Legislative Council

Tuesday, the 17th October, 1961

CONTENTS

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

AUDITOR-GENERAL'S REPORT

Tabling

THE PRESIDENT (The Hon. L. C. Diver): I have received from the Auditor-General a copy of his report on the Treasurer's statement of the Public Accounts for the financial year ended the 30th June, 1961. It will be laid on the Table of the House.

QUESTION ON NOTICE

LAND

Subdivision, Re-zoning, and Regazettal

The Hon. R. THOMPSON asked the Minister for Local Government:

(1) What is the procedure that should be adopted in respect to subdivision, re-zoning and regazettal of land from one category to another by—
  (a) the applicant;
  (b) the local authority; and
  (c) the Town Planning Board?

(2) In what order should application be submitted by the local authority to the Town Planning Board for—
  (a) subdivision;
  (b) re-zoning when applicable to a subdivision; and
  (c) regazettal when applicable to a subdivision?

The Hon. L. A. LOGAN replied:

(1) (a) Subdivision: A land owner is required to submit an application accompanied by sketches to the Town Planning Board in accordance with the Town Planning and Development Act regulations.

Re-zoning is not effective until notice of amendment is gazetted and these are, therefore, simultaneous actions. In this regard, action is initiated by the local authority, and an owner should approach the local authority if he desires a change in zoning.

(b) Applications for subdivision are referred automatically to the local authority by the Town Planning Board. After consideration, the local authority advises the Town Planning Board of its recommendations and requisitions in respect of the application.

Re-zoning: If the local authority considers an application to re-zone should be proceeded with, it adopts the necessary resolution and proceeds to seek the preliminary approval of the Minister as required by the Act and regulations.

(c) Subdivision: The Town Planning Board considers the application together with the recommendations of the local authority, and any other authorities to whom it has been referred.

The application may be approved with or without conditions, or refused. Assuming

approval, the board endorses a plan of survey when the conditions have been complied with.

Re-zoning: The Town Planning Board, after checking the administrative requirements, forwards the amendments to the Minister together with its recommendations if so required. Gazettal is arranged by the board.

(2) (a) Applications for subdivision are submitted by the owner direct to the Town Planning Board.

(b) and (c) If subdivision is dependent on an amendment to zoning, then the amendment should be effected before the subdivision is submitted.

CONSTITUTION ACTS AMENDMENT BILL

Second Reading

THE HON. E. M. HEENAN (North-East) [4.38 p.m.]: I move—

That the Bill be now read a second time.

This Bill seeks to amend section 15 of the Constitution Acts Amendment Act, and I hope members will take a copy of the Bill and refer it to page 125 of our Standing Orders. Section 15 of the Constitution Acts Amendment Act is the one which sets out the qualifications for persons who desire to enrol themselves as electors for the Legislative Council.

Members will see that there are six separate qualifications; and at the risk of being charged with prolixity I am going to read these qualifications, in order that the minds of all of us may be refreshed. The qualifications are that such person—

(1) Has a legal or equitable freehold estate in possession situate in the Electoral Province of the clear value of fifty pounds sterling; or

(2) Is a householder within the Province occupying any dwelling-house of the clear annual value of seventeen pounds sterling; or

(3) Has a leasehold estate in possession situate within the Province of the clear annual value of seventeen pounds sterling; or

(4) Holds a lease or license from the Crown to depasture, occupy, cultivate, or mine upon Crown lands within the Province at a rental of not less than ten pounds per annum;

Or if the name of such person is on—

(5) the Electoral List of any Municipality in respect of property within the Province of the annual rateable value of not less than seventeen pounds.

(6) The Electoral List of any Road Board District in respect of property within the Province of the annual rateable value of not less than seventeen pounds.

Those are the qualifications which people who desire to enrol themselves as electors for the Legislative Council must possess. After reading the qualifications, three impressions seem to emerge. The first is that there appear to be a number of qualifications—there are, in fact, six. The second impression, I suggest, is that some of the qualifications are difficult to understand; and the third impression probably is that one individual can possess all the qualifications, but he must make up his mind which one he nominates. Those are the impressions which strike me.

The fact that the qualifications are somewhat difficult to understand is, in my view, supported by the fact that, as we are all fully aware, there are a great number of people in the community with those qualifications who are not enrolled on the Legislative Council roll. That is undoubtedly a fact which cannot be contraverted.

To analyse the reasons for that state of affairs, I advance the theory that it is due probably to two causes: firstly, that a number of people are ignorant of these qualifications; and, secondly, that a lot of them are indifferent. To my mind that is an unhappy state of affairs in a country which subscribes to the democratic principle of government; because surely if we believe in a democratic principle of government, we count on the fact that the people in the democracy have, more or less, an equal voice in its affairs.

I repeat that I am sure most members in this House would agree it is not a happy state of affairs if there are a number of people in this country who are entitled to be on the Legislative Council roll but who are not on it. If any member of this House will, during the course of the debate, put forward the proposition that that is not a true statement, I will be interested to hear it. We all know it to be so; it is undoubtedly true; and it is of no use, in my opinion, for anyone to say it is brought about by people not caring, and that people who do not care are not worthy of a vote in any event.

I think it is a state of affairs which calls for correction, especially at this time of our history, when I consider we have reached the parting of the ways in many respects, and that we are undoubtedly facing a time of transition.

Fortunately we have the opportunity of improving our organisations and making great advances if we only choose the opportunity which lies before us. As I have stated in this House previously, if we believe in our form of government as being fundamentally a better form than a lot of

others being tried at the present time—a belief to which I heartily subscribe with all my heart and soul—we have, from time to time, to face up to improving ourselves and our organisations and institutions. That is what the Bill is for.

There is no law in the country that does not need rectification and improvement from time to time. Here we have these qualifications which have not been amended or changed for years and years; and we have the lamentable fact that a lot of people for a start are not qualified to be on the Legislative Council roll; and of those who are qualified, a lot either through ignorance or indifference do not bother to enrol themselves. This, as I said before, is not a good state of affairs.

The more people who are on the electoral rolls, whether they be Federal rolls, State rolls, or shire council rolls, the better; and the more Australians who make an intelligent study of the way they vote the better, whether they be on Federal, State, shire, union, or any other rolls that one could think of.

These preliminary remarks are intended to convey my earnest belief that it is time we took some step to correct this situation as it applies to enrolments for the Legislative Council; and this Bill which I am introducing this afternoon goes only a little way in that regard.

The Hon. G. Bennetts: It goes to show you are sympathetic to the women.

The Hon. E. M. HEENAN: I would like to quote from the report of a Select Committee appointed by this House in 1944—that is 17 years ago. This report will be available to any member who cares to read it. I am not going to weary the House by reading the whole report, but will read a few cogent paragraphs from it. Portion reads as follows:—

> The evidence so far submitted to the Committee, mainly comprising evidence from the present Chief Electoral Officer, and his predecessor, has shown need for amendment of the Electoral Act in certain directions. Outstanding among the various points which have been established are the following:—
>
> > That the present enrolment of persons qualified to vote under existing laws for Legislative Council elections (approx. 80,000) is less than one-half of the number of those actually qualified.

That is a statement borne out by evidence when this report was compiled in 1944. Of those actually qualified to be on the roll, only half were on it. Can any honourable member in this House satisfy us that the position as it existed then has since been altered to any degree?

Before I read another cogent paragraph, I should mention that the chairman of this Select Committee was the late Hon. C. F. Baxter, who was a highly respected member of this House, and who, from time to time, was a Minister. As we all know, he was the father of our present member, The Hon. N. E. Baxter. This is another paragraph from the report—

> The qualifications of electors for the Legislative Council are so numerous that many persons are unaware that they are entitled to enrolment.

These are not my arguments; these are the arguments of the Select Committee.

The Hon. A. F. Griffith: Would it also be true to say that many people do not know what the other laws are?

The Hon. E. M. HEENAN: It would be quite true, but it would not be analagous to the argument I am using.

The Hon. A. F. Griffith: That is a matter of opinion.

The Hon. E. M. HEENAN: The Minister apparently subscribes to the proposition that he is happy with a state of affairs where half the people of Western Australia do not know or understand that they are entitled to be on the Legislative Council roll and therefore do not get on it. I deduce from the Minister's interjection that he does not propose to do anything about it.

The Hon. A. F. Griffith: I share the view that because all people of Western Australia, in your words, do not know what their obligations are, they should not be forced to find out.

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

The Hon. E. M. HEENAN: I differ from the Minister, Mr. President. Presumably, his former Leader (Sir Ross McLarty), and Mr. Logan's present Leader (Mr. Watts), also differed, because they introduced a Bill to correct this situation only a few years ago; and to the people of Western Australia they announced in their policy speeches that they were not happy with the Legislative Council situation. In addition, from time to time our leading newspapers have advocated some improvement in this situation.

