, and the Minister for Works, Water Supplies, and Traffic Safety, as far as the Traffic Act and the Main Roads Act are concerned. I take it that the main roads are completely under the control of the Minister for Works. Perhaps the Minister will indicate whether or not that is the case. The chart does not show the position clearly.

Mr. Jamieson: No, it is not. Look at the chart again. It splits up only the Traffic Act. It does not split up the authority under the Main Roads Act.

Mr. O'CONNOR: At the bottom of the third column we have the Commissioner of Main Roads who comes under the Main Roads Act. The Road Traffic Safety Authority comes under the Minister for Works, I take it. The Director of the Department of Motor Vehicles also comes under the Minister for Works, and the Commissioner of Police is the only one who comes under the Minister for Police, Community Welfare, and Tourism.

Mr. Jamieson: Yes, he is the only one.

Mr. O'CONNOR: It is not clear on the chart. However, we have a split-up of traffic and transport in this way. I hoped that would not be the case. In the A.L.P. policy speech in 1971, the Premier said—

> We shall place complete control of traffic with the Police Department, which we propose to restructure.

That is not the case in connection with the Bill. Not all the operations will come under the Police Department.

Mr. Jamieson: The control of traffic is quite different from the other matters to which you have been referring. To what are you referring—control of traffic, the making of roads, or traffic safety through traffic engineering?

Mr. O'CONNOR: The Minister might be able to explain this when he replies. The policy speech states—

> We shall place complete control of traffic with the Police Department, which we propose to restructure.

Mr. Jamieson: That is right. We still believe that. The control of traffic is in nobody else's hands—except those of the members of the Legislative Council.

Mr. O'CONNOR: The Minister does not think the Department of Motor Vehicles has anything to do with it?

Mr. Jamieson: Not with the control of traffic.

Mr. O'CONNOR: Has road safety anything to do with it?

Mr. Jamieson: Not with the control of traffic.

Mr. O'CONNOR: Another point is that it is stated the Minister for Police will also be the Minister for Transport. That is not the case at the present time. I think it would be an advantage for one Minister to administer the portfolios of Police and Transport because he would have much greater control over the whole area. I cannot tell the Premier what to do in this regard, but I think it would be to the advantage of all concerned if he stuck to what he said in his policy speech, rather than have the breakup proposed in this Bill.

As regards overall cost reduction, in view of our policy as stated by Sir David Brand in 1971, and in view of the Stephenson report, the De Leuw Cather report, the Wayne report, and the Nielsen report, we support the Bill. I do not think there is any necessity to debate the next Bill to any extent; it merely gives authority for the Commissioner of Railways to be included in the three-man board at present operating as the M.T.T. We agree to that at this point of time.

Although we support the Bill, we hope the Minister will impress upon his department that costs can be reduced still further by the methods we have suggested during this debate.

MR. T. J. BURKE (Perth) [5.49 p.m.]: I would like to say a few words to this Bill because I believe that at some future time history will reveal it to be a very significant measure. It sets out to co-ordinate our urban transport systems. As the member for Mt. Lawley indicated, there has been a pregnant pause of some 20 years, during which time the Perth regional transport system has been under consideration by experts who attempted to produce its earlier birth. I believe as a result of the legislation now before us Perth and the metropolitan area will gain a great advantage, which will be even greater for posterity.

The Minister is to be complimented on his second reading speech. It is one of the best prepared and presented second reading speeches I have heard. The Minister related the technical details through the reports of different people who have given attention to urban transport and traffic problems since 1953. Their conclusions were inevitable, and although we are not going quite as far as the experts feel we should be going at this point of time, at least we are making a start on what I believe will be seen as one of the best moves which has ever been made.

Mr. O'Connor: Those other steps will be taken at some future time.

Mr. T. J. BURKE: They will have my full support. There are certain aspects which I would like to see implemented, and I am sorry they are not being implemented in this legislation.

Mr. O'Connor: Parking, for instance?

Mr. T. J. BURKE: I have that in mind. It is a "dicey" subject and many people have yet to be convinced before we can introduce legislation in that regard.

I compliment the Minister, the Director-General of Transport, and anyone else who had any part in preparing the legislation and the second reading speech presented by the Minister. I disagree with the member for Mt. Lawley in one respect. I believe reference to experience in other countries of the world is significant, and the first point I made was that history will show the step taken in this legislation to be more than justified as Perth grows. By learning from the mistakes of Governments in other countries, we can anticipate our own problems. I believe that is what we are doing now. In fact, had we done that as far back as 1953 or 1955, or at any time in the intervening period, we would probably have avoided many of the problems which confront us today.

No-one can convince me there is not a traffic problem in Perth. Of all cities of a comparable size, I suggest Perth has one of the most complicated traffic problems because of its narrow streets. Something must be done about it. One can find oneself involved in a traffic jam at any hour in any of the streets of Perth.

The recent move on the part of the Government in allowing public servants to vary their starting and finishing times has played a part in improving the situation, but we must convince the people of Western Australia that it is essential for them to co-operate with us in order to make the best use of the central business district. I am afraid the public must make greater use of what we intend to provide through this piece of legislation, and they must use their motor vehicles for other purposes. I know it is necessary for some people to use their motorcars constantly, but I do not think it is essential for the people of Western Australia to continue to use up miles and miles of road with only one person in each motor vehicle. Consideration must be given to this aspect if we are to keep the use of motor vehicles to moderate limits and within economic bounds.

The member for Mt. Lawley has covered the budgetary aspects; in fact, he covered the Bill rather well. I believe the simplified control of traffic proposed in the Bill will provide us and future Governments with a very good basis for a modernised, electrified, underground urban transport system. I want to see in Perth an underground rapid transit system in order to protect the interests of those who have invested huge sums of money in the central business district and the interests of the people who use it; that is, the people of Western Australia. The only way to encourage people to use the central business district and make it an attractive place in which to work is to provide accessible, reasonably fast, modern, and appealing transport. The next step which must be considered in the not-too-distant future is the provision of an underground rapid transit system, which is the subject of an inquiry at the present time.

Reference was made to possible objections from the trade union movement, particularly the railway unions. Traditionally, railwaymen have a very strong feeling about their involvement, through their work, in the development of the countryside and the provision of transport services to outlying areas, within the metropolitan region, and in the areas between. For as long as I can remember, I have been aware of the strong feeling railwaymen have for their particular vocation in life.

Mr. O'Connor: Perhaps the strongest of any group.

Mr. T. J. BURKE: I think it is. I do not believe there will be a redundancy problem. The modern motorcar is suffocating Perth at such a rate that people will use

public transport of their own volition. The proposal contained in the Bill will make it easier for people to adjust to the use of public transport, so I think any fear of a redundancy factor is ill-founded. There will be an immediate increase in the use of public transport, and therefore stability or even an increase in employment in the industry to cater for the increased demand.

Mr. Sibson: Will you use public transport to set an example to other people?

Mr. T. J. BURKE: I will be quite happy to do so but, as the member for Bunbury realises, in this particular vocation it is essential to have a motor vehicle available.

Mr. W. G. Young: You could stroll through your electorate.

Mr. T. J. BURKE: I will be quite happy to do so. I do not think there will be a redundancy factor, and in fact with tomorrow's underground rapid transit system there will be a greater need for railway personnel. I believe that in the near future much greater use will be made of rail transport—whether it be the conventional type or a more sophisticated type such as is found in parts of the United States, in Japan, and in Germany—and that we will have to replace what we are providing for in this Bill with increased use of the commuter bus.

The member for Mt. Lawley indicated—and I am inclined to agree with him—that if anything this measure does not go quite far enough. One of the advantages which will flow from this proposal will be gained from the removal of the duplication in the public transport system as it exists today, by the integration of the two services.

Of course, certain other economies will be effected, and these were referred to in the Minister's second reading speech. The member for Mt. Lawley also referred to them. These are factors which all the experts agree are involved. I know that a great deal of liaison exists between the Ministers and departments in control of certain aspects, such as road making, traffic control, etc.

If we are to gain the fullest advantage from an integrated rapid transit and urban transport system, I believe we must do more to encourage people to use the system. Of course, people will be encouraged to do this by the fact that sooner or later they will not be able to take their cars into the city because of the congestion. This is likely to drive people out into the shopping centres which are being established around the city. This has occurred in certain cities I visited overseas. The city centre of Tampa, in Florida, a city I visited in the United States—a city probably half the size of Perth—has been completely destroyed because it has become too difficult for people to enter the city centre and there is no urban transport system.

I believe we must have some control over the proliferation of parking stations, whether they be operated by local authorities or by private enterprise. We must control these so that money diverted to the provision of a public urban transport system in anticipation of the needs of the public is properly applied; and those needs will become greater as they find they cannot enter the city in private motorcars. Perhaps this is one aspect in respect of which the legislation should go a little further; we must limit the attraction of the provision of yet another parking station.

Mr. O'Connor: Do you think the authority would be the best body to control parking stations?

Mr. T. J. BURKE: I am not convinced either way in that respect.

Mr. O'Connor: I think it would not be a bad one, really.

Mr. T. J. BURKE: That could be so. In order to achieve the most economic use of an expanded urban transport system, I think we must stop encouraging the use of private cars. I do not mean that the use of private cars should be discouraged completely, but if we continually encourage the use of private cars within the city area by dangling in front of people the attraction of cheap parking—and parking in Western Australia is probably cheaper than it is anywhere else in the world—then we will not get anywhere. The point I am making is that sooner or later we are going to spend a tremendous amount of money on an urban transport system, and we must be sure that the system we provide will be used by the public.

I think I have made it sufficiently clear that I am in agreement with this measure. It has my full support. As I indicated in my introduction, I believe that history will show this to be one of the most significant steps taken in the life of this Parliament. The only other point I would make is that the railway legislation which follows on the notice paper is complementary to this Bill, and it also has my support.

MR. JAMIESON (Belmont—Minister for Works) [6.05 p.m.]: I would like to thank the two members who contributed to the debate, and to make a few comments in reply to what they had to say. Dealing with the member for Perth first, he referred to his experience in overseas cities in which it has been found necessary to encourage the use of some form of commuter transportation other than the motorcar. This is always a problem; I am sure that some cities do not know which comes first, the chicken or the egg. Decisions must be made regarding whether a commuter system which is better for the public should be established, or whether the authorities should wait until they are forced to do something about the problem.

I think the obvious answer is always to get in first and to carry out the planning. We hope to do that by the method laid out in the legislation; that is to have—but initially only—an efficient co-ordination of the commuter transport systems. By comparison with the other States of Australia, a relatively small number of Western Australians use our commuter system. Our community shows a disregard for public transportation, probably because in the past they have had easy access to the city and to their places of employment. However, the city has grown and we are now getting to the stage where it is becoming choked up and something must be done. We feel the first step is an efficient co-ordination of the Metropolitan Transport Trust and the W.A.G.R. in the transportation of commuters in the metropolitan area.

It has been mentioned that perhaps the proposed body should control parking and traffic matters within the metropolitan region. Possibly in the future when we have a Perth regional transport authority that will ultimately be part of its responsibility. I think it is generally agreed that this is a step in the right direction towards the setting up of such an authority. Possibly in the future it may be found that parking and traffic control could be handled more simply by an overall authority. No doubt by that time we will have an alternate 3 ft. 6 in. railway line to Cockburn, and then we will be able more clearly to determine our financial responsibilities in respect of the transportation of commuters within the Perth metropolitan region.

The member for Mt. Lawley asked where it starts and finishes; at the present time the system finishes where the transportation of passengers by the W.A.G.R. finishes. At a later stage if there is any need for an extension of this service or for additional spur lines, naturally that matter will be the responsibility of the metropolitan regional transport authority.

Mr. O'Connor: The only reason I asked is that there is no definition of the metropolitan area.

Mr. JAMIESON: There is no need for a definition at present because the railways can only transport passengers to where the railway line finishes. At one time, the metropolitan railway system extended to Chidlow, but now it is confined to Midland. As the need arises for the railway passenger service to be extended, this can be done. But such an extension cannot be planned in just a few months; ample time must be allowed. So if any further definition is required it must be planned in advance.

Mr. O'Connor: Will alterations be timetabled by agreement between the Commissioner of Railways and the Chairman of the M.T.T.?

Mr. JAMIESON: In respect of alterations, in not too many years' time we will have a Perth regional transport authority, and then everything will be more clearly defined. This Bill represents the first step in that direction.

The member for Mt. Lawley referred to unions and their objections. Whenever any change is made—even if we are cutting down trees in a street in Nedlands—there is always a degree of objection; and more so when those likely to be affected are not fully aware of what is taking place. We found a degree of disharmony between the trade union movement and the Administration, and more particularly between the union movement and the Perth Regional Transport Co-ordinating Committee, which was the real workhorse under the Cabinet subcommittee. The unions were not sure of what was going on. I did try to explain to them on several occasions, but they had a lingering suspicion that the committee or some other body might have been getting under their guard and doing something detrimental to their members.

However, we overcame that by placing a representative of the Trades and Labor Council on the committee, and since then things have gone along smoothly. The T.L.C. representative is in an excellent position to be able to report to the unions associated with transport exactly what is happening, and what is contemplated. I am sure the suspicion that arose as a result of many people thinking their jobs were in jeopardy no longer exists, because the more attractive the system of commuter transportation, the more it will be used and the more employees will be needed to run it. Our earlier difficulties in that regard have been overcome.