I propose to quote briefly from the debate following the report of that Select Committee in 1944. A fairly comprehensive Bill was introduced, containing a lot more proposals than I envisage in my Bill. Quoting from *Hansard* 1944, Volume 2, page 2552, the late Mr. Baxter, as Chairman of the Select Committee, brought in the Bill, and he said—

> I had a Bill drafted on somewhat similar lines in 1939—

He was trying to do something about it in 1939. He continued—

> —but at that time it was decided that no contentious legislation should be brought forward during the war. This Bill does not cover the same scope as did that one and, of course, this measure is the outcome of the work of the Select Committee appointed by this House to inquire into

electoral reform. Members are aware that the Electoral Act is in bad shape, especially the provisions relating to the Legislative Council. We all knew prior to the committee's investigation that many people entitled to be enrolled for the Council were not enrolled. The evidence has shown that the roll could be doubled if the Act were clarified and certain amendments were made so that those entitled to vote for this House could be enrolled. It is necessary that the Act be made clear in order that people may avail themselves of the opportunity to enrol and also avail themselves of the extended qualifications proposed.

My notice of motion for the appointment of the Select Committee was given on the 3rd August, but not until the 14th September was I able to move the motion, and it was not finally disposed of until the 24th October.

I interpose to point out that the late Mr. Baxter's Bill was defeated. The argument used against it was that the Bill was brought down in the dying hours of the parliamentary session; and Mr. Baxter explained why he could not bring it in sooner. The extract continues—

> From that time onward the Select Committee met frequently, took evidence, and investigated the position fully. It deliberated for a long time, and finally submitted its report and recommendations. There are some requested amendments by the Select Committee that cannot be included in the Bill because they would involve the expenditure of public funds, but the committee has merely carried out the duty imposed upon it by the House.

The point I am attempting to make at this stage is that that committee suggested a clarification of the qualifications. Instead of using terms such as "equitable," "freeholder," and "householder in possession," the committee tried to simplify things. One of its recommendations was that the husband or wife of a husband who was the occupier of a dwelling house should be given the vote—that is, the husband or the wife; and that is the proposal that is in my Bill before the House tonight.

It is interesting to read a few of the comments in the debate to which I have referred. The late Mr. Baxter went on to say—

> Members who have studied the parent Act will admit that it is due for a general overhaul.

That was 17 years ago, and we have done nothing about it. The extract continues—

> It is one of the most important Acts on our statute book; to my mind, it is the most important, as it controls Parliament. I look upon the present Bill as a commencement. Life itself is a compromise; we cannot get everything we want. Here is something that can be put on the statute book and that will increase the number of electors at present on the rolls of the Legislative Council by 100 per cent.

The late Sir Harold Seddon was a highly respected member of this House, and his views were usually guarded and careful. This is what he had to say in the debate—I quote from page 2558 of the same volume—

> I think we can very well implement the recommendations of the committee and see how they operate before we go any further.

Eventually a division was taken, and those members who supported it included The Hon. J. G. Hislop, The Hon. A. L. Loton, The Hon. G. W. Miles, The Hon. H. S. W. Parker, The Hon. H. Seddon, and The Hon. G. B. Wood. I suggest that members of this House might look at the debate with interest.

It seems to me that for some time the need and necessity for doing something to section 15 of the Constitution Acts Amendment Act has been realised by a lot of people. All this Bill proposes to do is to amend section 15 by including a further subparagraph to the effect that the spouse of a householder, or a freeholder, or of any of those persons who have the qualifications, shall be entitled to enrolment; and I have put in the proviso that the spouse has to live in the district. The amendment reads—

> or if such person is the spouse of and ordinarily resides with any other person entitled to be registered as an elector under the provisions of this section, provided however that where such other person is entitled to be registered as an elector for more than one Province the said spouse shall not be entitled to be so registered for a Province other than the Province wherein she or he so ordinarily resides unless she or he be otherwise entitled to be registered as an elector for some other Province.

It is therefore provided that although the husband may have property in more than one province, and could be enrolled for more than one province by virtue of his ownership of that property, his wife, by virtue of this section, can be enrolled only for the province in which she resides.

To sum up: the effect of this will simply be to make it possible and easier for wives to get on the roll. In the great majority of cases it will apply to wives of householders. At the present time, in the case of persons renting a house, the husband calls himself the householder. If this Bill is passed, his wife will also be entitled to claim enrolment provided she is living with him.

I consider this will be all to the good. Many of us know that at the present time it is possible to enrol one's wife—to have her name placed on the electoral roll—by virtue of the ratepayer's qualification. This state of affairs is not very satisfactory, to use a mild expression. I am sure members who study the Bill will agree with me that it will affect a number of wives and mothers who at present are not on the roll.

The question has to be asked: Would it be a good thing to have these people on the roll, or would it be a bad thing? Do wives and mothers exercise a good influence in the community and in the home? I think there is only one answer to that question; and if, from among those who are entitled to enrol for the Legislative Council, we had all the wives and mothers in Western Australia who are living with their husbands, it would undoubtedly be a good thing. It would ensure that the present unsatisfactory state of affairs would at least be somewhat improved; it would bring about greater interest in elections; and it would ensure that more people in Western Australia took an interest in Legislative Council elections and in our form of government. I consider it would be all to the good.

This is not a radical step. This provision was recommended 17 years ago by a Select Committee. From time to time it has been recommended by the Press and people who write in the newspapers. Altogether I cannot see any reason why the House should not adopt this measure. Some members may anticipate that Mr. Griffith will argue—as he has indicated—that these people who can get on the roll, but do not bother to ascertain their qualifications, are not worth worrying about. If one could round up a hundred people in St. George's Terrace, I would venture to give them an examination by asking them to give a definition of an equitable freeholder, a leaseholder in possession, or a joint freeholder. The average person can be excused from fully understanding those terms; and I think they should be simplified.

The Hon. A. F. Griffith: In the same way as you can excuse me for what I am thinking.

The Hon. E. M. HEENAN: If I am placing a wrong construction on the Minister's interjection, I am sorry. I conscientiously believe that the Minister believes—as I am sure every member in this House does—that the more people who are legitimately and correctly placed on the electoral roll and the more people who take an interest in the elections and in the government of their country, the better it will be for their country, especially in the days that lie ahead.

There are a few other arguments I could use, but I am afraid I may have wearied the House to some extent. However, I put this proposition forward as being one that is really worth while. It is not complicated; it will not offend the political susceptibilities of anyone if we make clear to the wives and mothers of Western Australia, who have no property of their own, what their enrolment qualifications are. At the moment all they do is live in a house, manage it, and look after the children; and, in the majority of cases, of course, they do not own their own homes, own property, or possess enrolment qualifications. Nevertheless, if we say to them, "By virtue of your status in the community as wives and mothers we are going to give you the right to vote in the Legislative Council elections," I think it would be a good move.

I am not including single girls, but only the spouse. A spouse, of course, is a husband or a wife, but the husband invariably claims the qualification. This is intended to apply only to wives and mothers.

The Hon. A. F. Griffith: Do you think your Bill would make the six points of qualification any clearer?

The Hon. E. M. HEENAN: That is a legitimate interjection, but, in effect, the Minister is saying to me, "Why did you not make a complete overhaul? Why did you not alter the qualifications?" However, if I had done that, I would have been looking for trouble. I have left the qualifications as they are, but this Bill will greatly simplify them. As we all know, seven out of ten electors are householders. Is that an exaggerated statement? No one takes me up on that, so I must be pretty near the mark.

The Hon. A. F. Griffith: Your guess is as good as mine.

The Hon. E. M. HEENAN: The Minister has had a great deal of experience, and if that statement were incorrect he could tell me so. However, I think my estimate is pretty close to the mark; namely, that 70 per cent. of the electors are householders. It could be said that not all of the 70 per cent. would be married, but the majority of them would be; and if we allowed their wives to have a vote I think it would simplify the situation considerably. After all is said and done, what we are striving for is to get more people to interest themselves in having their names put on the roll; more people placed on the roll; more people to vote. Do not we all know—especially those who are about to face an election—how we encounter rolls which are entirely out of date?

Hundreds and hundreds of people who are entitled to have their names put on the roll are not enrolled. This means that we have to go around and enrol them; or our campaign organisation has to spend money on trying to get them to enrol. Having done all that, one has subsequently to keep on reminding them to vote. That is not a satisfactory state

of affairs. I think if we say to the people of Western Australia, "Every man and wife who is living in the house is entitled to have a vote," it will simplify the situation.

I met a pensioner at Mt. Magnet, on the Murchison, who was living in quite a nice house, but on checking the roll I found he was not enrolled. He said, "I am not entitled to be on the roll." I said, "Yes you are; you are fully entitled to be on it." He said, "But I am on a pension," to which I replied, "The fact that you are on a pension does not deprive you of being on the Legislative Council roll." He then said, "I am not paying rent," and I said, "That has nothing to do with it. You have saved and you have a decent house, and if you were paying rent you would probably have to pay £1 a week for it"; and he agreed with me on that. He was greatly surprised to know that he was entitled to be on the Legislative Council roll. In actual fact, he thought I was trying to put something over him.