With regard to reducing the deficit, the only way we can do that is to get a high proportion of the commuter population to use the public transport system. It might be said that Western Australia is not ready for the undergrounding of public transport and that sort of thing; but not long ago when I was in Antwerp—which is a city possibly a little less populous than Perth—I found that the authorities were planning an extensive underground system and the provision of ring roads, etc., to speed up transportation. They felt the same way as we feel now; that is, that the motor vehicle was choking their city.

Whilst these projects are very expensive —we talk in hundreds and even thousands of millions of dollars—the advantages they offer to the everyday activities and commerce of the city are undoubtedly of great benefit. They are of great benefit to the citizens who work and live in the city. I am sure we would all agree that only the best is good enough for the city of Perth. We hope to plan for the best. We hope to obtain the best land use commuter

system we can possibly get; and in the initial stages the busways feeding into the railways are very important, as the member for Mt. Lawley pointed out. However, to me busways are a nightmare in the ultimate because they are constructed in the same manner as ordinary roads, and their use can be subjected to political pressure.

Sooner or later people find that their access to the city is becoming congested, whilst the busway alongside it is carrying only limited numbers of vehicles; so a political party promises that, if elected, it will open up the busway for general use. If that party is elected and the busway is opened up, the whole scheme becomes clogged up once again. But if we have a rail system, that cannot be done because it is almost impossible to drive a motorcar along a railway line.

This is a problem with which we must come to grips. If we provide a facility for commuter transportation, it must be used for that and for no other purpose. In other parts of the world ambulances and police cars, and then any private vehicle with more than two persons in it, have been allowed to use busways, and they soon lose their identity. All sorts of compromises are made in respect of using inways and outways, and by reversing lanes at various times of the day; but these are only compromises and are not answers to the problem. Any traffic engineer will readily agree with that. The whole answer is to regulate traffic to such an extent that it can be handled; and in particular we must be able to regulate our commuter services.

The member for Mt. Lawley referred to the writing-off of funds expended on railway stations. His Government did not do a bad job in that respect; it pulled down most of the facilities. That is one way to write them off effectively. Those stations are now merely stopping places, and are not very large by way of capital investment.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. JAMIESON: I was dealing with the comments of the member for Mt. Lawley who suggested we would have to think about the writing-off of capitalisation in connection with the various metropolitan railway stations. As I said, however, most of these have been dealt with; they have been completed and there is nothing much to worry about in that respect.

The other point raised by the member for Mt. Lawley dealt with the question of A.L.P. policy at the last election. He mentioned the requirement of everything being under the control of the Minister for Traffic. This, however, must be read in conjunction with the platform on "Traffic Safety" which clearly states—

> Appointment of a Minister for Traffic Safety with a view to taking this responsibility from the Minister for Police.

I find it difficult—even so far as the Press is concerned—to get people to appreciate that there is a vast difference between the control of traffic and traffic engineering, traffic safety, and the study of problems that should be made before accidents occur—I refer to road engineering, signposting, and the other things that go with traffic safety, or have anything to do with ensuring that people obey the laws and regulations which are laid down for their guidance and convenience. Accordingly, if we dissociate the one from the other we will see that what is being done is quite compatible with what the Premier promised at the last election.

Clause 4 of the State Labor platform relating to "Traffic Safety" states—

> The Police Department, in co-operation with the Minister for Traffic Safety, as provided in clause 1, to be the authority to control traffic throughout the State, but so as not to disadvantage financially local government authorities.

This is exactly the case. If the honourable member will refer to the chart he will see that co-operation is taking place under this scheme.

There is very little else on which I wish to comment. I might mention the question of encouraging the park-and-ride angle by the provision of additional parking spaces. This can be done by using a number of the areas on railway property which are now weed infested. There is also the aspect of the kiss-and-ride service, under which the wife, or somebody from the family, will drive the breadwinner to the station and later pick him up and transport him the half a mile or so from the station.

This is all part of the scheme of things that has to be undertaken by virtue of the metropolitan system of commuter transportation. To this we hope to add the north and south bus spurs, for some time at least, to ensure that they are providing an efficient service.

The M.T.T. has had reasonable success with its express bus service from the Morley centre and, no doubt, if we can establish another centre at Innaloo and at other given points, we could attract a considerable number of people to the commuter system. If we are able to do this it will help wipe off the deficit that is continually growing and is causing a great deal of concern to the Government of this State. Indeed this aspect is causing concern to all State Governments.

The advice recently given by Mr. Shea in the Eastern States on the systems of transportation within cities clearly indicates that we cannot hope to make this system pay. Where it will pay is in our being able to provide the workers in commerce and those in the retail trade with all the features which accompany the build-up of a C.B.D. If this is done efficiently and effectively it will deserve the

subsidy of the community; even though we would always need to ensure that we were not expending funds unnecessarily in maintaining white elephants. This would be most undesirable.

We hope we would be assisted by the Commonwealth in any special study operations, particularly as it refers to the sorting out of the transport system in the central city. The Commonwealth has shown willingness in the first year to assist us in many other ways in co-ordinating our metropolitan transport system.

If the Commonwealth can be shown that we are willing to help ourselves I have no doubt it will, in due course, be happy to go along and assist the State of Western Australia to provide within its metropolitan region an efficiently operating commuter system of which we can all be justly proud.

Many of these are being organised in the world at the present time, and world authorities such as Wilber Smith and Associates—whom we have to advise us —will no doubt be able to indicate the best way we can serve the public in the long run.

I again thank the two members who have contributed to the debate. Once we get this system established and under way we will find that in the next two years there will be need for further legislation to form an entity to cover transportation completely rather than have the marrying of the two services as is being done at the present time.

This does seem the most successful way to tackle the problem in the initial stages, and if it is successful we will sort out many of our problems in the field of urban transportation.

I commend the Bill to the House. I hope this change in the system of transportation will mean that with the co-operation of these two bodies we will have a modern type of scheme functioning here within a few years' time.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

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

GOVERNMENT RAILWAYS ACT AMENDMENT BILL

Second Reading

Debate resumed from the 4th December.

MR. O'CONNOR (Mt. Lawley) [7.41 p.m.]: I have already indicated to the Minister that this Bill only authorises or arranges for the Commissioner of Railways to be a member of the authority.

We have no objection to this because it must apply if the other measure is to operate. We support the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

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

HIRE-PURCHASE ACT AMENDMENT BILL

Second Reading

Debate resumed from the 13th November.

MR. McPHARLIN (Mt. Marshall) [7.43 p.m.]: I want to say at the outset that I am not opposing the Bill, although there will be certain clauses on which I will offer some criticism when we get to the Committee stage.

It is indeed gratifying to me—and no doubt to other members who took part in the Honorary Royal Commission which investigated hire-purchase and other agreements—to see that quite a number of our recommendations have been examined and acted upon.

These recommendations were made after we had spent a considerable period of time in carrying out our investigations; and it gives me great satisfaction to see some of these incorporated in the Bill before us.

As I have said a lot of work was put into this aspect by the Honorary Royal Commission which was appointed by Parliament. We examined a large number of witnesses and innumerable reports in our endeavours to reach as far as possible a conclusion which would be unbiased and fair to both sides, and to the contracts that were being examined. We wanted to ensure that our recommendations would be fair to both the consumers and the credit providers.

We examined quite a number of witnesses and studied many reports. These were referred to by the Minister and were a report by the Law Council of Australia which was submitted to the Adelaide Law School, the McGarvie-Begg report, submitted to an Australian legal convention, and the now well-known Molomby report.

These three reports were examined in some detail by the commission which was guided by their submissions. In addition it received oral and written submissions from many witnesses.

As a result of our examinations we submitted a report which we hoped would be of some value and it certainly played a part in the drafting of the amendments in the Bill before us. I believe that this legislation is something for which consumers have been looking for a long time.

The credit providers themselves have expressed the hope that the Acts under which they operate will be amended not only to grant them more credibility, but also to reduce the number of loopholes of which the fringe operators take advantage. These fringe operators have cast a stigma on the industry and this has reacted unfavourably against all those in the industry.

The credit providers were willing at all times to co-operate and give evidence to provide information which could be of use in the drafting of legislation. Many investigations have been made into consumer credit not only in Australia, but also in America and England where it has been realised that better laws must be provided to govern credit purchase.

In March of this year the Australian Finance Conference, in co-operation with the Monash University, decided to hold a three-day seminar in Melbourne to which approximately 250 people including leading bankers, finance executives, university professors, representatives of the legal profession, and members of Parliament were invited. A considerable number of professors and approximately 80 or 90 representatives of the legal profession were in attendance.

I had the good fortune to be invited to take part as was the Deputy Leader of the Opposition. The time involved was well spent because we had three days of intensive concentration on papers delivered by men who are leaders in their field. The aim of the seminar was to try to arrive at recommendations which would aid in the provision of fairer consumer credit laws.

The theme of the conference was "Consumer Credit—the Challenge of Change" and very interesting speakers provided papers. The theme address was given by Professor Zelman Cowen, who is the Vice-Chancellor of the University of Queensland. He delivered one of the most inspiring addresses those who attended could wish to hear. He is well known and has a wonderful reputation not only as a lecturer in law, but also as a very able, competent, and inspiring speaker. Much of what he said had a terrific impact on those attending the seminar.

I think some of the comments of the professor are well worth mentioning here. He referred to the report of Mr. Edwards, the Chairman of the Australian Finance Conference of 1971, in which he commented on the amendments being made and on the consumer crusade which was taking place. He referred to the proposals for legislation and said that they would have the effect of placing the motor trader and the finance company entirely in the hands of the credit buyer. The professor said—

> For a long time, the law of contract rested securely on the base of *caveat emptor*. As an American judge, little more than fifty years ago, put it, "it is impossible to uphold freedom of contract and the right of private property without at the same time recognising as legitimate those inequalities of fortune that are the necessary result of the exercise of those rights"...

Reference was made to a finance conference of 1971-72 at which it was said—

> Conference has been concerned to note the continued commitment to a view of consumer protection which has been given in a number of areas of the various reports and which takes little account of the rights of other contracting parties who are equally entitled to consideration.

Obviously the emphasis was being placed on the consumer as against those who are equally entitled to consideration; that is, the credit providers. The idea was that there should be fairness to both sides.

Further on, with the emphasis again being placed on consumer protection, the professor said—

> Consumer protection is a matter of very real concern in many of its aspects to all of us. There is a general consensus, I believe, that there is need for legislative protection against misleading advertising and against certain types of high pressure selling.

This was the theme of his address. He further said—

> As to the general issue of consumer credit itself, the Crowther Committee—

That was a committee headed by Lord Crowther of the United Kingdom. To continue—

> —observes that diverse views have been expressed. At the one end of the spectrum it has been argued that its very rapid growth and extension has led people to live beyond their means and this has contributed to a decline in moral standards. At the other end it has been pointed out that the availability of credit facilities has made available the benefits of material prosperity to the whole community.

The questions then asked were: How far should we go? What is to be done? What is the balance between bargain and fairness? The Chairman of the Australian

Finance Conference delivered a very interesting address included in which was the following—

> On a related subject recently, I heard a comment that if computers had been invented in 1873, they would have predicted that by 1973, the entire surface of the earth would have been covered in 12 feet of horse manure and that as a result urgent steps would have been taken to reduce the world's horse population.

He raised the question as to what could be decided at the seminar and just what was the extent of the need for change in consumer credit and associated laws. He wondered what the urgency for the need for reform of existing practices was and the shortcomings in consumer credit laws and whether they warranted a major rewriting of the existing structure to the extent suggested. So the question was asked: How best can this be achieved and what will be the cost of implementing the recommendations?

These were the aspects to be examined by the seminar in an endeavour to arrive at some recommendations. Professor Robert Johnson, a Professor in Industrial Administration at the Purdue University, Indiana, in the United States, was invited as a guest speaker, and he also delivered a very interesting and inspiring address on the Saturday night. It dealt with the investigations into consumer credit in America and revealed a close similarity between the problems existing there and those experienced in Australia. He said—

> Probably the major research finding of the National Commission was that rate ceilings and the strength of creditors' collection remedies determine the availability of cost of credit to consumers. As you can imagine, with 50 states we have a great variety of consumer credit laws ranging from reasonable to ridiculous. The dissonance may be hard on the citizens of some States, but it is a delight to econometricians, because they can then test statistically the influence of various rate ceilings and creditors' remedies upon rates actually charged to consumers and amounts of credit outstanding per capita in each State.

It is obvious the findings of the investigations in America revealed a situation similar to that discovered in Australia by those responsible for the Molomby report. Obviously the problems are the same in both countries.

The Bill before us contains a considerable number of amendments to the Act most of which are desirable. I have been in touch with those people the Bill will directly affect, and also with the Australian Finance Conference, to ascertain their views on the amendments.