Many people are under the impression that they have to be wealthy property owners and possess other qualifications before they are entitled to be on the Legislative Council roll, and the result is that we have a most unsatisfactory state of affairs. If this Bill is passed, I think the people of Western Australia will quickly realise that any person paying rent for a house, or owning a house, is entitled to go on the roll and that his wife also possesses the same qualification.

The Hon. A. F. Griffith: How will your Bill affect the electoral knowledge of the pensioner of whom you spoke?

The Hon. F. R. H. Lavery: You are being a little technical, are you not?

The Hon. F. J. S. Wise: That is purely hypothetical.

The Hon. E. M. HEENAN: If the Minister would go into his province—

The Hon. A. F. Griffith: He often does.

The Hon. E. M. HEENAN: —and tell the people that anyone living in a house who is paying more than 7s. a week rent is entitled to be on the Legislative Council roll, and that his wife is also entitled to be enrolled, it would go a long way towards making them aware of the fact that they are entitled to be enrolled.

With a good deal of sincerity I submit this Bill to members. I am confident they will give it careful consideration; and, on this occasion, I do not think it will be asking too much if I ask them to adopt the proposals in the Bill because I think they will prove to be of benefit to all concerned.

Debate adjourned, on motion by The Hon. J. D. Teahan.

WELFARE AND ASSISTANCE BILL

Second Reading

THE HON. L. A. LOGAN (Midland—Minister for Child Welfare) [5.27 p.m.]: I move—

That the Bill be now read a second time.

I desire to let members know that the main purpose of the Bill is to regulate the system of granting financial assistance by the Child Welfare Department in necessitous cases which occur through a variety of circumstances.

The need for the Bill has existed for some considerable time on account of the very small percentage of advances which have been recovered, or are in fact recoverable, in the absence of such legislation as is now proposed. Members may be interested to know that the advances by the Child Welfare Department amounted to £270,992 in 1959-60, with a prospect of recovering only about £50,000, representing less than 18 per cent. of the amount advanced. In actual fact, only £25,000 was recovered, or less than 10 per cent.

The experience of 1960-61 was very similar. A sum of £275,359 was advanced. Recoveries to the extent of about £50,000 were again hoped for, but actual recoveries amounted to only £26,000. It will be evident to members that the department does not expect to recover a high percentage of the assistance which it grants. It is granted substantially in respect of necessitous circumstances of a nature which, quite often, precludes the likelihood of the persons concerned being in a position to repay such moneys within a stipulated period—if at all. Members will appreciate there is no desire to put pressure on families in distress who have been given some relief by these contributions on behalf of the community.

There are certain instances, however, of persons having received considerable benefit from the funds available to the department, later improving their financial position to the extent of being quite capable of repaying some, if not all, of the contributions received. The recovery provisions of the Bill have been drawn up with a view to meeting these circumstances.

Advances are sometimes made in the expectation of private funds coming in for the benefit of the persons concerned. It is considered very reasonable that these people should be expected to commence repaying advances as and when their financial position permits.

The passing of this measure would, in the first instance, authorise the Minister responsible for the department to advance moneys to wives, either for themselves or for their children, or to institutions which

are concerned with the maintenance and welfare of children who have been deserted by either or both parents. It would then give the right of recovery to the Minister where moneys had been so advanced. The widest discretion, in a practical manner, will be necessary in the persons who have to make the advances, so that proof that the moneys were advanced for necessaries will be avoided. The Bill will carry out that intention which is implicit in that statement.

There is no intention of making any substantial changes in the method adopted by the Child Welfare Department in the handling of relief. Members will appreciate from that statement that the Minister is given power to delegate his authority. The delegation of powers to grant relief and the laying down of conditions as to repayment would be by delegation of authority to the director, officers of the Child Welfare Department, or any officer appointed under the Family Welfare and Assistance Act.

The Bill also deals with the avenues of recovery in cases where advances have been necessitated through the wilful neglect of persons to meet their maintenance obligations. Take the case of a wife having the right to make a substantial claim for maintenance against her husband. It has probably been established by an order of the court, but it takes time in which to make the order effective. In the meantime, the wife—probably with children to maintain—finds herself without means of support. It is at that stage that the Child Welfare Department steps in and provides her with the money necessary to enable her to carry on pending the recovery of the maintenance from her husband.

Nevertheless, there have been cases such as this: the mother subsequently recovering the full amount of maintenance from her husband but making no attempt to reimburse the department the amounts which it has, in good faith, advanced to her in her hour of need. The Bill will provide a greater surety that those amounts can be recovered.

Advances are made also on a refundable basis to persons awaiting payment of compensation or insurance or the finalisation of an estate, or payment of a debt that is due, or funds from other private sources, quite apart from family maintenance. It is understood at the time these advances are made that when such private funds are received by the person concerned, a recoup—wholly or in part—will be made to the Child Welfare Department; but sometimes that does not happen.

The Bill accordingly provides ways and means whereby the Minister or his delegate can go to the source of this money and put in his claim so that he will not be in the position of missing out in the manner I mentioned a few moments ago.

The liability for the advance by the department of funeral expenses for persons dying in necessitous circumstances may be determined under the provisions of this measure. The Bill stipulates that certain relatives be made liable for the recoup of the amount advanced by the department. In the case of a person other than an unmarried child, it is the husband or widow, as the case may be, and the adult children of that person; in the case of an unmarried child, it is the father, the mother, the stepfather or the stepmother. I should mention that the Minister need not necessarily take recovery action for that money. Any action taken will depend on the particular circumstances of the case.

I commend the Bill to members, believing there is a long-felt need to have set out very clearly what is required in these matters. It will ensure that in certain cases the department will have the right to recover, which, hitherto, the department has been advised was doubtful. This measure puts the whole procedure on a firm basis in order that all may know their obligations.

Debate adjourned, on motion by The Hon. R. F. Hutchison.

BILLS (3): RECEIPT AND FIRST READING

1. Medical Act Amendment Bill.

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

2. Entertainments Tax and Assessment Acts Repeal Bill.

3. Iron Ore (Scott River) Agreement Bill.

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

GOLD BUYERS ACT AMENDMENT BILL

Returned

Bill returned from the Assembly without amendment.

CRIMINAL CODE AMENDMENT BILL

Second Reading

Debate resumed from the 12th October.

THE HON. W. F. WILLESEE (North) [5.38 p.m.]: This Bill, in the first instance, seeks to amend the Criminal Code. As such, it is not a complete step to do away with capital punishment; it is only a partial step towards that objective. At the outset I want to refer to a document which was circulated last year, and to which a

number of influential people from all walks of life subscribed their names. This document sought specifically the abolition of capital punishment. Among the signatories were the following names:—

Dame Florence Cardell-Oliver.
Prof. Walter Murdoch.
Prof. A. C. Fox.
Prof. F. R. Beazley.
Wilfred Dowsett.
Alan Williams.
Mr. E. K. Braybrook.
Mr. Eric Edwards.
Prof. Alec King.
Mr. Philip Parsons.
Dr. R. B. Lefroy.
The Rev. John Bryant.
The Rev. Dr. Frank Nicholls.
The Rev. Murray Savage.
The Rev. Maurice Lee.
The Rev. T. Brian MacDonald.
The Rev. Ralph Sutton.
The Rev. Rabbi Rubin Zacks.
The Rev. Rabbi George W. Rubens.

I have not given their qualifications; I have merely listed the names.

There is a very widely held belief among a most learned section of our community that capital punishment should be abolished entirely. This is a principle with which I agree personally; it is also a principle which is adopted by the political party to which I belong. This Bill goes part of the way towards the abolition of capital punishment; but it is difficult to assess where the distinction can be made between the types of crime known as wilful murder and murder.

A Royal Commission was appointed by the British Government to investigate the crime of murder and the death penalty. It made extensive inquiries into the ramifications of this matter not only in Great Britain, but also in Europe, the U.S.A., the South American States, and the British Commonwealth. On page 23 of the report of this Royal Commission the following finding was made:—

> The general conclusion which we have reached is that there is no clear evidence in any of the figures we have examined that the abolition of capital punishment has led to an increase in the homicide rate or that its reintroduction has led to a fall.

After the introduction of this Bill some considerable time ago, during this session of Parliament, *The West Australian* published an article relating to the death penalty on the 18th September. It is as follows:—

> Death Penalty Limitation
>
> Attorney-General Watts did not make a convincing case for the Government's Bill to abolish the death penalty for murder while retaining it for wilful murder.
>
> The Bill makes some concession to those who oppose capital punishment on grounds of conscience or principle by drawing a distinction which scarcely seems necessary in the light of West Australian executive practice.
>
> All crimes of murder are now punishable by hanging. While the Labor Party is opposed to capital punishment in principle, Liberal-Country Party Governments invoke the Royal prerogative to commute a death sentence to imprisonment where this is justified by mitigating circumstances. The Government accepts the deterrent effect of capital punishment as the final sanction of the law. Once that principle is conceded it is difficult to approve the Bill, for there would be a danger of anomalies and uneven justice in any rule-of-thumb method of dividing murder into categories.