There is general agreement that it is desirable to have the majority of the amendments suggested and that there is a necessity for full information. This is covered in the Bill. It has been agreed that the more information which can be given to the intending purchaser or hirer to make him understand that the contract is what it is supposed to be, the better it will be. In this way he will have a greater understanding of what is meant by the contract. This is something which the hire-purchase companies themselves would want to have applied, if it could only be applied in a simple way. The hire-purchase companies would want this, provided that the information which is required to be given to enable a greater understanding of the matters contained in the contracts could be simply stated.

Provision is made in the Bill for the licensing of credit providers. This was a recommendation which we made in our report. There has been some disagreement along the line suggested by the Australian Finance Conference; their claim is that this is not necessary. It has been suggested that in consequence of the intense competition between hire-purchase companies this in itself would govern malpractice to a great degree. Also, it has been suggested that if we are to license hire-purchase companies, as providers of credit, why should we not license others, apart from hire-purchase companies, which also provide credit? In any event, banks and certain other bodies are governed by other Acts of Parliament and I think we commented to this effect in the report. If other credit providers are not licensed perhaps other administrative measures could be brought down after the respective situations have been examined.

In this case we are dealing with credit providers who operate in a hire-purchase field. The licensing system is one which has been applied in many directions as a measure which offers some control. This Bill also envisages the appointment of a tribunal to administer the licensing of credit providers. If they do not adhere to the rules laid down they will fear having their licenses suspended and not having them renewed. This, in itself, would be a restrictive type of measure which would keep them from departing from the practices which we desire to be applied to give the consumer the best that can be given to him and not to allow fringe operators to depart from the strict rule of the law.

We dealt with used cars in the Motor Vehicle Dealers Bill we debated recently. This measure tends to tighten up some aspects of this. In saying this I am referring to clause 7. Of course this measure does not apply only to used cars but to all types of hire purchase. As I read clause 7 my understanding is that the owner, dealer, or any person acting on behalf of the owner can be held responsible.

This, in itself, is rather a good move. It raises a query and one which I do not think has been dealt with in the Bill. This has been brought to my notice and I will mention it now to the Minister who may be able to make some investigations, although clause 7 may, in fact, cover the position. I refer to the matter of dealers entering into a full recourse contract with a credit provider. It has been suggested to me that were it not for the full recourse arrangements with the hire-purchase companies, not so many deals which were not quite in accordance with what they ought to be would be written. In the first instance the dealer writes a contract and the hirer takes the vehicle, or whatever it may be. If the hirer defaults the hire-purchase company knows that because the dealer has a full recourse contract with the hire-purchase company, the hire-purchase company will be paid and the dealer is the person who holds the bad debt.

In many cases a contract is written with a client who is not considered to be a good credit risk. If the contract is accepted by the hire-purchase company, that company—the credit provider—says that the dealer is responsible. However, the credit provider accepts the contract even if it knows that the hirer is a bad risk. This is a field which bears investigation. The recourse provisions should perhaps be examined in closer detail. I suggest to the Minister that this is an area which should be looked at.

If it were looked at, the hire-purchase company—the credit provider—may be more selective in writing contracts and there could be a rejection rate which would be helpful to eliminate the percentage of bad debts, and the percentage of people who run themselves into trouble. This is something which is well worth looking at to see whether it could be tidied up.

Minimum deposits was another matter which we went into. We made quite an extensive examination of this subject and looked to see how it applied in the other States. Stated in the report is the degree of deposit which is required in the other States of Australia. After close examination we did not recommend that the law should be changed in this respect, with the exception that we indicated it would be a good idea if people writing contracts were to insist that there be a minimum deposit of a percentage which would give the client a better chance to meet his commitments. In this way he would not be committed to such a high repayment amount each week, month, or some other period of time.

It is interesting to note the maximum rates of interest which are applied in the various States. In Western Australia we have no maximum for hire purchase. However, the maximum under the Money Lenders Act of Western Australia is 15 per cent. simple. At the time of submitting the report, South Australia did not have any limit. Victoria had no maximum on hire purchase but, when it came to money lending, for some reason that State had set a maximum of 48 per cent. simple interest per annum. Doubtless this would apply to short-term loans in extraordinary circumstances. In New South Wales hire purchase is 7 per cent. flat on new vehicles; 9 per cent. flat on used vehicles; and 10 per cent. flat on household equipment. The Australian Capital Territory has no limit on either hire purchase or money lending. Queensland has a limit of 20 per cent. simple interest on both hire purchase and money lending. Tasmania has no limit on hire purchase but it has a limit on money lending of 10 per cent. simple per annum plus 2½ per cent. simple procuration fee.

At the seminar which was held in Melbourne it was suggested that there should be uniform legislation throughout Australia with respect to contracts which are written and particularly with respect to interest rates on hire purchase and money lending. However, this did not eventuate. It was thought better for each State still to control its own hire-purchase and money lending rates. At least, I think that was the outcome of the seminar.

A suggestion was made at the seminar that perhaps the Commonwealth could write legislation to govern these questions over the whole of Australia. This suggestion did not meet with a great deal of enthusiasm and it was left to each State to write its own legislation.

Misleading advertising, dealer commissions, and so on are other matters which are mentioned in the Bill. The matter of advertising is covered. It has been suggested that certain points should be observed so that the client, once again, can understand what is required in the way of repayment for the purchase he intends to make. I will refer later on to the size of the type.

We looked closely at the questions of repossessions and voluntary surrender. Under section 13 of the Act, the hire-purchase company must comply with certain provisions so far as repossessions are concerned. A number of days' notice must be given before an item is repossessed; it must then be held for 21 days before it can be sold or tenders called for the sale, etc.

However, if a person voluntarily surrenders an item under section 12 he is not given the same protection. We have made the recommendation—and it is included in the Bill—that when a client takes back the vehicle—or whatever item it may be—he be given the same protection as people who have had the vehicle or item repossessed. I notice that this is written into the

legislation, as I have said, and there has been no great objection to this from the finance conference.

I now come to the matter of guarantors and indemnifiers. Evidence was given to us to the effect that guarantors are apparently not examined by the credit provider. In one case at least we were told that a guarantor was described as a "dim wit" but he was over the age of 21 and acted as a guarantor for a boy of 17, without the parents' consent. The boy purchased a motorbike and had several accidents, and, inevitably, his license was endorsed. He was in trouble from then on as a result of the endorsement on his driving license.

We questioned a number of credit providers on this matter of guarantors and they informed us that they were careful in their choice of the person whom they selected as a guarantor. However, the evidence given to us did not bear that out. Consequently we recommended in our report that the guarantor for a minor should be his parent or legal guardian. I notice that the first Bill which came before us was worded along these lines, but other amendments have been introduced subsequently. The effect of these is that if the parent wants to nominate someone else to be guarantor for the minor that is acceptable. I cannot see anything wrong with this. I am sure it would be all right if the parent is satisfied with the person nominated by him as guarantor. I do not think there would be any great disagreement on this point.

I notice that substantial penalties are provided in the Bill for a credit provider who conducts business when his license has not been renewed or has been rescinded. Perhaps that matter can be considered in the Committee stage.

Mr. Harman: They are maximums.

Mr. McPHARLIN: Yes. I wish to refer to the provisions in regard to hardship. We made suggestions about people who were sick or who, through no fault of their own, could not meet their hire-purchase commitments. The Government has accepted our recommendations. Such cases are to be referred back to the Commissioner for Consumer Protection for an extension of the exemption for either three or six months.

Another situation of this type which has since been brought to my notice is that of a person who is not receiving an income because he is on strike. I understand agreement has been reached between the Australian Finance Conference and the Council of Trade Unions on this point. I have not seen the agreement, but I understand the credit providers are prepared to extend the hardship provisions to such workers. I do not know the exact conditions, but the benefit is already in operation.

We made recommendations also about consumer education. We suggested that the Consumer Protection Bureau should examine the situation as to the best way to provide education to the community. One suggestion was that information should be given to the schools to educate the children in the problems associated with the writing of contracts for credit purchase and matters of this nature which are now part of our society. Over the last 10 or 12 years, hire-purchase lending has developed very rapidly.

The measure also provides for the establishment of a hire-purchase licensing tribunal. Subsection (2) of proposed new section 23A commences—

> The Tribunal shall be constituted solely by such District Court Judge . . .

I interpret this to mean that a District Court judge will be the sole member of the tribunal until such time as he appoints another member to his staff. Am I correct in assuming that an amendment is proposed in relation to the tribunal?

Mr. O'Neil: Yes, an amendment to provide for a District Court judge to call in an expert adviser.

Mr. McPHARLIN: Yes, I recall that now. I believe that is a good move, and one which will be accepted by those concerned.

I would like to refer also to insurance. In hire-purchase contracts relating to vehicles, insurance is compulsory. The Bill provides that a client purchasing a vehicle under hire purchase may select from 20 insurance companies. The Australian Finance Conference claimed that it should be permitted to nominate insurance companies for this purpose. It stated that it is in the position to know which insurance companies are sound and could give adequate cover to the purchasers. Under the present Act, a purchaser may select any insurance company. The argument put up by the Australian Finance Conference was that quite a number of insurance companies had blossomed forth in the post-war years, and a few of these had collapsed. Therefore, because the conference knew the stable companies, it could recommend suitable ones. I understand the Australian Finance Conference was in a little trouble because it made comments about reputable insurance companies. Some of the insurance companies objected to the use of the word "reputable" because it implied that some were not reputable. Litigation took place as a result.

I do not quarrel with the suggestion in the Bill before us that a list of 20 insurance companies shall be provided to a client. We have about 80 insurance companies in Western Australia, and in my opinion, a list of 20 will give clients a fair selection. We are not told how the 20 companies would be selected, but perhaps

the Minister will give us more information about this. The clients will be protected as they will be able to select from substantial companies.

While speaking about insurance, I would like to tell members about a young man who purchased a car in the country. The dealer rang the head office of the insurance company in Perth, and it agreed to issue a cover note. Apparently the young man had been involved in an accident, but he disclosed this fact to the dealer. As members are aware, a premium loading is applied to a person who has had an accident. The young man and his father both stated that he had disclosed the accident to the dealer.

The contract was concluded, the young man took the vehicle, but the parent company refused to issue a policy because it claimed that it had not been told about the accident. However, the hire-purchase contract had been written, and the hire-purchase company sought to repossess the vehicle. The young man stood to lose a considerable amount of money because he could not obtain insurance cover for it. I suggest that the Minister should look into the matter. Perhaps a hire-purchase contract should not be signed before the actual policy is issued. Probably such an incident does not happen very often, but it can happen. I do not intend to move an amendment in this regard, but I would ask the Minister to consider it, and perhaps he could approach the insurance companies about the correct course to take.

People who have not been closely associated with hire purchase may not understand some of the references in the Bill—and the reference to maintenance is a case in point. Some hire-purchase forms contain a reference to maintenance, and some do not. I was advised by one of the companies that maintenance applies to the period of service after a vehicle is sold. A contract may be arranged between a dealer and a purchaser to the effect that 50 per cent. of the cost of repairs will be carried by the dealer.

I note with some satisfaction that the interpretation of "hire-purchase agreement" has been widened. The Government has accepted, and indeed broadened, the principle recommended by the Honorary Royal Commission. We suggested a provision to overcome the practice of credit-purchase agreements being issued instead of hire-purchase agreements. This practice was satisfactory as long as the person taking out the agreement could meet his commitments. A person who enters into a credit-purchase agreement immediately becomes the owner of the goods. Under the agreement the goods are then assigned back to the credit provider who then becomes the owner. This practice has been used to get around the Hire-Purchase Act and to avoid stamp duty.

The Honorary Royal Commission was told that firms writing a great deal of business were saving a considerable amount of money by not paying stamp duty. Of course, under the Hire-Purchase Act, the dealer cannot pass stamp duty on to the client. By using the credit-purchase arrangements, the dealers could save stamp duty, because a lesser rate applies. Provisions written in small print on the back of such agreement left it fairly wide open for credit providers to repossess vehicles in the case of default. They also imposed some rather severe restrictions. This, I think, was not acceptable because, under this credit-purchase agreement, there is written in small print—

Mr. O'Connor: You are not allowed to read that.

Mr. McPHARLIN: There are a number of terms and conditions set out on the back of this agreement but provision 6 (b) reads—

> If I make default in any payment or commit any other breach hereunder—

That is one provision. The terms and conditions also entitle the owner to take immediate possession of the goods and he may enter, and, if need be, break and enter, any premises occupied by the person hiring the goods. It also states that after he has taken possession of the goods he is irrevocably authorised to sell them on behalf of the person who hired them, by public auction or private treaty, and to receive the purchase moneys and apply the same towards all costs and expenses incurred by the owner in or about the taking possession of and the sale of the goods. The agreement also provides that any balance will be paid to the owner.

These conditions appear to be rather severe and they prompted us to suggest that a wider definition of "hire-purchase agreement" could be applied to suppress that type of drafting of contracts. I understand that most of the credit providers are not writing that type of contract now. Instead they are writing a hire-purchase contract. Should any member care to examine the credit-purchase agreement from which I have just quoted nowhere will he find the Hure-Purchase Act referred to.

These credit-purchase agreements were quite all right provided the person hiring the goods did not default with his payments. In those circumstances there was no great dissension between the parties; this occurred only when there was a breach of the agreement. We heard of one case where a repossession was made in the middle of the night and the person concerned thought the vehicle had been stolen. In fact it had not been stolen and the police were alerted and they made a search for the vehicle. If indeed the credit providers, as they have said, have discontinued writing this type of agreement, that is to their credit, because I believe they

are endeavouring to meet the changed conditions and to give everybody a fair chance of meeting his commitments.