I quote that article basically because I think the Government should have taken a further step in this legislation in order that capital punishment might be removed from the statute book. The Bill describes premeditated killing as wilful murder and accidental killing as murder.

The definition of murder in the Criminal Code was broadly explained by the Minister as being killing done in the course of some wrong-doing where no intention to kill can be proved. Under existing law, it is mandatory for judges, upon a person being convicted either of wilful murder or murder, to impose the death penalty. Under this Bill, life imprisonment is being substituted as the penalty for murder.

I believe that the term "life imprisonment" is meant to be imprisonment for the term of a person's natural life. It is not a static period of years. I do not think the term of natural-life imprisonment has ever been completed. There have always been circumstances whereby the persons who face a charge of that nature can, in the course of years, be released from prison.

The Hon. A. F. Griffith: Not necessarily always; but the practice is that a man's case comes up for consideration every five years.

The Hon. W. F. WILLESEE: I was thinking more in the terms of a man's natural life span. It is true, as the Minister has said, that up to date there has been a periodical five-year review by Executive Council with regard to any life sentence, subject, I think, to an interim period if a prisoner's life would be shortened because he needed medical treatment in another atmosphere.

What I am trying to say is that I believe the natural-life imprisonment term is one of relativity. It is possible for a comparatively young man, sentenced to imprisonment for the term of his natural life, to have the whole of the characteristics that are component to his being changed; so that a man of, say, 20 years of age could become entirely different in himself, his outlook, his emotions, and his knowledge, when he was 30.

The Hon. A. F. Griffith: But, in any case, he effects a substantial change upon his victim.

The Hon. W. F. WILLESEE: It is undeniably true that a person who has been murdered—whether intentionally or accidentally—is dead; and I am not going to shirk that issue or go around it in any way. However, this Bill deals with the punishment of the person who has committed the crime. Let us keep to that point. Premeditated killing is obviously infinitely worse than a killing which occurs spontaneously or accidentally. But to the victim there is obviously no difference. Death is the outcome.

To get back to where I started, I would like to say that the punishment of life imprisonment has a different effect on a a man of 20 from what it has on a man of 50 who has a very defined mode of life and set way of thinking. However, I do not intend to pursue that issue any further.

With regard to the periodical review of a prisoner's case at the end of 15 years, and not before, I think it is obvious that a very young person would benefit by an examination of his case more frequently than a person who at a very late stage of life would not live for the period of 15 years.

Wilful murder, for which crime the death penalty would be imposed, is defined in the Code as the unlawful killing of another intending to cause his death or that of some other person. This crime will still be punishable by the imposition of the death sentence except that it will be treated exactly the same, under this Bill, as murder is treated under the existing Criminal Code.

I perhaps should mention that in the case of wilful murder, two qualifications are provided whereby the Governor can alter the sentence: the first being if he believes that there has been a miscarriage of justice; and, secondly, if a person is in serious ill-health. They are the only two instances in which a prisoner may be released under 15 years.

I find clause 4 very difficult to understand. The Minister said that the passing of clause 4 will authorise a judge to suspend a license which is already held for such period as he thinks fit, and declare the person disqualified. My immediate reaction to that is that if a man was given 10, 12, or 15 years' imprisonment, it would not matter very much whether the judge took the license from him, because he could not drive a vehicle or obtain a license until such time as he was released from gaol. The Minister further explained that if a person did not hold a license, he may be disqualified from obtaining one. Again I can not see the point of a person who is serving a period of detention holding a license.

Additionally, the Bill provides that cases of this nature shall be dealt with by a judge; and should a judge make a decision, the subsequent review must be made by a judge. Without going into any circumstances which may occur, it seems obvious to me that a person charged would be faced with heavier financial commitments if he is to go before a judge. I understand that this provision has been included for some basic reason; but that was my reaction to that particular clause. I believe the matter could be well covered under the Traffic Act.

Finally I intend to support the Bill because whilst it does not entirely do the things I would desire it to do, it is at least a progressive step forward in what might be termed the right direction. In conclusion, I would like to list some fundamental objections to capital punishment, as follows:—

(1) The taking of human life with the sanction of the law is abhorrent, and should find no place in modern civilisation.

(2) Capital punishment is irksome and repugnant to many in our midst, and the legislature should have regard to the public conscience.

(3) There is a trend throughout the world towards the elimination of the death penalty.

(4) The death penalty is not a deterrent.

(5) The death penalty causes a reluctance on the part of juries to find a true verdict on the evidence.

(6) The death penalty is contrary to the teachings of religion and Christian principles.

(7) All murderers are persons suffering from some degree of insanity (whether observable or not).

(8) The law should be directed solely to the detention, treatment, and reform of murderers.

(9) There is no such thing as degrees of murder.

Debate adjourned, on motion by The Hon. F. R. H. Lavery.

JUSTICES ACT AMENDMENT BILL

Second Reading

Debate resumed from the 12th October.

THE HON. W. F. WILLESEE (North) [6.0 p.m.]: This Bill and the following one are complementary to and contingent upon the Criminal Code Amendment Bill. In view of my remarks on the previous measure, I do not think there is any point in debating this one. Therefore, accepting the principle that the Criminal Code Amendment Bill will be passed, I support the second reading of this measure.

THE HON. A. F. GRIFFITH (Suburban —Minister for Mines) [6.1 p.m.]: It seems rather inappropriate, I suppose, that I should be closing the debate on the second reading of this Bill, because the debate on the Criminal Code Amendment Bill has been adjourned. As Mr. Willesee has agreed that this measure is complementary to the Criminal Code Amendment Bill, I feel there is no necessity for me to make any further contribution in reply to the debate; but in the circumstances I shall ask that the Committee stage be not taken tonight.

Question put and passed.

Bill read a second time.

JURIES ACT AMENDMENT BILL

Second Reading

Debate resumed from the 12th October.

THE HON. F. R. H. LAVERY (West) [6.2 p.m.]: Mr. Willesee pointed out that the Justices Act Amendment Bill is complementary to the Criminal Code Amendment Bill; and this measure is also complementary to the Criminal Code Amendment Bill. Having studied these measures, I find there are no points which can be opposed, and I therefore support the second reading of this Bill.

THE HON. A. F. GRIFFITH (Suburban —Minister for Mines) [6.3 p.m.]: I propose to ask the House, as I did in connection with the Justices Act Amendment Bill, to deal with the Committee stage of this Bill at a later date. This will keep the three Bills in line with each other.

If the Bill to amend the Criminal Code does not pass, there will be no purpose in going on with the other two. So I shall ask the House to agree to take the Committee stage of the Bill at the next sitting.

Question put and passed.

Bill read a second time.

Sitting suspended from 6.4 to 7.30 p.m.

PUBLIC MONEYS INVESTMENT BILL

Second Reading

Debate resumed from the 12th October.

THE HON. F. J. S. WISE (North) [7.30 p.m.]: This very concise Bill, which appears to be clear and explicit, I think may be dealt with in that manner. I realise that I am not under any time limit but, as I propose to support the Bill, I think I can explain my reasons for so doing in very short terms.

The Bill, providing as it does for the investment of certain public moneys, really provides for the State to have available for use, for purposes other than State use, moneys which otherwise would remain idle. I think it demonstrates, too, that a State cannot afford to have money in hundreds, thousands, or indeed millions of pounds, lying idle or earning, at best, 1 per cent. The funds to the credit of the Public Account at the Reserve Bank are kept there under the provisions of the Audit Act, 1904. They vary greatly in volume from time to time, indeed from month to month, and certainly from a period of the year to a latter point in the year; and there is no provision at all in the Audit Act which controls the commitment and use of these moneys for the public use as public moneys through the public accounts; and this Bill seeks to alter that situation to make such moneys available in four different ways.

The Bill clearly sets out the manner in which these moneys may be used, under very rigid control. In the main, as was clearly expressed by the Minister in his speech, they are to be used in what is known as the official short-term money market. The use of these moneys will, therefore, be restricted to guaranteed borrowers. It will be restricted to dealers in money who are licensed by the Reserve Bank. The protection of the public funds, whether of small or of great magnitude, is absolutely undoubted because of the provisions of the Bill.

The Minister made use of words such as these when he introduced the measure—

> These moneys are subject to the trustee or custody protection of the Reserve Bank, for the bank acts not only as custodian of the securities, but as lender of last resort in terms of the license issued to the dealer.

He went on to say—

> These safeguards provide a definite assurance of the recovery by the lender of his deposits with short-term money market dealers.