However, I also believe that no matter what laws are introduced there will always be a certain percentage of the community who will not endeavour to observe the contract they have entered into; to give the credit providers that to which they are entitled. One could continue speaking for a long time on this subject, but I know that each of us wants to see the session end this year.

Mr. Jones: Hear, hear!

Mr. McPHARLIN: I think I have covered most of the provisions in the Bill, and any other points can be raised in Committee. Therefore I indicate that I am not opposing the legislation, but am supporting it, and I feel sure that after all the effort the Honorary Royal Commission put into this subject, the other members of the commission would share my gratitude in realising that the report of the commission has been acted on and recommended by the Government.

MR. O'NEIL (East Melville—Deputy Leader of the Opposition) [8.34 p.m.]: I think it was back in 1969 when the then Minister for Justice placed on the table of the then Minister for Labour a massive volume which has now become known as the Rogerson report. To the best of my knowledge this was the first in-depth study of the problems of consumer credit in Australia and it emanated from a committee of the Law School of South Australia.

I was then the Minister for Labour. I read the report and breathed a sigh of relief that I did not have to do anything about it immediately, because there were major complications in the field of consumer credit and this can be evidenced by the fact that following the Rogerson report came the Molomby report and a dozen other reports until finally we had before this Parliament, and most of the Parliaments of the Commonwealth, legislation along lines somewhat similiar to this Bill to tidy up the question of consumer credit and hire purchase.

The Leader of the Country Party mentioned that he and I were present at a weekend seminar, organised by the Australian Finance Conference, which is the association of credit providers throughout Australia, and that this seminar was financed by the Australian Finance Conference in co-operation with the Law School of the Monash University. We learnt a great deal at that seminar. It was a weekend during which fairly comprehensive papers by learned gentlemen were presented, and we were all working in small study groups in order to find out precisely what were the problems of consumers and credit providers, as well as Governments, in this complex field.

I think it is a shame—although there may well have been a reason—that no ministerial representatives from this State were present at that seminar. I must admit, however, that the Commissioner for Consumer Protection was present. I was fortunate, too, in having the facility made available to me—not by the Government, but privately—to attend that seminar which was held in Melbourne. As the Leader of the Country Party has said, I think we learnt a little of what I would call lawyers' law.

I will not canvass the matters contained in the legislation, because that has been done exceptionally well by the Leader of the Country Party. However I want to indicate that we have no opposition to the proposals which are before us. This does not prevent me from being somewhat critical of the mode of presentation. If members will look at the notice paper they will see some six or eight pages of proposed amendments to this Bill. If they look further they will notice that they have been placed on the notice paper firstly by myself and secondly by the Minister. There are also some amendments proposed by the Leader of the Country Party.

It took a considerable amount of study and time to analyse the purport of the Minister's amendments. In fact I finished up with some eight double foolscap sheets which contained, in one column the Minister's amendments, and in the second column my amendments, and in the third column, my comments and remarks. After that long period of study I discovered that my amendments and the Minister's, with the exception of two relatively minor points, purport to do precisely the same thing. So let me tell the Minister and the House that in Committee I will be moving only two of my amendments. The balance may be moved by the Minister. If, however, we examine the amendments we can see that the wording of my amendments and those of the Minister are different. The Minister's amendments, of course, were prepared by Parliamentary Counsel in the Crown Law Department and mine were prepared by the private members' counsel, so even in that we find draftsmen differ in their means to an end.

However I am prepared to accept the advice that has been tendered to the Minister in regard to the form of the amendments he proposes to move and so I do not propose to press for the amendments in my name, but will leave it to the Minister to move his amendments. There is another reason for my doing this in that he shall have to shoulder the blame and not me. However in saying this—and I am being a little critical—we must remember we have an important Bill before the Parliament. It has been the subject of consideration by high-level committees, starting from the Rogerson committee, and it seems more than passing strange that it

was necessary for both the Minister and I to place so many amendments on the notice paper.

I suppose the reason our amendments are so similar is that we were both dealing with representations from the same organisation, and so it is fair enough to say that what the Government has accepted would be the same as the propositions that were put to me as Deputy Leader of the Liberal Party in respect of what the Australian Finance Conference required in order to make this Bill better law. It is significant, too, that some of the comments of the Australian Finance Conference, following examination of the legislation, pointed out that while certain aspects of either the South Australian, Victorian, and New South Wales Acts had been incorporated in this Bill, subsequent amendments to the law in those States were made and, of course, it was appropriate that those amendments should be incorporated in this legislation. Therefore it may well have been a better course of action to have had the Bill fully and thoroughly discussed before preparation because it is a nonparty measure, and this would have obviated the Minister having to move so many amendments to his own Bill.

I think it is important, at this time, that I indicate to the Minister the proposals I will put forward in Committee. I propose to present only two amendments to the Committee for its consideration and because there are so many on the notice paper I think I should identify them at this stage. The first is an amendment to clause 5. It relates to the tabulated lists of financial information which will, in future, have to appear on a hire-purchase form. The Australian Finance Conference has pointed out that one charge in respect of hire purchase is unique to Western Australia; it does not apply in the other States—that is the fee paid for registration of the agreement under the Bills of Sale Act. As I understand it, that is a charge not applied in any other State, and the Australian Finance Conference believes that if it is a requirement to state various charges related to the contract then this one should be included in respect of hire-purchase agreements entered into in Western Australia.

The other amendment I propose to move is to increase the time in which a licensed manager must be appointed by a credit provider. Currently, within the Bill, it is laid down that a licensed manager must be appointed within 14 days, but there is a proviso which gives the licensing tribunal the right to extend that time in certain circumstances. It is felt by the Australian Finance Conference that 14 days is a little restrictive and that perhaps the best time would be 28 days, still with the proviso for an extension of time.

I do not think those two amendments appear to be earth shattering, but suggestions have been made with respect to improving the provisions of the Bill.

Mr. Harman: Would you meet me half way with 21 days?

Mr. O'NEIL: I have said that I do not think they are earth-shattering amendments, but they appear to be those which will be of assistance to credit providers from a practical point of view.

I want to give the Leader of the Country Party some warning that I am not enamoured of his proposed amendment. I see by his expression that probably he has changed his mind, so I will not press on with what I was about to say. I appreciate the motives behind the proposal of the Leader of the Country Party, but I am sure that after making a close examination and having approached it with a practical knowledge of what could occur, apparently he does not intend to proceed with the amendment.

As I have said, I do not propose to canvass the principles in the Bill, but simply indicate that these have been well covered by my colleague, the Leader of the Country Party. We support the Bill and it is my intention, in Committee, not to press for the amendments standing in my name other than the two I have mentioned. In fact, I indicate to the Minister, that, to help him along, we do not propose to oppose the amendments he proposes to move to his own bill.

MR. SIBSON (Bunbury) [8.45 p.m.]: I rise to make a couple of comments on the Bill before us. The provision in clause 5 deals with guarantors where a deal is rewritten and a schedule is provided. This applies in the case of a person who has not honoured his obligation and the company repossesses the goods, but after a period of time renegotiation takes place. Quite often the finance company says that if a guarantor is forthcoming it would be prepared to rewrite the deal.

Under the Bill this will not be possible, because the guarantor would have had to be provided with a copy of the original agreement.

Mr. Harman: There is an amendment on the notice paper covering that aspect.

Mr. SIBSON: That amendment does not clearly define the position. I refer to clause 12 which contains a provision relating to a case where 75 per cent. of the total amount under a hire-purchase agreement has been repaid to the company. Under this provision before repossession can take place the permission of the commissioner must be obtained.

Let us assume that the hiring balance of the goods in question is $4,000. After $3,000 has been paid and $1,000 remains outstanding these goods would come into the category covered by clause 12. I do not think that any problem will arise in

the case of legitimate hirers, and I am sure finance companies do not want to repossess vehicles or goods.

Finance houses experience a lot of trouble in deals with itinerant persons who "shoot through". A fair percentage of the purchasers adopt this practice, on a well organised basis. There is no provision setting out the period of time before repossession can take place. Perhaps if the time permitted is a few hours the position will not be so bad, but if it is a matter of days or weeks then the absconding hirer could be in Queensland or in the north-west when that time expires.

To protect themselves against this type of person, the finance companies in the past were able to move within half an hour after they located a vehicle, to make sure that the vehicle was not taken out of the State. In this respect I refer to an amendment appearing on page 11 of the notice paper.

Mr. Harman: That amendment will not be proceeded with.

Mr. SIBSON: In that case the point I have in mind has been clarified. There is nothing more I wish to say in the debate except to point out that the Bill appears to be a reasonable one.

MR. HARMAN (Maylands—Minister for Consumer Protection) [8.49 p.m.]: I thank the Leader of the Country Party, the Deputy Leader of the Opposition, and the member for Bunbury for their support of the Bill. Obviously the Leader of the Country Party enjoyed this opportunity to see the fruits of his endeavours brought to this House in the form of a Bill, in view of the fact that he was the Chairman of the Honorary Royal Commission inquiring into hire-purchase and other agreements.

Naturally that joy is shared by the other members of that Honorary Royal Commission, including yourself, Mr. Acting Speaker (Mr. Brown). No doubt, in the course of that inquiry what you learnt will stand you in good stead for many years to come in dealing with hire-purchase matters.

It is also true to say that the Bill has been introduced as a result of the recommendations of the Honorary Royal Commission. In framing the measure we had regard, as did the Honorary Royal Commission, for the various reports which have been presented—the Rogerson report, the Molomby report, and the report of the Law Society of Adelaide which in recent years has been presenting reports on hire-purchase matters and such arrangements.

This Bill is not the last of the consumer protection legislation the Government proposes to introduce; but it is certainly the last to be introduced in this session of Parliament. There are other areas of consumer credit which still need to be examined and to be tightened up.

In this instance we are dealing with an amendment to the Hire-Purchase Act, and our deliberations have been confined to that aspect even though the Bill provides for an extension of the definition of "hire-purchase agreement" in order to cover other credit arrangements which, in many cases, are made to the detriment of the consumer.

We will have regard for the suggestion of the Leader of the Country Party in respect of recourse arrangements, where hire-purchase companies place the onus on the dealer, so that the latter is responsible for collecting the debt incurred by the hirer of the goods. There is quite a degree of recourse arrangement in existence in Western Australia. One wonders whether a proper investigation would not bring forward a recommendation that the responsibility be placed on the hire-purchase company to ensure that the hirer is a person able to meet his commitments.

This is one area which the Consumer Protection Bureau has been examining and will continue to examine. The Leader of the Country Party made mention of the question of hardship. This is covered by clause 26 of the Bill dealing with relief against consequences of breaches, and the inability of the hirer to meet his payments by reason of sickness or unemployment. The key words are "sickness or unemployment".

Some arrangement has been made between the Australian Council of Trade Unions and the Australian Finance Conference covering workers on strike. In recent times we have not experienced such a situation in Western Australia, but two or three years ago such an incident occurred at Kwinana when a number of workers were out of work for some considerable time as a result of strike action. I understand that at the time certain arrangements were made with the hire-purchase companies for the payments to be extended.

My understanding is that clause 26 relates to sickness and unemployment. I would regard unemployment as applying to a person who is in receipt of benefits from the Commonwealth Employment Office. However, that does not restrict arrangements made between the Western Australian Trades and Labor Council or the Australian Council of Trade Unions with the Australian Finance Conference. They can make whatever arrangements they wish in respect of the extension of time for payment.

The Rogerson report suggests the selection of 20 insurance companies. Page 66 of the report of the Honorary Royal Commission contains the recommendation in the Rogerson report. It is as follows—

> Probably the only solution would be, following discussion between the appropriate Minister, the consumer credit industry and the Commissioner for Consumer Protection, for regulations to be made out setting out a list of insurers whom a consumer would be entitled to insure with, with-

out objection of a credit grantor. Should a consumer wish to insure with some other insurer, a credit grantor should be entitled to object without giving reasons.

The Honorary Royal Commission adopted this recommendation of the Rogerson report.

This is a good move to adopt in tackling the problem. It would be up to the insurance companies to ensure that their rating in the 20 selected companies is high.

We will also examine the suggestion put forward by the Leader of the Country Party in respect of a young man being provided with a cover note for an insurance policy arranged through the dealer, but which subsequently the head office of the insurance company does not accept because it has not been advised of the accident record of the applicant. For that reason the hire-purchase company might not proceed with the hire-purchase agreement, and might threaten repossession of the goods.

The provision in proposed section 3 (d) on page 7 of the Bill deals with the cost of maintenance. The particular subparagraph is as follows—

(iii) any amount included in the total amount payable for maintenance of the goods (in this Act called and in the agreement to be described as "maintenance");

This relates to an arrangement made between the parties for the period of the contract to cover some extra service to be performed. This is shown on the form.

The Deputy Leader of the Opposition pointed out quite rightly that a number of amendments have been placed on the notice paper, subsequent to the introduction of the Bill. I would be the first to apologise to the House for bringing forward these amendments, but members should realise that prior to the printing of the Bill a number of discussions were held between officers of my department and officers of the Australian Finance Conference. We thought we had met all their requirements. We were aware that in one or two cases there was disagreement.