In a world sense, dealing in money is a very interesting study, as you well know, Mr. President. I refer to those who deal in it as a commodity; those who charge rent for it, the rent being interest; and those who, in many and varied ways, are able to sell the commodity and have it used to their advantage, particularly the very wealthy order of people in foreign countries, notably Switzerland, who control and deal in money in an international sense. Although we in that regard may be only small fry, I think it is important that the State is making provision to have idle funds which could not otherwise be used, even for a short term, invested in the State's interests in the manner prescribed.

I know that the Minister contemplated —as he said when he introduced this measure and the next item on the notice paper—that certain dealings in the money market by the licensed borrowers may mean a transference of these funds for use in places outside the State; but it could be that their use in this way will

at times ease the pressure on the requirements of different entities, people, and interests who borrow in large volume.

I said that the Bill was clearly explained on its introduction; I think it is clear that its intention is to provide a satisfactory means of ensuring that public funds produce the maximum income for the State, consistent with the safeguards required in the investment of such funds as are involved. I think there is much to commend the measure, and I hope it does have some good effect in the use of the money in an almost bilateral sense—placed into a fund to be used strictly for State purposes, but, while it is lying there, to be used for some other purpose in the interests of the State. I 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.

STAMP ACT AMENDMENT BILL

Second Reading

Debate resumed from the 12th October.

THE HON. F. J. S. WISE (North) [7.41 p.m.]: The principal purpose of this Bill, as stated by the Minister on its introduction, is to absolve from stamp duty transactions which take place under the measure we have just dealt with. Although in the second clause it specifically mentions a provision to meet that point, this Bill need not necessarily be wholly used for that purpose.

In the course of his speech of introduction, the Minister suggested that the margins within the interest rate to be earned by the persons borrowing money under the Public Moneys Investment Bill, when it becomes an Act, are so fine that every consideration should be given in regard to such matters as stamp duty; and he raised the point, too, that as other States waived stamp duty in these transactions, we in this State would be prejudiced unless we made a similar provision.

I cannot follow that argument or reasoning. The maximum interest that these funds could earn, if they remained in deposit at the Reserve Bank, would be 1 per cent.; but if loaned in different multiples under the provisions of the measure we have just dealt with, they will, according to the nature of the investment, or the manner in which they are loaned, earn on short term, or on a longer term, from 2¾ per cent. to 4 per cent.—a very desirable objective. But I find it hard to believe that 3d. in the £100 stamp duty would be a deterrent in the use of this money; The Minister gave us the illustration that if £500,000 were the subject of a trade in borrowing, £125 in stamp duty would be paid on the first transaction and, if dealt with twice within a week—or in the case of a mortgage—the stamp duty alone would be doubled; £250 for the two transactions in the week; or in a month, or however long the period may be. I cannot imagine that 3d. in the £100—or 6d. in the £100 on the two transactions—representing one-fortieth of 1 per cent., is going to be the determinant and very fine margin which the Minister referred to as necessary in operations of this kind.

I think the first provision—the ability to have this money used—is excellent. Whatever we may think of the iniquities in the Stamp Act—and there are many—surely we should have second thoughts about giving away stamp duty if this money is likely to be required and in demand, or is likely to be used in any of the four ways provided for in the former Bill. Although there are no offices established in this State for carrying out large money transactions of the kind we are now envisaging in respect to dealing in money, I fail to see the necessity for the prejudice we are imposing upon ourselves by having a stamp duty operative of the kind already provided within the Stamp Act.

The Minister mentioned in the course of his speech the sum of 2s. 6d. in the £100 in the case of the registration of a mortgage. To that I would simply say, "So what?" I think it is valid revenue which the Government should be rather chary of relinquishing. It should not be concerned that this will be the limiting factor in the use of these funds. It may be that my contention is wholly wrong, but surely we are engaging in very fine points of profit if we are thinking in terms of one-fortieth of 1 per cent.; and in preventing people trading in money, selling it as a business, or placing it profitably for themselves—because that is the reason for its use; that they should be able to use it profitably in some way as responsible people, guaranteed as well as licensed by the Reserve Bank itself. So for the time being, and without more clarity being given on this issue, I propose to oppose the measure.

THE HON. H. K. WATSON (Metropolitan) [7.49 p.m.]: I feel there is quite a deal to be said for the point of view just mentioned by Mr. Wise. The Minister has made out a case not so much for the exemption of the short-term money market receipts and payments from stamp duty, but rather for a review of the whole of our Stamp Act. It is quite customary in the city for many companies to accept money at call; and it is quite customary for other companies which have idle moneys lying in the bank—a credit balance at the bank—to take out £1,000 or £2,000 to place it on deposit with a borrowing company—it may be a trading company or a finance company—on call.

It may only be there for a month, but it is at least earning some interest. The standard practice is that if a company draws a couple of thousand pounds from its credit balance at the bank and places it on deposit with another company, the company receiving the money issues a receipt and that receipt is subject to *ad valorem* stamp duty. The money may be demanded back within a month, and the recipient likewise stamps the receipt at 3d. per £100. In essence that is no different from the short-term money market which the Minister has explained.

The only difference is one of degree. Whereas the illustrations I have just given represent the daily come and go amongst the lesser fry, transactions in the short-term money market are, I think, of a minimum amount of £25,000. But if the principle is good enough for £2,000 in and £2,000 out, I submit it is equally valid for £25,000 in and £25,000 out.

Whilst I have said on previous occasions that I am always prepared to support any Bill which reduces taxation, or exempts anyone from taxation, I do feel that the amendment in the Bill is very sectional. As I have just said, it is sectional for the big operator rather than for the small operator. For the life of me I cannot see why it exempts the big operator and not the small operator.

While I am on the question of suggesting that the Stamp Act as a whole requires review, I would like to mention that in connection with fixed deposits we have another extraordinary anomaly. If one puts money on fixed deposit at the bank, the bank gives one a receipt which says, in effect, "Received from Bill Jones the sum of £1,000 on fixed deposit for six months bearing interest at the rate of 4 per cent." That simply carries *ad valorem* stamp duty.

But if a private or public company carrying on any other business—be it that of a bootmaker, candlestick maker, or butcher—issues a similar receipt, that receipt is liable not only for 3d. per £100 stamp duty, *ad valorem*, but also for 2s. 6d. per £100 as a mortgage; the theory being that as the receipt sets forth the terms of the loan, it is a "security" within the meaning of the Act.

There again, a receipt is either a receipt or it is not a receipt; and as far as I can see when it is issued by a bank it does not make it any different from a receipt issued by a company in precisely the same terms. I feel that this Bill grants an unnecessary and inequitable preference to a large operator in the short-term money market, as distinct from the ordinary daily operations of man to man and company to company in the unofficial short-term money market.

Debate adjourned, on motion by The Hon. L. A. Logan (Minister for Local Government).

FISHERIES ACT AMENDMENT BILL

Second Reading

Debate resumed from the 12th October.

THE HON. G. E. JEFFERY (Suburban) [7.55 p.m.]: I rise to support the second reading of this Bill. In introducing the second reading of the measure the Minister said that one of the main purposes of the Bill was to tidy up some of the things that were left undone in our haste last year to place the original measure on the statute book. This haste was brought about by the need for some legislation to cover the activities of certain people engaged in the crayfishing industry.

In the course of the last 12 months loopholes have been discovered in the original legislation; and there are also other factors which one would have thought it would not be necessary to cover. Over the years it is amazing to find the things that go on and the number of aspects that must be covered by legislation. We might imagine that these aspects are covered by legislation which is introduced; but after a closer look we find there are innumerable loopholes and that further legislation is necessary.

Like the Minister I regret that in this day and age of intelligence it should be necessary for us to introduce legislation to cover aspects with which we are dealing in this measure; but when we take a close look at the crayfishing industry we become amazed at the irresponsible attitude of some sections of the people engaged in that industry, who seem to be hell-bent on their own destruction. I hope it does not eventuate, but I envisage the day when the crayfishing industry in Western Australia will dry up, as it has done in South Africa. When we consider the remarkable development in the industry in the last seven years, we find that the value of our exports of crayfish have trebled, as has the value of the actual catches that have been made.

In 1953-54 the export of crayfish was worth £1,171,221; in 1959-60 the export of crayfish was worth £2,933,590; plus £372,000 for whole cooked crays. So in actual fact the value of the export market has been trebled in the last seven years. I think every member here is conscious of the great dollar-earning capacity of this industry. But if certain sections of the industry do not come into line and play the game and abide by the statutes for their own good, I am afraid I foresee a dismal future for this industry. I was not able to obtain the figure for the value of the fleet engaged in the crayfishing industry, but the total value of the fishing fleet last year was £3,440,405. I think it would be fair to say that at least 70 per cent. of this total would constitute the value of the fleet engaged in crayfishing. In view of this fact it is a little remarkable when we are told of the capers that the men engaged in the industry get up to.