We had the Bill printed, and we introduced it. Because the measure is so far-reaching in the legal sense, and because it affects the hire-purchase industry to a great extent, it was ultimately examined by leading lawyers in Australia specialising in commercial matters. Following their suggestions to the Australian Finance Conference, further discussions took place between officers of my department and the Parliamentary Draftsman. We agreed to meet the requirements of the Australian Finance Conference as best we could, without altering the nature of the Bill to the extent that it would be detrimental to what was recommended by the Honorary Royal Commission. It would save a great deal of time if these amendments are effected, and it would remove the legal difficulties that might arise if they are not inserted.

On the question of the fee to be paid for registration, no doubt the Deputy Leader of the Opposition will expound his argument in the Committee stage. I acknowledge that in this State it is necessary for the registration fee to be paid in respect of certain items; but I should point out that quite a number of items are exempted. The necessity to include the fee in the table appearing on hire-purchase agreements would operate to the detriment of consumers. The tendency might be for dealers to include the fee of $5 where the agreement does not have to be registered.

Our argument is that because it is only a sum of $5 it can be incorporated into the terms charges without making any real difference to the consumer. Under the proposal put forward by the Deputy Leader of the Opposition we might find that the Act will operate against the consumer because in many cases there is no need for registration. However, we will deal with that matter in Committee.

I am prepared to acknowledge—and I think the Deputy Leader of the Opposition also acknowledges—that there must be a time when the licensing authority is to be notified of the appointment of an acting manager in a hire-purchase company. At present we consider a period of 14 days to be reasonable, and it seems the Opposition would prefer to see a period of 28 days. I am prepared to accept a period of 21 days as a reasonable period. When the manager of a finance company is absent we ought to know who is taking his place. I agree that 14 days might not be sufficient time, and could bring about some administrative difficulties, but I think that after a period of 21 days notification of the name of the acting manager, or the person taking the place of the manager, should be notified to the authority.

If the member for Bunbury reflects on the amendment which appears on the notice paper regarding the question of rewriting a deal and bringing in a guarantor, I think he will see that we have endeavoured to cover the situation with our proposed amendment. The Australian Finance Conference goes along with this suggestion.

I thank members for their contributions to the debate, and for their support of the Bill.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr. Bateman) in the Chair; Mr. Harman (Minister for Consumer Protection) in charge of the Bill.

Clauses 1 to 3 put and passed.

Clause 4: Amendment to section 2—

Mr. HARMAN: I move an amendment—

Page 5, line 15—Insert after the word "owner" the words "under hire-purchase agreements".

The words to be added to the definition of "hire-purchase credit provider" will refer to the owner as far as the hire-purchase agreement is concerned. It is the owner who will fall into the category of a hire-purchase credit provider, and he will be required to be licensed under the provisions of this Bill.

Amendment put and passed.

Mr. HARMAN: I move an amendment—

Page 5, line 17—Insert after the word "being" the word "such".

Amendment put and passed.

Clause, as amended, put and passed.

Clause 5: Amendment to section 3—

Mr. HARMAN: I move an amendment—

Page 6, lines 23 to 26—Delete paragraph (a).

In principle it was felt that the rights and obligations of a guarantor should be spelt out separately and for that reason they will not be included in the provisions of section 3 of the principal Act. By means of clause 17 of the Bill these rights and obligations will be included in section 18 of the principal Act.

Amendment put and passed.

Mr. O'NEIL: The Minister has asked me to explain more fully the reasons for the proposed amendment in respect of adding to the tabular form a reference to an additional charge. My amendment proposes that an additional item, the amount to be paid for the registration of the agreement, be placed in the tabular form. I want to quote from a submission from the Australian Finance Conference regarding this matter.

The Minister referred to the fact that all hire-purchase agreements are required to be registered, and he mentiond a registration fee of $5. He might be right but the Australian Finance Conference indicates that if the hire-purchase contract is to extend beyond a period of three years then it has to be registered, and the registration fee is $10. I think it as well to quote directly from the advice which was given to me by the Australian Finance Conference, particularly in respect of this matter, in order that the record is accurate. The Australian Finance Conference submits—

> . . . particularly in the light of inclusion in the amending Bill of a statutory obligation to disclose a nominal annual percentage rate in the tabular form, that a further item be incorporated in the tabular form to separate hire-purchase agreement registration fees payable under the unique requirement of the West Australian Bills of Sale Act which makes it mandatory that all hire-purchase agreements should be registered.

Mr. Bertram: Not all of them.

Mr. O'NEIL: I am quoting the submission from the Australian Finance Conference. To continue—

> As presently framed, the recovery from hirers of the not insignificant agreement registration fee, which, in the case of agreements in excess of three years, amounts to $10, means, in effect, that it is incorporated in the terms charges, giving a falsely inflated nominal annual percentage rate.

That is one point they make. To continue—

> Another relevant factor is the problem of early termination agreements. The Act provides for a rebate of terms charges to the hirer, based on a statutory formula. Registration fees will, if included under the terms charges, have to be included in the amount involved calculating the rebate. A survey of Conference members shows approximately 40% of transactions are terminated by customers prior to the contract dates. In any event the inclusion of a registration fee and the rebate of terms charged is contrary to the sense of the Act.

Once again, I indicate that I am not a lawyer, but it seems clear to me that the Australian Finance Conference sees a necessity if, in fact, this particular charge is unique to Western Australia, to have this incorporated in the tabular form. For that reason I move an amendment—

> Page 7—Insert after subparagraph (vi) the following new subparagraph to stand as subparagraph (vii)—
>
> (vii) the amount to be paid for registration of the agreement under the Bills of Sale Act, 1899.

Mr. HARMAN: I do not doubt the information quoted by the Deputy Leader of the Opposition; he may be right but my information is that the registration fee for a bill of sale, where the amount is in excess of $100, is $5. That provision is contained in the thirteenth schedule of the Bills of Sale Act.

Mr. Sibson: What about the percentage on the balance? All agreements are subject to the payment of an extra 1½ per cent. for stamp duty.

Mr. HARMAN: That may be so. Coming back to the point: Because the amount is so small—initially it would be $5—and because under the provisions of section 54 of the Bills of Sale Act exemption is given over a wide range of goods, particularly household furniture, electrical appliances, TV sets, and so on, if the provision is included there would be a tendency for it to work against the consumer.

A dealer could quite unconsciously, and in good faith without trying to rob the consumer of $5, insert the amount in the proposed column on the tabular form when the agreement would not have to be registered in many cases. Even though many of them should be registered, they are not.

My only fear is that the provision could work against the consumer. I would like to keep the registration fee in mind and watch the operation of the new tabular form which we have designed. We can amend the Act in future if it is found necessary to do so.

The extra $5 could be incorporated into the terms charges because, obviously, the dealer and the hire-purchase company would want to pass it on. It could be included and not make any appreciable difference to the interest calculated on the total amount. I ask the Committee to consider this aspect. There could be a tendency for it to work against the interests of the consumer if it were included in the tabular form.

Mr. O'NEIL: I think that both the Minister and I are arguing in some form of vacuum. According to the advice tendered to me the Western Australian Bills of Sale Act makes it mandatory for all hire-purchase agreements to be registered.

Mr. Hartrey: I do not think that is right.

Mr. O'NEIL: Then the advice submitted to me must be wrong. The advice given to me is that all agreements in excess of three years attract a fee of $10.

Mr. Hartrey: Yes, that is right.

Mr. ONEIL: Then, the advice tendered to me is right in that respect. It is further stated that if the registration fee of $10 is included in the terms charges it would give a falsely inflated nominal annual percentage rate. Whether or not that is right, I am not sure.

This is where we seem to be operating in a vacuum. I am prepared to advise the Minister, through you Mr. Chairman, that I will not press the amendment on the understanding that he will give closer consideration to the proposal and, if the facts as I have announced are essentially right and the fears of the Australian Finance Conference are well founded, he undertakes to make the appropriate adjustments in another place.

It is a fairly technical problem and not one with which I am personally acquainted, so in order not to delay the passage of the Bill I will not press the amendment. I will allow the first part of my amendment to be defeated, provided the Minister gives an undertaking that he will examine my proposition to ascertain whether or not there is any merit in it, and, if there is, to have something done about it in the Legislative Council.

Mr. McPHARLIN: This is an aspect about which we made some inquiries, and information provided by a legal practitioner was that not all contracts are registered under the Bills of Sale Act. One reason given was that owing to the volume of contracts there was not time to register them all. However, I understood my adviser to say that credit-purchase agreements were given priority in registration under the Bills of Sale Act. Perhaps the member for Boulder-Dundas knows more about this than I do, but I understood it was more imperative that credit-purchase agreements be registered than that hire-purchase agreements. However, the Australian Finance Conference claims it is a unique requirement in Western Australia that all hire-purchase agreements be registered. I, too, would like clarification of this matter.

Mr. HARMAN: I will have inquiries made tomorrow morning and, if necessary, we will agree to an amendment in the Legislative Council.

Amendment put and negatived.

Mr. HARMAN: I move an amendment—

Page 7, line 42—Add after the word "deposit" the passage "(in this Act called and in the agreement to be described as "amount financed")".

In the first schedule the amount financed is shown in tabular form, and this is the figure to be established by following what is set down on page 7. It is therefore appropriate to express this term in the subclause.

Amendment put and passed.

Mr. HARMAN: I move an amendment—

Page 8, lines 19 and 20—Delete the words "signatures of the parties to the agreement" and substitute the words "signature of the hirer".

Amendment put and passed.

Mr. HARMAN: I move an amendment—

Page 8, lines 21 to 23—Delete the words "in a type of a size at least double the size of any other type in" and substitute the words "as prominently as or more prominently than the terms and conditions of".

It is felt that the wording proposed has a legal significance and is more appropriate in this case.

Mr. HARTREY: I respectfully suggest to the Minister that he might reconsider this amendment. The original wording seems reasonable and will achieve the objective. The words proposed to be substituted will not achieve anything that I can see. The idea is to warn the prospective hirer that he may make a better bargain in the matter of interest by dealing somewhere else. If he is not given a warning in the plainest of type and language, and if there is nothing in the contract indicating that a warning is intended, the object of the exercise is voided.

In 1967 I attended a seminar at the university which was addressed by the then Chief Justice who is now the Lieutenant-Governor. He said to the lawyers there assembled—

> I never cease to be amazed at the fortitude with which people sign agreements without reading them.

He gave an illustration of an experience he had in Melbourne. He went to rent an Avis car and was given a form, asked for £10, and told to sign the form. He said, "Could I have a chair so that I can sit down and read the form?" He was asked, "Why do you want to read it?" He said, "I always read things before I sign them." He was told, "You must be one of those lawyer blokes." It was not until 1971 that I heard the sequel, when I accompanied the then Speaker (Mr. Toms) to present the Address-in-Reply to His Excellency the Lieutenant-Governor. I reminded His Excellency of the story and he said, "You did not hear the sequel to it. They said to me, 'Do you want the bloody thing or don't you?' I said, 'I do', and they said, 'Well, sign it', so I did." If that can happen to the Chief Justice, what chance has the ordinary person? If the hirer does not want to shop around for a lower interest rate, nobody cares, but he should have the opportunity to be warned. I suggest that the Minister does not press this amendment.

Mr. HARMAN: I think we should proceed with the amendment as I have asked for it. It met with the approval of the Australian Finance Conference. Apparently various sizes of type appear on the forms used by the hire-purchase companies, and we want to draw the attention of the hirer to the importance of the warning by having it printed as prominently as or more prominently than any other information printed on the form. Various examples of forms have been shown to me and I considered the amendment would achieve what was wanted; namely, to give emphasis to those particular words.

Amendment put and passed.

Mr. McPHARLIN: I have placed an amendment on the notice paper but after further consideration and discussion with members of the industry I do not intend to proceed with it.

Clause, as amended, put and passed.

Clause 6: Amendment to section 4—

Mr. HARMAN: I ask the Committee to vote against this clause because the matter of guarantors will be incorporated in the new clause 17.

Clause put and negatived.

Clauses 7 to 11 put and passed.

Clause 12: Addition of section 12A—

Mr. HARMAN: I move an amendment—

> Page 10, lines 31 to 35 inclusive and page 11, lines 1 to 5 inclusive—Delete the whole of the passage and substitute the following—

Protected goods.

> 12A. (1) Where a hire-purchase agreement has not been terminated by the hirer and—
>
> (a) seventy-five per cent. of the total amount payable under the agreement has been paid (whether in pursuance of a court order or otherwise) by or on behalf of the hirer or guarantor; and
>
> (b) the hirer does not—
>
> (i) part with, or attempt to part with, possession of the goods, without the consent of the owner; or
>
> (ii) commit, or attempt to commit, an offence under section thirty-three or thirty-four of this Act; and
>
> (c) the right, title, and interest of the hirer under the agreement is not assigned other than in accordance with section nine of this Act,
>
> the owner may exercise any power of taking possession of goods comprised in the agreement only with the consent of the Commissioner. .

The proposed new section is introduced to protect a hirer from having goods in which he has a substantial equity repossessed without having an opportunity to put his case before the Commissioner for Consumer Protection. It follows the position in the United Kingdom. The wording of the original clause would present difficulty in determining who is entitled to immediate possession of goods. Therefore, amendments were included to clarify the consequences with regard to third parties and, in particular, conversions. However, representations made by the Australian Finance Conference have resulted in an amendment to this clause so that repossession action can be taken by the owner before an agreement is terminated, even after 75 per cent. of the total amount payable under the agreement has been paid, if the hirer parts or attempts to part with the goods without the owner's consent.

Similar action can be taken by the owner where the hirer has lost possession of the goods or, in concealing the goods, will not state where they are, or fraudulently disposes of or sells goods the subject of a hire-purchase agreement contrary to section 14 of the Act. The Australian Finance Conference has mentioned cases of

migrants returning home and attempting to take cars the subject of hire-purchase agreements out of the country, and who have been detected at Fremantle at the last moment.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 13: Amendment to section 13—

Mr. HARMAN: I ask the Committee to vote against this clause because it also deals with the question of guarantors, and this matter is covered under proposed new clause 17.

Clause put and negatived.

Clause 14: Amendments to section 14—

Mr. HARMAN: I move an amendment—

Page 11, line 23—Add after the word "guarantor" the words "but subject to section fifteen of this Act".

The explanation of this amendment is that the guarantor must be kept in the picture by the owner when the goods are repossessed, as it is likely that the guarantor will wish to act to protect his own interests where the owner intends to dispose of or to sell the goods. The Australian Finance Conference was prepared to recognise that guarantors should be given advice similar to that given to hirers when the owners take certain action in respect of the goods. As the Bill stands, there is an inconsistency between clauses 14 and 15. Under clause 14 the written consent of both the hirer and the guarantor is required to be obtained by the owner if he wishes to sell repossessed goods within 21 days of repossession.

However, under clause 15 the owner must sell the goods to anyone the hirer may introduce to the owner in regard to selling the goods. The principle followed throughout the amendments is that the guarantor is the person finally responsible for any debt; therefore, he should have rights equal to if not greater than those of the hirer. In order to retain this principle and to avoid inconsistency, I have moved to amend clause 14 so that the written consent or refusal of the guarantor is subject to the hirer being able to obtain a buyer himself.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 15: Amendment to section 15—

Mr. HARMAN: I move an amendment—

Page 11, line 33—Add after the word "owner" the passage ", but the person involved in the taking or the attempt shall indemnify the owner against all liability incurred by the owner pursuant to this subsection".

This amendment meets the desires of the Australian Finance Conference. Crown Law Department officers have discussed this point with legal officers representing the Australian Finance Conference, and the amendment emanates from those discussions.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 16 put and passed.

Clause 17: Amendment to section 18—

Mr. HARMAN: I move an amendment—

Page 12, lines 8 to 12 inclusive—Delete the whole of the passage and substitute the following—

(6) Where it is proposed that a person is to be guarantor—

(a) if it is so proposed before the hire-purchase agreement is entered into—

(i) the owner or, if there is a dealer, the dealer shall give or cause to be given to the prospective guarantor the statements that are required to be given to the prospective hirer under subsection (1) of section three of this Act, at the time they are required to be given to the prospective hirer; and

(ii) if the prospective guarantor becomes a guarantor, the owner shall serve or cause to be served on the guarantor within twenty-one days after the making of the hire-purchase agreement, a copy of the documents that are required to be served on the hirer under section four of this Act and also a copy of the contract of guarantee; and

(b) if it is so proposed after the hire purchase agreement has been entered into—

(i) the owner or, if there is a dealer, the dealer shall, before the contract of guarantee is entered into, give or cause to be given to the prospective guarantor a copy of all the statements and other documents that were required to be given to the hirer under sections three and four of this Act;

(ii) the owner shall before the contract of guarantee is entered into, give or cause to be given to the prospective guarantor a statement in writing signed by the owner

or his agent showing current details of the matters referred to in paragraphs (a), (b), and (c) of subsection (1) of section seven of this Act; and

(iii) if the prospective guarantor becomes a guarantor, the owner shall serve or cause to be served on the guarantor within twenty-one days after the making of the contract of guarantee, a copy of it,

but the foregoing provisions of this subsection do not apply to or in relation to a contract of guarantee executed and certified in accordance with section nineteen of this Act.

We have previously referred to this clause as that which deals with the question of guarantors. The clause amends section 18, which makes provision in respect of guarantors. The amendment brings together all the rights of the guarantor and provides for guarantors to be brought in at the commencement of a hire-purchase agreement, or to be brought in at a later stage.

It also commits the owner to certain obligations in respect of the guarantor. However, the provisions of the amendment will not apply when a guarantee is executed and certified in accordance with section 19 of the Act. It has already been pointed out that the amendment will facilitate the type of guarantee used commercially, as against the private guarantee, where banks and finance companies, rather than face the difficulty of signing a separate guarantee for each transaction, take a form of blanket guarantee which would apply to the overall obligation.

Mr. McPHARLIN: This amendment will overcome the problem in respect of guarantors. Evidence was given to the Honorary Royal Commission in respect of a guarantor who did not know what had happened to the vehicle which was the subject of his guarantee until after it had been involved in an accident and the insurance pay-out did not cover what was owing under the hire purchase agreement.

This amendment requires that the guarantor be given information at the time he first acts as guarantor. The amendment states that the owner shall serve notice on the guarantor within 21 days of the making of the agreement. Later it states that the provisions do not apply to a guarantee executed and certified in connection with section 19. That section was referred to by the Australian Finance Conference in regard to banks, etc., which do not want to handle these as individual contracts. I think the amendment is desirable.

Amendment put and passed.

Mr. HARMAN: I move an amendment—

Page 12, lines 32 to 34 inclusive—Delete the whole of the passage with a view to substituting another passage.

It is considered appropriate that the Director of the Department for Community Welfare should be the person to act on behalf of a person under the age of 18 years who wishes to enter into a hire-purchase agreement, and who has no parent or legal guardian. No doubt this situation does arise infrequently, and I think this is the best way to overcome it. Mention has already been made of a parent wishing to allow another person, of whom he approves, to act as guarantor.

Amendment put and passed.

Mr. HARMAN: I move an amendment—

Page 12, line 32—Substitute for the passage deleted the following—

(9) Where a hirer, not being a body corporate, is under the age of eighteen years, only—

(a) a parent or legal guardian of the hirer;

(b) a person approved by a parent or legal guardian of the hirer; or

(c) if there is no parent or legal guardian of the hirer, a person approved by the Director of the Department for Community Welfare appointed under the Community Welfare Act, 1972,

can act as guarantor of the hirer.

(10) Subsections (2), (3), (5) and (6) of section twenty-five of the Guardianship of Children Act, 1972, apply, with such modifications as are necessary, to and in relation to the power of approval conferred by subsection (9) of this section on the Director of the Department for Community Welfare and to and in relation to persons and matters affected thereby as if that power of approval was a power conferred by section twenty-five of the Guardianship of Children Act, 1972.

Mr. HARTREY: The words "not being a body corporate" are superfluous and even facetious. I suggest they should be dropped. I do not think it is possible for a body corporate to be "of the age of 18 years". It might exist for 18 years, but it would not be of the age of 18 years; and it certainly would not have a natural or legal guardian. Nor would the Department for Community Welfare act on its behalf. I suggest that the words "not being a body corporate" be deleted.

Mr. HARMAN: The reason these words have been included is that the hirer could be a company.

Mr. Hartrey: A company does not have a legal guardian.

Mr. HARMAN: I give the undertaking to the honourable member that I will have the reason for the inclusion of these words examined; and if they are considered to be superfluous they will be deleted in another place.

Mr. McPHARLIN: Paragraph (c) of the amendment provides that if there is no parent or legal guardian of the hirer, a person approved by the Director of the Department for Community Welfare appointed under the Community Welfare Act, 1972, can act as guarantor of the hirer.

The amendment further provides that subsections (2), (3), (5), and (6) of section 25 of the Guardianship of Children Act, 1972, shall apply with such modifications as are necessary.

In my view the amendment is desirable, and it has my support.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 18: Amendment to section 19—

Mr. HARMAN: I ask the Committee to vote against the clause, because it is proposed to insert a new clause to stand as clause 18. That clause seeks to amend section 19 of the Act. This will facilitate the type of guarantees in the commercial field where transactions requiring investigation are involved. In business it is usual to have agreements signed before a solicitor, and a clerk of courts is not used as a witness. Reference to a clerk of courts should therefore be deleted.

Clause put and negatived.

Clause 19 put and passed.

Clause 20: Addition of Part VA—

Mr. HARMAN: I move an amendment—

Page 15—Insert after subsection (2) of new section 23C the following new subsection to stand as subsection (3)—

(3) The Tribunal may appoint a person with such qualifications as it thinks fit to appear in proceedings before the Tribunal to assist the Tribunal. .

The senior District Court judge has indicated the need for this type of person to assist the tribunal which will comprise the District Court judge acting alone. Complex financial matters may be involved, and a person with accountancy or similar relevant qualifications will be required, and no doubt he will be most helpful to the judge in determining matters required by this Bill to be determined.

Amendment put and passed.

Mr. HARMAN: I move an amendment—

Page 20, line 21—Delete the word "being" and substitute the word "becoming".

The intention of this clause is to deprive a credit provider, who is unlicensed under this legislation, from recovering or retaining terms charges, interest, and overheads, if he makes any hire-purchase agreement without holding a license. However, as the clause stands at present he might be deprived of the same rights for any agreements validly made whilst he is licensed, but afterwards loses his license. The amendment will correct this position.

Amendment put and passed.

Mr. HARMAN: I move an amendment—

Page 20, line 27—Delete the word "The" and substitute the words "Notice of the".

The intention of this amendment is obvious. It is to provide for the notice of application for a license as a hire-purchase provider to be advertised in accordance with the regulations. At present the clause states that the application will be advertised.

Amendment put and passed.

Mr. HARMAN: I move an amendment—

Page 24, line 3—Delete the passage ", or that unfairly prejudices" and substitute the words "and that prejudices or may prejudice".

This amendment affects the clause which deals with disciplinary action that the tribunal may take after conducting an inquiry into the conduct of any person licensed under the legislation. As the clause stands, any conduct of a licensed person which may unfairly prejudice any rights of a hirer or guarantor could result in disciplinary action.

However, this is now considerd to be too broad, and the amendment will require conduct that constitutes both a breach of the law and prejudices or may prejudice any right of a hirer or guarantor, before the tribunal can take disciplinary action. It must be kept in mind that penalties against a licensed person for breaches are already high.

Mr. McPHARLIN: I wish to raise a query with the Minister. This relates to proposed section 23S(2)(b). This states that a fine not exceeding $10,000 may be imposed on any person. I would ask the Minister to give his reasons for including such a heavy penalty.

Mr. HARMAN: Here we are dealing with hire-purchase companies which are very wealthy organisations. A number of credit providing companies have been set up, and only the other day another was established.

Mr. McPharlin: The penalty of $10,000 may be imposed on "that person".

Mr. HARMAN: I agree that the person referred to is the credit provider, and he represents the hire-purchase company.

Mr. O'Neil: This is the maximum penalty.

Mr. HARMAN: That is so. We are not dealing with small companies, but with companies which have huge funds. Therefore such a penalty could not be regarded as inconsistent with their financial standing.

Amendment put and passed.

Mr. O'NEIL: I come to the other amendment I propose to move. We are discussing clause 20 which covers 20 pages of the Bill, and it seeks to add 23 new sections to the Act. My amendment relates to proposed section 23V. This proposed new section covers the situation where a body corporate must employ licensed persons as managers.

In particular I refer to proposed subsection (2) which is as follows—

> (2) Where the business of a body corporate is not managed as required by subsection (1) of this section, the body corporate shall, within fourteen days, or such longer period as may be allowed by the Tribunal, appoint a manager or, if so required by the Tribunal, managers approved by the Tribunal, . . .

In the second reading debate I indicated it was the view of the Australian Finance Conference that the 14-day period, after which a licensed manager must be appointed, could occasion some difficulty, and that conference recommended that the period be extended to 28 days. This was despite the fact that there is a provision which allows the tribunal to extend the period anyway. The Minister indicated that he is prepared to go half way and I suppose that half a loaf is better than no bread at all. Therefore I move an amendment—

> Page 25, line 36—Delete the word "fourteen" and substitute the words "twenty-one".

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 21 and 22 put and passed.

Clause 23: Amendment to section 32—

Mr. HARMAN: I ask the Committee to vote against this clause because I intend to insert a new clause 23 later on. Section 32 makes it an offence for a dealer to make an agreement which, to his knowledge, contains any false statement or representation. My new clause seeks to extend this offence to include not only a dealer, but also his agent or employee as the case may be, whenever the latter person is involved in the making of hire-purchase agreements, and misrepresentation occurs on his part.

Clause put and negatived.

Clauses 24 to 26 put and passed.

Clause 27: Amendment to section 38—

Mr. HARMAN: I ask the Committee to vote against this clause because as it stands it needs revising. I intend to substitute a new clause later. This has been caused partly by separating the rights of guarantors under new clause 17 affecting section 18 from the rights of hirers under section 7.