A couple of the provisions in the measure are just plain commonsense. We had some discussion last year on the question of determining the weight of a crayfish, and we found the answer was that it should be determined by the weight of the tail. The opinion has been expresed that ultimately, Parliament will have to give some thought to increasing the statutory weight of the tail from 5 oz. which this Bill specifies, to perhaps 6 oz. That is a matter for the future.

The Hon. G. Bennetts: We had an interesting demonstration.

The Hon. G. E. JEFFERY: The legislation makes provision for inspectors to inspect aeroplanes. That is a commonsense point of view. Everyone knows that today quite an amount of goods is carried by aeroplane; and it is necessary that the department should have the right to inspect any catch that may be carried by that method.

One thing that amazes me is that whilst a fisheries inspector may be aware of the fact that a certain gentleman may be using explosives to catch fish, under the old legislation there was no power to apprehend the culprit. But the provision made in this measure is quite sound. I live in the riverside suburb of Bassendean, and in my younger days I lived quite close to the river and there were a number of explosions that did not emanate from the quarries in the Darling Range. I knew a poacher who placed a charge at Barker's Bridge and got a greater detonation than he planned. That was within 100 yards or so of the Guildford Police Station. I said, "Weren't you frightened that they would hear it at the police station?" and he said, "I was not as frightened as the sergeant was when a lump of wood landed on the police station roof." It is necessary to give inspectors the right to inspect planes; and also to give them power to apprehend those who may be using explosives for the catching of fish.

There is one thing I am not happy about. I agree with the Minister on the great value of the crayfishing industry in this State, but I cannot agree to the lessening of the penalty in regard to those who are caught. We find that under existing legislation, fish are seized or forfeited to the Crown where 5 per cent. are under-size, or 5 per cent. are carrying spawn or roe. Under the existing legislation the person apprehended, in addition to paying the actual penalty of the fine, can have another penalty inflicted of not less than one shilling and not more than five shillings for every crayfish tail seized. This Bill provides that the same penalty will apply, but only to those tails actually under-size.

I know what is going on in the industry, although there is not so much of it lately; but one can go to a suburban hotel on Friday nights and it is not uncommon for fellows to sidle up in the bar and offer five crayfish for 10s.—and each and every one of them is under-size. I know quite frankly that those fellows get half of the 10s. and the person who is supplying the crayfish gets the other five shillings. When one realises the amount of money that can be made out of the sale of under-size crayfish, one realises that the penalty is not a great deterrent. Therefore, I think the Government should leave the penalty as it is. Frankly, I do not think any penalty is too great in these circumstances; even the taking away of the fisherman's license when he is caught on more than one occasion.

One important part of the Bill for which I suppose the Government will receive criticism—I am with it all the way—is the prohibiting of the processing of crayfish meat. I think it will be agreed that was the main drain through which under-size crays were getting past the inspectors. I think it is a good, sound proposition to prohibit the processing of crayfish meat, and the Government has made a very wise move.

Perhaps I expect too much in a hurry. However, the Bill goes a long way along the right track; and perhaps to make haste slowly is the wisest policy. In another year or so the department will be able to take a look at the position; and no doubt, if necessary, further amendments will be submitted to Parliament.

There is one thing that will have to come about in this State—mention has been made of this in the Chamber before—and that is the processing of crayfish must take place on the shore where the inspectors will be able to supervise it in a proper manner. I think that day is closer to us than appears at this moment. I believe the department is aware of what is going on in the boats; but it is hard to apprehend the offenders and even harder to obtain a conviction.

Provision is made in the Bill that a fisherman from now on will have to submit returns to the department. That is a most necessary amendment as the statistics of the industry over the year will be available to the department and it will be able to assess the position more accurately than under the old scheme of things. With those comments I support the second reading.

THE HON. R. C. MATTISKE (Metropolitan) [8.5 p.m.]: I have discussed this matter with a number of crayfishermen and a number of people who operate processing works, and the general feeling among all to whom I have spoken is one of commendation. They favour the tightening up to prevent the illegal dealing in under-size crayfish. They all realise that this is an important industry which is being ruined rapidly through a lot of these unscrupulous operators.

There are a couple of points to which I would draw the attention of the Minister in the hope that something may be done. The first is that there be a trial period of a close season from early January until the middle of February, during which time the crayfish spawn. Quite a number of operators feel that we are losing a considerable number of the crayfish population through disturbing the female while it is spawning.

The Hon. L. A. Logan: What period?

The Hon. R. C. MATTISKE: Early January until the middle of February.

The Hon. L. A. Logan: What area?

The Hon. R. C. MATTISKE: In any area, because crayfish are spawning right along the coast during that period. We know the effect on human beings when they rapidly rise to the surface after being in deep water; and I am wondering what the effect would be on spawning crayfish, because it does not take very long for the winches that are used on crayfishing boats to bring a crayfish pot from deep water to the surface. If this has a similar effect on spawning crayfish to what it has on human beings, then I think we are going to destroy quite a number of crayfish in that important stage of their life.

We know that a lot of the spawn are in a visible form, but there are some which are still in the embryo form; and the suggestion that has been put to me is that there be a trial period of closure, and that there be some system of tagging crayfish to try to find out a little more about their habits to see whether or not it would be desirable, as a general practice, to have a close-down during the period I have mentioned.

Another matter to which I would like to draw the attention of the Minister is the policing of the processing plants. We all realise that laws are of no use unless they can be properly policed; and I understand at the moment there are only about eight inspectors attached to the department, whereas we have a total of 18 processing works along the coast: at the Murchison River, two, I understand; at Geraldton, five; Dongara, one; Jurien Bay, two; Cervantes, one; Lancelin, one; Ledge Point, one; and Perth, five, making a total of 18. In addition to those, there are anchorages and receiving depots which also require supervision.

If the Act is going to be policed properly, surely there must be a full-time inspector at each of those processing works; because human nature being what it is, if a supervisor is missing for a short period at any of the works, it is possible that malpractices will occur. If such malpractices are permitted to occur at any of the processing works, naturally it is going to give the particular operator an advantage over his competitors.

I feel the industry is of such importance as to warrant the appointment of more qualified inspectors so that malpractices can be prevented from starting. With those few comments, I support the Bill.

THE HON. N. E. BAXTER (Central) [8.10 p.m.]: The matter of fisheries, in relation to crayfish, is something which I took up last year in this Chamber and I put forward suggestions along the lines we have just heard given by Mr. Mattiske in regard to inspections of crayfish caught. Members of the Chamber will recall that last year I suggested that at all fishing areas along the coast there should be established processing works, and that no boat should land at any place other than where a processing works was established, in an endeavour to ensure an inspector would be present to inspect all crayfish that came to any particular factory.

Unfortunately, as Mr. Mattiske has pointed out, there are so many landing places along the coast it is impossible for the department to deal successfully with this matter. It would need a terrific army of inspectors to administer the shore-based factories, depots, and landing places as well as to check up on vehicles used for the transport of crayfish to the metropolitan area.

Early this year I received information from a certain party as to a quantity of under-size crayfish tails that had been processed and packed in polythene bags. These were sold to a freezing works inside the metropolitan area. I spoke to the Minister for Fisheries on this particular matter and he had an inspector submit a report. From his report it was evident that the crayfish processed were undersize, but the matter of proving it was another thing. A total of 2,000 lb. in one swag is a big amount.

A fisherman who operates along the coast informed me that one night an inspector was at the landing place, and he and his partner swam to 13 boats and cut the lines on every boat that contained under-size crayfish. All this is going on despite the additional penalties which were put into the Act last year.

I am not satisfied that this Bill will answer the problem. I think the only way is to force processors into having their factories on the coast adjacent to the fishing grounds, so that supervision can be carried out the whole time. I also think we should have legislation to limit the transport of crayfish by any vehicle, unless those crayfish are certified for transport by a fisheries inspector.

It is almost impossible for the whole of this industry to be checked by inspectors under the present set-up. I still feel this should be a matter for inquiry by a Select Committee; and although we may not be prepared to move for that at the present

time it is well worthy of thought. Although I am going to support this Bill, if some improvement is not evident fairly soon, during the next session of Parliament I will have no compunction about moving for a Select Committee to inquire into the whole industry.

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [8.15 p.m.]: Whenever we have a measure such as this before the House, it occasions quite a lot of interest; and justly so, because this is an industry which is worth a great deal to Western Australia, and is one which is diversified and reaches outside the metropolitan area.

It is unfortunate that in the enlightened days of 1961 we still have to amend an Act to endeavour to compel those people who are making a living from this industry obey the law. One would think, if only from the point of view of self-preservation, they would obey the law and look after the industry themselves. Surely, if they are going to buy boats of the power and cost that boats are today in order to go crayfishing, they do not want the industry to die within 18 months or two years! It is amazing how these persons, despite the cost involved, are prepared to kill their own industry within a short time. It is rather a mental aberration on somebody's part.

The Hon. F. J. S. Wise: It is a paradox.