Clause put and negatived.

Clause 28 put and passed.

Clause 29: Section 40A added—

Mr. HARMAN: I move an amendment—

> Page 30, line 29—Insert after the word "of" the words "notices of".

Amendment put and passed.

Mr. HARMAN: I move an amendment—

> Page 30, line 37—Delete the passage "Registrar. ." and substitute the following passage—
>
> Registrar; and
>
> (h) prescribe the matters to which the Commissioner shall have regard in considering applications for relief under section thirty-six A of this Act and exercising his powers thereunder.

This amendment adds a regulation-making power so that the Commissioner for Consumer Protection, in considering relief to a hirer under section 36A of the Act—clause 26—shall have prescribed by regulation the matters to which he shall have regard. Such regulations will provide broad guidelines as to methods of exercising his powers in this respect. In the past the Australian Finance Conference companies entered into voluntary agreements with the A.C.T.U. for relief for unemployed unionists experiencing difficulty in meeting consumer credit commitments.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 30: Amendment to schedules—

Mr. HARMAN: I move an amendment—

> Page 31—Delete the passage under "INSTALMENTS" on the left of the proposed form, beginning with the word "Payable" and ending with the expression "(Date)", and substitute the following passage—
>
> (Insert here clearly the commencing date, frequency, and duration of instalment payments).

The explanation is that section of the "FIRST SCHEDULE—First Part", concerning instalments, will be slightly amended. At times the commencing date for payment of instalments is not known to the dealer when the first schedule is issued. Instead of being specific as it now stands, some flexibility will be introduced so that, for the benefit of the prospective hirer, sufficient information is given regarding instalments.

Amendment put and passed.

Mr. HARMAN: I move an amendment—

Page 32—Delete the passage "36A. ;" at the end of paragraph (a) and substitute the following—

36A.

REBATE ON TERMS CHARGES

(there shall be inserted under this heading, in the same type as the clause above "FOR ATTENTION OF PROPOSED HIRER", such explanation of the hirer's right to statutory rebate as is prescribed). ; .

Amendment put and passed.

Mr. HARMAN: I move an amendment—

Page 32, last line—Add after the figures "11" the words "and see also the regulations made under that Act".

It is proposed that advice should also be shown on the first schedule—first part as to the hirer's right to a statutory rebate when an agreement is completed before the due date and that the owner shall cause such explanation to be placed on the form as is prescribed. This will mean a simple explanation of the rebate rules for the information of the hirer.

Amendment put and passed.

Mr. HARMAN: I move an amendment—

Page 35—Delete the line " "P" = the amount of the principal" and substitute the following—

"P" = the amount financed .

Amendment put and passed.

Mr. HARMAN: I move an amendment—

Page 35—Delete clause (4) of the proposed Fifth Schedule.

This and the preceding amendment are to the fifth schedule which sets down the formula for calculating the percentage rate of the terms charges. The first amendment corrects the meaning of a letter in the formula, and in so doing makes clause (4) irrelevant.

Amendment put and passed.

Mr. McPHARLIN: We are talking to the fifth schedule. This illustrates the calculation of a flat rate of interest per cent. and then gives a formula of how to convert the flat rate of interest into a nominal annual percentage rate. Everyone is not a mathematician and this could cause a great deal of confustion.

It has been suggested by a lecturer in economics and accountancy at the university that perhaps some consideration may be given to providing a ready reckoner in our educational programmes which may be issued by the Consumer Protection Bureau or whichever other body is handling them.

This would enable the calculations on the interest formulas to be more easily understood. I suggest to the Minister that this may be worth considering. The situation is confusing if a person does not understand nominal annual percentages. One could be involved in a morass of figures, particularly in converting from nominal annual rates to percentage rates, and so on.

Clause, as amended, put and passed.

New clause 13—

Mr. HARMAN: I move—

Insert after clause 12 the following new clause to stand as clause 13—

Amendment to section 13. (Notices to be given to hirer when goods repossessed.)

13. Section 13 of the principal Act is amended—

(a) by adding after the word "hirer", in line six of subsection (1), the words "and every guarantor"; and

(b) by adding after the word "with", in line one of subsection (2), the passage "section twelve A or".

New clause put and passed.

New clause 18—

Mr. HARMAN: I move—

Insert after clause 17 the following new clause to stand as clause 18—

Amendment to section 19. (Guarantor not to be bound in certain cases unless independently advised.)

18. Section 19 of the principal Act is amended—

(a) by deleting the words "a clerk of petty sessions or", in lines twenty-four and twenty-five of subsection (1);

(b) by deleting the words "the clerk or", in line twenty-six of subsection (1);

(c) by substituting for the words "A clerk of petty sessions or a solicitor", in line one of subsection (2), the words "A solicitor"; and

(d) by deleting the words "a clerk of petty sessions or by", in line one of subsection (3).

New clause put and passed.

New clause 23—

Mr. HARMAN: I move—

Insert after clause 22 the following new clause to stand as clause 23—

Amendment to section 32. (False statements by dealers in proposals.)

23. Section 32 of the principal Act is amended—

(a) by adding after the word "dealer", in line one, the words "or his agent or employee";

(b) by adding after the word "dealer", in line seven, the passage ", his agent, or his employee, as the case may be,"; and

(c) by substituting for the words "two hundred pounds", in the second last line, the words "one thousand dollars".

New clause put and passed.

New clause 27—

Mr. HARMAN: I move—

Insert after clause 26 the following new clause to stand as clause 27—

Amendment to section 38. (Size, etc., of type, etc., required in certain documents.)

27. Section 38 of the principal Act is amended—

(a) by substituting for the words "the type known as ten-point Times", in line two of paragraph (b) of subsection (1), the words "ten-point or of a face that is not approved by the Commissioner";

(b) by deleting the word "and" after paragraph (d) of subsection (2); and

(c) by substituting for the passage "Act.", at the end of the section, a passage as follows—

Act; and

(f) any document, notice, or statement or copy thereof required by subsection (1) of section seven or by section eighteen of this Act to be given to, served on, or sent to a guarantor.

Mr. McPHARLIN: I refer the Minister to the last few words in paragraph (a); namely—

"ten-point or of a face that is not approved by the Commissioner".

I consider that the word "not" has been inserted erroneously. Surely it should be of a type that is approved by the commissioner. I think the Minister should delete the word "not", because the provision does not make sense, unless my interpretation of it is incorrect.

Mr. HARMAN: It could be interpreted the other way round. However, I will have this checked and, if necessary, it can be amended in another place.

New clause put and passed.

Title put and passed.

Report

Bill reported, with amendments, and the report adopted.

BILLS (5): RETURNED

1. Metric Conversion Act Amendment Bill (No. 2).
2. Wheat Delivery Quotas Act Amendment Bill.
3. Wheat Industry Stabilization Act Amendment Bill.
4. Unsolicited Goods and Services Bill.
5. Pyramid Sales Schemes Bill.

Bills returned from the Council without amendment.

INDECENT PUBLICATIONS ACT AMENDMENT BILL

Receipt and First Reading

Bill received from the Council; and, on motion by Mr. Harman (Minister for Labour), read a first time.

LONG SERVICE LEAVE ACT AMENDMENT BILL

Council's Message

Message from the Council received and read notifying that it insisted on its amendments to which the Assembly had disagreed.

FRUIT-GROWING RECONSTRUCTION SCHEME ACT AMENDMENT BILL

Second Reading

Debate resumed from the 6th December.

MR. A. A. LEWIS (Blackwood) [10.25 p.m.]: I will not delay the House for long as the Opposition supports the measure. There have been some unfortunate happenings as a result of the Commonwealth Government's attitude to rural industries. During the time it has been in office it has shown it is not particularly interested in anything to do with the rural areas as a whole.

The industry had requested that the criteria of the means test be extended a little but, of course, the Commonwealth Government, acting in its usual pattern of not wanting the rural areas to have anything, refused this request. This is a peculiar set of circumstances for a Government which claims it does what the industry wants it to do in all cases.

Members will note that Western Australia has not used the allocation of moneys made to it, mainly because of the means test. There was only one applicant for a grant of $1,000 for extreme hardship due to currency revaluation. I would like to explain that currency revaluation is applicable only to apples. If a farmer has other rural products which supplement his income, he does not receive it. If his wool cheque is up or he sells a few steers he cannot obtain a special grant because he is not suffering extreme hardship. Again, this seems to me to be begging the issue as far as the Commonwealth Government is concerned.

The Commonwealth Government has made no real effort to help the fruit industry as a whole. It made great and

glorious statements at the time of revaluation as to what it would do but, as usual, nothing has been seen in the rural sector. It is a great pity that the fruit industry has not been supported by the Federal Government as far as revaluation is concerned. I am sure the Minister and those who live in fruit-growing areas are still extremely worried about what will happen to the fruit-growing industry of this State as a result of the second revaluation. Possibly positive steps should have been taken before this to ensure that the long-term interests of fruit growers were looked after.

Perhaps I may move a little from the actual Bill and say that the time has come for Governments—both State and Federal—to ensure that all fruit growing will be assured of a long life. One cannot plant fruit trees over a short period of two or three years. Grants for two or three years are next to useless because they do not encourage the grower to plant a tree.

Let us look at peaches at the moment. I understand 600,000 peach trees were washed out in the Eastern States. We cannot get stocks of trees and will not be able to do so for two years. The canning of peaches will be down the drain for seven to nine years.

This short-term view of the fruit-growing industry is a complete waste of time and it inspires no confidence. The Minister will know that the announcement made on the cannery has not inspired the confidence for which he probably hoped, because of this very problem.

Governments must look at this from a long-term point of view. Fruit growers must have confidence to provide the fruit for canning—an eight to 10-year programme is necessary. As I say, it is a great pity that the Federal Government has not eased the means test. Many of the partial pull or clear fell trees could have gone to make way for other produce. With those few words I support the Bill.

MR. H. D. EVANS (Warren—Minister for Agriculture) [10.31 p.m.]: I appreciate the support for the measure which has been expressed by the member for Blackwood. No matter what level of reconstruction is extended to any particular industry, it will always be said to be insufficient. However, this measure proposes to extend the present level of the scheme, and indeed, the maximum amount payable will be increased. This may be the incentive to keep in the industry those growers who are considering whether to move out into some diversification.

The overall scheme is to be implemented in all States—it is a Commonwealth-sponsored scheme. The problems of the industry are vastly different in Tasmania, Victoria, New South Wales, and Western Australia. Fruit growers in Tasmania operate with small orchards which do not present any diversification opportunities. People in these situations face problems different from those of growers along the Murray Valley where overproduction of pears, and to some extent peaches, has been the biggest problem.

The Bill is a fairly substantial gesture to enable at least some fruit growers who are eligible to participate in the scheme.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Mr. H. D. Evans (Minister for Agriculture), and transmitted to the Council.

METROPOLITAN REGION TOWN PLANNING SCHEME ACT AMENDMENT BILL

Returned

Bill returned from the Council with amendments.

LOCAL GOVERNMENT ACT AMENDMENT BILL (No. 4)

Receipt and First Reading

Bill received from the Council; and, on motion by Mr. T. D. Evans (Attorney-General), read a first time.

DOOR TO DOOR (SALES) ACT AMENDMENT BILL

Returned

Bill returned from the Council with amendments.

RURAL RECONSTRUCTION SCHEME ACT AMENDMENT BILL

Second Reading

Debate resumed from the 29th November.

MR. NALDER (Katanning) [10.37 p.m.]: This measure, introduced by the Minister for Agriculture, is to extend the term of the Rural Reconstruction Scheme. I have no objection to the measure; it is vitally necessary. However, before I resume my seat, I would like to make a few points.

During his second reading speech the Minister told us the number of farmers who have been assisted by this scheme since it was introduced in 1971. He also told us the amount of finance which was made available by the Commonwealth Government, firstly in 1971, and then as a further amount in February, 1972.

The Minister told us that 637 applications for loans were approved in this State. Another 23 rehabilitation loans were granted. The total amount of money made available was $17,260,365.

Last week I asked the Minister several questions about the amount of money allocated by the State Government for rural reconstruction. Members will recall that when this scheme was first instituted, it was agreed that the State Governments would accept the responsibility for its administration, and this has been the case. The Federal Government has made the finance available for the loans, and the State Governments have administered the scheme. The amounts made available in this State were as follows—

		$
1971-72	....	166,611
1972-73	....	150,407
1973-74 (to 30/11/73)	....	33,782

An interesting feature of the scheme, and one about which I wish to comment this evening, is that some further 68 applications have been received since the 30th June, 1973. I wonder whether the Minister knows the reason for these applications from June of this year.

Under the present rural conditions, one would have expected that most farmers would be able to obtain sufficient finance to enable them to carry on. It is rather surprising to know this is not so, and it strengthens my submission to the House last year—and which I will mention again this evening—that it is absolutely essential for the Federal and State Governments to reach agreement in regard to a continuing sum of money to be made available for farmers who need assistance.

This week I received a letter from the father-in-law of a young man who had been brought up on his family's farm. He purchased his own property in 1971, but because of the difficulties associated with agriculture at that time—firstly the drought and then the difficulty to obtain finance, especially when sheep were hard to sell—he had to sell up. We cannot allow these born farmers who are capable of making a go of properties under normal conditions to leave the industry because they are unable to obtain sufficient carry-on finance.

As I have said before in this House, we have lost many people who were very valuable to the farming industry. These were the farmers who were unable to obtain sufficient finance to carry on. In most cases this situation arose because of circumstances beyond their control rather than through their inefficiency. We cannot allow these people with many years experience to leave the industry. They are able to make a very valuable contribution to the community in which they live and to the country as a whole.

We should provide for a continuing rural reconstruction fund. We should set up a department in every State to allocate money from this fund when necessary. I think most people will agree that it would be commonly believed today that a small number of people only would require finance. And yet, the Minister indicated that 68 applications for finance have been received since June of this year. This is an indication that we have a continuing problem. I hope that when he meets the Commonwealth Minister for Primary Industry next year, the Minister for Agriculture will seek some permanency for the rural reconstruction system. When bad seasons hit, farmers should be given every opportunity to carry on. They will be badly needed in the years that lie ahead. No doubt we will have some recessions again, but they are man-made and brought about by many circumstances. Nevertheless we cannot afford to permit people either to walk off, or to be forced off, their properties because they lack some carry-on finance.

I would hazard a guess that had we known, in 1971, what the situation would be today we would never have allowed any farmers either to be forced off, or to walk off, their properties. Instead today we would have had a large number of valuable people in areas well established, whereas now we see many farmers having to start off from scratch once again. In the meantime they have lost a considerable amount of hard-earned money which they could have saved.

I therefore urge the Minister and the other members of the House to appreciate the existing situation and ensure that we have a permanent department and that the Commonwealth Government makes finance available to permit farmers to carry on when they are badly in need of carry-on finance to overcome their difficulties.

Mr. McPharlin: That is the position in New South Wales.

Mr. NALDER: Yes, New South Wales has a permanent department that deals with the situation when it arises. We have reached the point in Western Australia where this should be accepted as being an urgent matter and it should be dealt with.

In 1974, when we have no more applications for assistance it should not be said, "There is no necessity to keep this department going, and we will close it up", when probably three or four years later there could be another recession and it could be found that the department is again necessary.

It takes quite a long time to set up a system. I can recall the problems I had as Minister in 1970 and the occasions I visited Canberra to plead with the Commonwealth for assistance. At one stage Western Australia was the only State that agreed to accept finance that was being made available by the Commonwealth Government. At that stage the other States were not interested because they were not facing the same problems that we had in Western Australia.

There is no need to delay the passage of this Bill. Its object is to carry on the scheme until June, 1976, and when that time arrives I hope sufficient proof will be available to make this a permanent department so that it will be able to offer assistance to those in need when the occasion arises.

MR. BLAIKIE (Vasse) [10.49 p.m.]: Like the member for Katanning, I also support the Bill. Its basic purpose is to extend the term of the Rural Reconstruction Scheme until 1976. It is perhaps advisable that the House should recall the reason that this scheme came into operation. It was one that was enunciated Australia-wide as a result of a drought and a rural recession and these two factors resulted in a great deal of hardship for a number of farmers throughout the Commonwealth.

Western Australia, in particular, was badly affected by the drought and the recession. This was a State which was, at that time, developing 1,000,000 acres a year. Many people criticised this policy, but what a tremendous exercise it was! However, what an unfortunate exercise it was that we had in this State and in other States a scheme under which wheat quotas were imposed, because if anything ever imposed hardship on those in rural areas it was wheat quotas. This was one of those most inequitable systems of control that forced so many new land farmers off their farms. Hence the Rural Reconstruction Scheme.

Also wool and sheep prices were at an all-time low. Many members will no doubt recall that sheep were virtually unsaleable and lambs fetched prices at which they were not economical to produce. Hence another Bill was introduced which in my opinion was rather disastrous; that was the measure relating to the lamb marketing authority. The drought and the recession were the factors that caused these schemes to come into operation.

The Rural Reconstruction Scheme did much to help. At the time I levelled some criticism against it to the effect that it was introduced too late to help many farmers, and the member for Katanning has already mentioned that large numbers of farmers were forced to leave their properties because assistance came too late.

Mr. Brown: Twenty-five per cent. of them were on sharefarming properties, were they not?

Mr. BLAIKIE: I refer to the fact that wheat quotas were one of the main factors that brought this about.

Mr. Brown: I would not say that.

Mr. BLAIKIE: I would. That is the reason the Rural Reconstruction Scheme came into existence and it did much to help many farmers who were at the point of desperation. Because of various forms of financing their properties they could not carry on any longer. In this context they were given assistance and it has been proved that they were worthy of assistance; because today one realises that following the finance under the scheme that was distributed across the whole of Australia many repayments have been made and will continue to be of benefit to the nation many times over.

I congratulate the Governments of that day—both State and Federal—for getting on with the job. There are two forms of assistance under the Rural Reconstruction Scheme. One form is for the restructuring of debts and the other is to provide assistance for farm build up. In the restructuring of debts it had to be proved that a farm, if an application was made for assistance, was, in fact, a viable unit. In this context when wool prices were down as low as 30c a pound, and when fat lambs were selling at, say, $4 each, it was a very difficult task to prove to those people who were making the assessment what was a viable unit. Yet probably one of the reasons that farmers in Western Australia battle on is that they keep hoping against hope that conditions will become better and, in fact, this happened.

I pay a tribute to the officers of the Department of Agriculture in Western Australia who carried out duties connected with the Rural Reconstruction Scheme. They performed an excellent job. Farm build-up was also another essential service under the Rural Reconstruction Scheme. While today there is not necessarily the same call for debt reconstruction, there will still be a continuing call for farm build-up. It is essential that this scheme should remain in operation—that it should be ready to operate whenever the occasion arises.

Members will no doubt recall my speaking in this House previously and criticising the Marginal Dairy Farms Scheme. Today I still criticise that scheme. One can draw a comparison between the Marginal Dairy Farms Scheme and the Rural Reconstruction Scheme. The legislation we are debating at present has been successful in its operation to a very large degree, but the Marginal Dairy Farms Scheme, in my opinion, has proved to be almost an utter failure. As I said when I moved my motion in this House, I believe it was the administration of the scheme that was at fault, and when one examines the position critically I believe that my point has been proved; that is, that the administration of a scheme is that which makes the difference between any scheme working effectively or otherwise.

As I said earlier, I pay tribute to the staff of the Department of Agriculture, and those administering the scheme. I have spent many hours assisting constituents with the applications they have made to the authority and at all times, provided

one has been able to put forward a satisfactory case, the final decision has come out in favour of the person on whose behalf I have acted. However, more importantly, the scheme to a limited degree allows the personal factor to be taken into account. As far as I am concerned, when an application for assistance is made, the personal factor of our applicant—that is, knowing whether or not a farmer has the personal capacity to establish a farm irrespective of how the sums add up—is most important. It should be the most important factor in deciding whether or not a farmer shall or shall not obtain assistance.

I agree with the concept of the Bill, but I would like to make a suggestion to the Minister, as has been done before. It is a tragedy that the Marginal Dairy Farms Scheme did not work as effectively as this scheme has. This Bill will extend the term of the legislation until 1976 and in this context I sincerely hope we do not have the same call for assistance that was made years ago, because today we are no longer subject to stringent wheat quota requirements, but this is not through any policy laid down by the Commonwealth or State Government. Wool and beef prices have boomed and we are not in the dire situation we were in a few years ago. Therefore I support the Bill and commend it to the House.

MR. STEPHENS (Stirling) [10.59 p.m.]: My remarks will be brief. I was encouraged to join in the debate mainly because the previous speakers have indicated that provided long-term finance is available the farming community can weather the storm. Lack of finance has been one of the problems associated with those engaged in the agricultural industry. A farmer is expected to carry on working his property with virtually short-term, high-interest finance. We find that in many instances, although he has considerable equity in his property he is obliged to use hire-purchase finance with payments made over a short term and with high interest rates. He is also forced to use stock firm finance which, once again, applies a high interest rate, but more importantly, the repayments have to be made over a short term; usually of only one or two years.

In those circumstances, when we have a drought or a poor season and reduced prices, the farmer finds himself in the invidious situation where his income is suddenly lowered but his repayments remain high. If the Rural Reconstruction Scheme has proved anything at all it has proved the necessity for long-term finance to be made available. A high percentage of the money which was available has been channelled towards debt reconstruction, and increasing the term of repayment and a lowering of interest rates. By this means farmers have been able to continue until the situation has improved, and they are now in a reasonably sound position.

I ask the Minister to use his endeavours in an effort to create a move towards the formation of a land bank. A land bank, properly constituted, could take the place of any rural reconstruction scheme and avoid the necessity for a department to handle such schemes. Under the land bank system which operates in South Africa a farmer can finance his land, purchase his stock, and obtain carry-on finance through the one mortgage. I think this method would be preferable to having to institute a scheme of reconstruction every time there is a downturn in the economy.

I support the Bill.

MR. H. D. EVANS (Warren—Minister for Agriculture) [11.02 p.m.]: I listened with interest to the member for Stirling, the member for Vasse, and the member for Katanning as each made his contribution to this Bill. Obviously this is a measure which everybody wishes to see go through with a minimum of delay, and without any diversion.

I would like to reply to a couple of points which have been raised. I join with the member for Katanning and certainly give him an assurance that every endeavour will be made to retain the Rural Reconstruction Scheme as an ongoing permanent arrangement. As the former Leader of the Country Party has said, this situation applies in New South Wales and also in Victoria and it is a difficulty which we faced when introducing the Rural Reconstruction Scheme without previous experience and without the necessary machinery. Considering the initial teething problems, the scheme has worked remarkably well in Western Australia. There is no statutory requirement for the tabling of annual reports, but the two which have been provided were of sufficient interest, I thought, to justify a continuation of the system.

The member for Katanning raised the point that 68 applications had been made since June and he asked why that should be so. There are probably two reasons. Firstly, some of them would be second and third applications from individuals who have been able to raise their levels so that they come within the eligibility of the scheme.

Mr. Nalder: And they have been refused on earlier applications?

Mr. H. D. EVANS: Yes, but now, because of improved conditions, they have more hopefully lodged further applications. A second reason would be an increase in the number of applications for farm build-up. The preponderance of applications has turned from reconstruction to farm build-up and I think the figure is something like 61 per cent. as against 39 per cent. The level of farm build-up has been increasing and every State is fostering farm build-up as much as possible.

The member for Vasse recounted the history of the scheme and verged into a fairly contentious area, but I do not think those remarks come within the ambit of the current debate. I was pleased he acknowledged the efforts of the officers of the authority and of the department. His approbation was quite fair and well placed, and I thank him for it.

I think the member for Vasse will recognise that special loans which were made by way of crop liens in certain areas also enabled many of the applicants to stay on just that much longer to enable them to participate in the scheme.

The member for Stirling raised the question of long-term finance and the possibility of a land bank. In this connection I think it would be a very wise consideration to look at income bonds, and this suggestion has actually been put to the Department of Primary Industry. It is hoped that a system such as this will enable the peaks and troughs of income to be levelled to give farmers a greater degree of stability. If, during times of boom, farmers can put some of their surplus income into bonds so that it could be held interest free and not subject to tax, it could be withdrawn in times of need when the taxation would be negligible. It is desirable that this should be considered as an aspect of rural finance.

The details regarding the extension of the scheme were set out in the second reading speech, and the annual reports have been tabled. I am happy to commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Mr. H. D. Evans (Minister for Agriculture), and transmitted to the Council.

ADJOURNMENT OF THE HOUSE

MR. T. D. EVANS (Kalgoorlie—Attorney-General) [11.09 p.m.]: May I mention, Mr. Speaker, that some members were aware that consideration was being given to the House meeting tomorrow at 11.00 a.m. It has now been determined that the House will meet at the normal time and, therefore, in the orthodox manner, I move—

That the House do now adjourn.

Question put and passed.

House adjourned at 11.10 p.m.

Legislative Council

Wednesday, the 12th December, 1973

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 2.30 p.m., and read prayers.

QUESTION WITHOUT NOTICE

NEW YEAR'S EVE

Holiday: Proclamation

The Hon. A. F. GRIFFITH, to the Minister for Police:

I have addressed the following question to the Minister for Police as it concerns legislation with which he is dealing—

(1) In relation to the proclamation made on the 4th December, 1973 under the Public and Bank Holidays Act, in what industries and other areas of employment would working people be entitled to a holiday on that occasion?

(2) In ordinary circumstances when the Government proclaims a special holiday under the Public and Bank Holidays Act, what consequent action is necessary to provide that people referred to in (1) receive payment for that holiday?

(3) Has there ever been a similar proclamation previously issued under the Public and Bank Holidays Act?

(4) If so, what was the occasion and what were the circumstances?

The Hon. R. THOMPSON replied:

I thank the Leader of the Opposition for prior notice of the question, the answer to which is as follows—

(1) In accordance with the Public and Bank Holidays Act, 1972, all workers throughout the State are entitled to the holiday.

(2) This would be dependent upon—

(a) provisions contained in industrial awards and agreements;

(b) negotiations between employer and worker; or

(c) an Act of Parliament.

(3) No.

(4) Answered by (3).