The Hon. L. A. LOGAN: I appreciate what Mr. Baxter had to say concerning fulfilling the requirements of the Bill. We have tried for a long time to introduce measures that would meet the requirements. He knows, as does Mr. Jeffery, that all processing should be shore-based. I have always advocated this. I fought this battle in earlier days when a private member of Parliament, a battle in connection with the industrial set-up, which wanted to let certain ships into the Abrolhos Islands. Fortunately, we won the round, and Geraldton still has its shore-based factories.

Prior to the last 12 months, we used to lose 15 per cent. to 20 per cent. of crayfish during the first fortnight of the run. It may have been that fishermen were not playing the game. They had their pots set a week before the opening date, and those crayfish were kept in traps during the period. They were the ones who were losing their crays on the first transportation of the carrier boats. Be that as it may, I think we have overcome that problem to a certain extent. The fishermen themselves are now patrolling the Abrolhos Islands to make sure that nobody beats the gun.

I think we should have the onus thrown more on to the fishermen. It is impossible to have sufficient inspectors to cover the whole of the crayfishing industry of Western Australia. One would require an army, and the cost would be more than the project was worth. Possibly the onus should be thrown back on to the various associations of fishermen to patrol their own industry. This is not an easy matter, because we have certain people who will not belong to any association, and who will not obey any rules or regulations. As long as they feel they can get a few bob out of the industry, they prefer to go their own way.

I do not fully understand Mr. Mattiske with regard to his remarks concerning the closed season. I must admit that I do not know what the set-up is in regard to the Fremantle area. The Abrolhos Islands are closed to fishermen from the middle of August until the 1st March the following year, and no crayfish are allowed to be caught in that area during that period. This is done to allow the crayfish to spawn and breed without disturbance.

The Hon. R. C. Mattiske: The season opens here in the middle of November.

The Hon. L. A. LOGAN: But we still have a closed season. The seasons vary in accordance with the breeding habits of crayfish in the different areas. Whether the correct opening and closing times have been arrived at, is a different matter. The times are arrived at from experience. There is an advisory committee to the Fisheries Department that visits the various areas at the close of each season in order to discuss problems with fishermen. The committee then makes recommendations to the Minister regarding opening and closing dates. This enables us to gain a lot of information—as much as possible—from the crayfishing industry. However, there is still room for research into the habits of crayfish. Probably one of the small islands such as Carnac could be used as a research island, where the right type of trap or pot could be tested. Perhaps we could make a proper crayfish farm of the area around the island whereby the habits of crayfish could be studied.

The Hon. F. J. S. Wise: I think they might go to Rottnest for the week-end.

The Hon. L. A. LOGAN: We must make sure they do not go there. They might get contaminated over there, having heard something of the history of Rottnest.

I appreciate the interest taken in this measure. If it proves unsuccessful, there is nothing to stop Mr. Baxter from moving for a Select Committee next year in an endeavour to find out more about the complexities of the industry. In the meantime, I feel we have to accept the present measure.

I refer now to the remarks made by Mr. Jeffery regarding the penalty. We have to look at the justice of the measure in fining a person accused of taking undersize crayfish tails. This person may have good crayfish of the required size in the same catch. Surely he should not be penalised for that; he should be penalised

only for the actual crime he commits; namely, the taking of tails which are too small. I think the other tails should be taken out of the charge.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (The Hon. W. R. Hall) in the Chair; The Hon. L. A. Logan (Minister for Local Government) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Section 3 amended—

The Hon. R. C. MATTISKE: I take this opportunity of explaining in a little more detail the suggestion I made about a trial closed season. Apparently the Minister did not get my intention quite clearly. Once a season opens in the middle of November, it carries right through until—I have forgotten the exact date, but it is well into the following year.

The Hon. L. A. Logan: Sometime in March.

The Hon. R. C. MATTISKE: I know it is fairly well on in the year. During the period from early January until the middle of February it is quite legal to catch any crayfish at all so long as one is outside the mile limit from the shore. It is quite legal to catch crayfish that are in spawn, although one has to release them immediately. However, that is when the damage is done. During the period while the crayfish are spawning it would be better if they could be left completely undisturbed. If, in our search into the industry, those connected with research could do some tagging and tracing of the movements of the crayfish during that period, we might be able to obtain some valuable information.

Clause put and passed.

Clauses 3 to 10 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

NORTH-WEST: COMMONWEALTH AID FOR DEVELOPMENT

Resolution from Assembly

Message from the Assembly requesting concurrence in the following resolution now considered:—

> That, in view of the satisfactory result obtained from the case presented by the all-party committee to Canberra in 1955 (as a result of a motion moved in this Parliament in July, 1954), and the works completed and in progress in the Kimberley area of the State, in collaboration with the Commonwealth Government, this House is of the opinion that if the Commonwealth by the 31st March, 1962, has not agreed to the appointment of a joint Commonwealth-State committee to examine and recommend development projects for the north of this State, or alternatively agreed to assist the State in further substantial development projects to accelerate progress in the north, a further all-party committee should be appointed to present as soon as possible after the 31st March, 1962, to the Commonwealth Government a case for the development of the north generally and with specific projects within the area lying between the 20th and 26th parallels of south latitude.
>
> It further requests—
>
> (a) that if an all-party committee has to be appointed under the foregoing proposal, a programme for development of this portion of the State be drawn up by a committee consisting of the Premier, Deputy Premier, Minister for the North-West, and Leader of the Opposition in the Legislative Assembly; the Minister in charge of the Legislative Council, and the Leader of the Opposition in the Legislative Council;
>
> (b) that this committee submit such programme at an interview with the Right Hon. the Prime Minister, and the Federal Treasurer;
>
> (c) that a special Federal grant of an amount considered necessary for this work be requested in order to stimulate and carry out this vital development.

THE HON. H. C. STRICKLAND (North—Leader of the Opposition) [8.28 p.m.]: I move—

That the resolution be agreed to.

Members will recall that in 1954 a motion was moved by Mr. Jones which had as its objective a provision similar to that contained in this message. The motion which is now before us for consideration mentions the specific date of the 31st March, 1962, but, as yet, I am not aware of the reason for that. Therefore, I am unable to explain to this House why the motion—which, in essence, means a further approach to the Commonwealth Government for additional funds to assist the State to develop the resources of the north—has been amended to include the specific date of the 31st March, 1962.

However, I will endeavour to ascertain the reason why another place has made this amendment in order that I may fully reply to the speeches that will be made on the motion. I consider that the preamble to the request contained in the

motion will have a restrictive tendency, because it all hinges upon the appointment of a joint Commonwealth-State committee to examine the developmental work needed in the north and to report accordingly. From statements made by Government representatives in Parliament and in the Press, we know that the Government holds the view that the northern areas of Australia, overall, could be better considered by Commonwealth-State committees with the object of gaining Commonwealth financial assistance.

I do not think there is any need for a Commonwealth-State committee to examine the potentialities of the north for the purpose of promoting developmental works. We did very well as a result of the motion moved by Mr. Jones in 1954, which did not contain any such proviso. That was a motion worded in plain terms—

> That this House expresses its opinion that that portion of the State which lies north of the 26th parallel of latitude is incapable of being fully developed if wholly dependent upon such finance as is only obtainable from State resources.

In my opinion the motion before us today could be drafted in similar terms. The State is no more affluent today than it was in 1954 in regard to its ability to finance the developmental works in that huge area. The State could not possibly develop the resources of the whole of Western Australia with its own finances. Centuries would pass before this State would reach the position where it could finance such works. After all is said and done, these huge developmental works are of a national character; and, in fact, they are becoming of international importance.

It is important that Australia should fill up the empty spaces of the north, that can be filled, as quickly as possible. Naturally, the State must look to the Commonwealth Government for the necessary funds to assist it to develop the resources of the north. I am not objecting to the wording of the motion. I am merely pointing out to members that I am unable, as yet, to explain why the original motion was amended so that it will hinge upon certain conditions being fulfilled.

The Hon. A. F. Griffith: Are you not introducing this motion?

The Hon. H. C. STRICKLAND: Yes; but I wish to point out that I am not able to explain the amendments that were made to the motion by the Government in another place. The weekly *Hansard* covering the report of those speeches has not yet been published. When it is available I will endeavour to study the speech by the Minister for the North-West, and I will then be in a better position to reply. However, I know the Minister in charge of this House will probably explain it to us before I get that opportunity.

Whilst it is regretted that Western Australia cannot finance the development of the north from its own financial resources, I do not think any of us should have any compunction about asking the Commonwealth Government to grant us further assistance. I do not deny that the Commonwealth Government has already advanced an enormous amount of money for the development of the north, particularly during the past seven or eight years. Even prior to the request that was made to it in 1955, the Commonwealth Government spent a great deal of money in the north-west through allocation of money to the Department of Civil Aviation, which constructed aerodromes, staffed them, installed radio communications, and appointed meteorologists and maintenance men to control those services.

The Department of Civil Aviation and its associate departments have been the means of introducing a great deal of Commonwealth money into the north-west. The Commonwealth Government has also been rather generous in acknowledging other requests for assistance for north-west development. I am not seeking to introduce politics into this subject, because the present Commonwealth Government, as I have said, has already spent a great deal of money, but it was the Chifley Government that granted special funds for the construction of beef roads from East Kimberley to Wyndham.

Approximately £750,000 was spent on what is known as the Wyndham-Nicholson Road which is some 240 or 250 miles in length; and members may recall that I expressed some regret that, after several years, the Commonwealth aid ceased and progress on the building of that road did not reach the stage which would have enabled road trains to operate over it and thus avoid considerable losses in the beef that was to be carried. Furthermore, after a few years of these funds being made available, the Menzies Government also decided to contribute a large sum of money to assist in the carting of beef cattle in the Kimberleys, which is indeed a great step forward. The Commonwealth Government has also been instrumental in spending a lot of money on air services in the north. Apart from building aerodromes, it subsidises the MacRobertson-Miller air services; and the company, in return, carries the Commonwealth mail to the various centres throughout the north-west.

So whilst we have had a lot of money made available by the Commonwealth Government, including a special grant of £5,000,000 for specific developmental work in the Kimberleys, that does not mean the State will not require many more millions of pounds to develop the resources of the north. I might also mention that the Commonwealth Government assisted greatly—and it is still assisting greatly—by subsidising the losses made by the State

Shipping Service on the ships operating along the north-west coast. The Commonwealth Government has always looked upon the State Shipping Service as an essential service; and, during the time of my colleague, Mr. Wise, as either Premier or Minister, a sucessful arrangement was made with the Commonwealth to look upon the State Shipping Service in the same light as the Commonwealth looked upon all rail services operating throughout Australia in those days, because, at that time, they all incurred heavy losses.

The State Shipping Service was regarded as being in the same category, because it was the only means of supplying the north with its needs, and was therefore recognised as being an essential service. I was a little perturbed to read in the Press that the Grants Commission intends to adopt a different attitude towards the State Shipping Service. Previously the Grants Commission had always regarded the losses incurred by that service in the same light as the Commonwealth Government did; namely, that it was money well spent provided it was not wastefully spent. The Press reports now indicate that the Grants Commission is requesting the Commonwealth Government to have a good look at these losses otherwise, if something is not done to reduce them, the commission may not recommend that the Commonwealth Government reimburse fully the losses incurred, as it has done throughout the years.

I do not think the people in the north should be penalised by any increase in freights; I will not refer to any increases in fares. If the Grants Commission penalises the State Government because it does not increase the State Shipping Service charges, the State Government, of course, will have to review the situation and increase the freights which will thus penalise the people in the north.

In my opinion the Grants Commission has not much room to complain, because if we examine the figures on the losses incurred it will be found that the State Shipping Service has handled the position extremely well. In 1960, its losses amounted to £933,000. That may sound to be a great deal of money, but when we compare the loss of £588,000 incurred in 1953, and take into consideration money values, it is not much out of line. The basic wage in 1953 was in the vicinity of £12 and today it is approximately £15. All other costs have risen by a much greater margin, including the cost of fuel, parts, and so on.

The greatest factor contributing to the deficiency in the finances of the State Shipping Service is the interest and depreciation fund, which is taken into consideration by the Commonwealth Grants Commission. If we were to examine the cash losses we would find they were as follows:—

	£
1952	452,000
1953	546,000
1954	464,000
1958	585,000
1959	559,000
1960	554,000

It will be seen that the cash losses have held very well, despite the rising costs and the greater amount of cargo to be transported. The figures of cargoes shipped to the north are—

	Tons
1952	63,300
1960	92,000

The cargoes shipped from the north to the south were—

	Tons
1952	35,900
1960	36,300

The Hon. F. J. S. Wise: That is where the cause of the deficiency lies.

The Hon. H. C. STRICKLAND: Unquestionably the deficiency results from the smaller amount of cargo back-loaded by the ships; and most of these back-loadings consist of cargoes shipped at cheap rates. For instance, all beer going to Carnarvon is transported by road; but the empty containers are returned by ship, at half rate. The same applies to commodities such as CO_2 gas cylinders and other gas cylinders.

Examining the interest and depreciation fund, we find that in 1952 the amount stood at £41,000. This fund commenced in 1952 and has proved very beneficial to the State Shipping Service, because an amount in the vicinity of £1,500,000 has been contributed under that fund and it has helped to pay for the ships being built for the service.

The Hon. H. K. Watson: It is not depreciation written off, but a contribution to a sinking fund.

The Hon. H. C. STRICKLAND: That is so. The interest and depreciation contributions were as follows:—

	£
1952	41,000
1953	41,500
1954	70,500
1958	338,700
1959	384,000
1960	379,000

The need for such contributions can be appreciated, because including the cost of the latest vessel, £5,000,000 worth of ships have been acquired since 1953 by the State. The State Shipping Service has benefited by the introduction of the interest and depreciation contributions.

If the Government desires to do anything about this matter, it should examine very closely the cash losses sustained by the State Shipping Service. It should

do that before it considers increasing the freight of goods to the north. Any such increase would penalise the other industries in that area, as well as those of wool production and cattle raising. As Mr. Wise said, there is a great deficiency in the operating costs in respect of the south-bound cargoes. As was to be expected, the road to Carnarvon has brought about a decrease of the wool shipped from that port. Today the pastoralists send their wool to Geraldton by road. When the price of wool was high in 1951—a boom year—they were sending it by road from as far as Onslow to Geraldton, and then by train to catch the high market.

There is an interesting sidelight to this aspect. In 1953 when the Onslow jetty was demolished by a cyclone, I flew into that town. I found the pastoralists were not worried about having their wool shipped away, or about the jetty being rebuilt. However, in 1957, when the jetty was again blown away, the hotel was full of pastoralists who were asking what could be done about their wool. The price had dropped, and they were transporting their wool by ship. They were told that the Government would pay the cost of sending the wool by road either north to Roebourne or south to Carnarvon, whichever was closer. When, this year, the jetty was demolished again, and the price of wool was rather good, the pastoralists did not care two hoots whether or not the jetty was rebuilt.

The fact is that the pastoralists are not the only people living in the north. If they were the only residents there, and if roads provided the only means of transport to the north this State would be in serious trouble, because the population of the north would shrink very rapidly. The recommendation of the Commonwealth Grants Commission is that this State should reduce the deficiency of the State Shipping Service. We contend that if any item should be curtailed, it should be the interest and depreciation account; we do not agree that the burden should be placed on the people living in the north.

Let me give an example of the cost of an article when it reaches the north. A bag of cement trebles in price from the time it leaves the factory until it reaches Halls Creek, Marble Bar, or Nullagine. The same applies to a bag of flour. This is a factor which should be recognised by the Government, and the State should bear some of the difference in cost.

The original motion, in 1954, seeking Commonwealth assistance did not set out specific projects for development in the north. The requests which were made to the Commonwealth Government were framed by an all-party committee formed by this Parliament. On that occasion the Government suggested what it considered to be the more important projects to be included in the motion. They were the projects which had been under consideration by various Governments in the past. Representatives of all the parties were called together, and decisions were made on the projects to be put forward.

The Premier of the day (Mr. Hawke) sponsored the Ord River scheme, combined with the extensions to Wyndham jetty, and the sealing of the road from Northampton to Carnarvon, on a pound for pound basis. The Leader of the Opposition (Sir Ross McLarty) sponsored the Black Rocks project; this was to be a new deep-water jetty to serve the Derby area. The Leader of the Country Party (Mr. Watts) sponsored the policy of freedom from taxation for the north, or the 60 to 40 basis of taxation concession to apply to industries operating and people living north of the 26th parallel. The Speaker (Mr. Rodoreda) sponsored a very expensive project amounting to £400,000 to construct a 30-mile deviation in the road between Roebourne and Wyndham, in order to assist the blue asbestos industry which was struggling at that time. Such a deviation costing £400,000 would have saved the company a mere £10,000 a year in transport costs, on an annual production of 6,000 tons. Other factors have come into the picture since that time, and the company is now well established. Today it produces upwards of 20,000 tons a year; it has no need for a Government subsidy or for this particular project.

I was on that committee, and my job was to make recommendations to the Commonwealth Government to assist the State in acquiring more ships, and to obtain them quicker than we were able to. The Commonwealth Government was intensely interested in the north-west. The Prime Minister, Sir Arthur Fadden, and Senator Spooner showed great interest. Instead of spending one hour, as we anticipated, they considered the subject for several hours. The Commonwealth Government was very interested in the empty spaces in the north.

Out of the submissions, some 12 months later the Commonwealth Government made available to this State £2,500,000 for expenditure on projects which it had to approve and which had to be located north of the 26th parallel. That meant the money had to be spent in the Kimberley area. It put an end to the development of the road project, and to the increase in the number of State ships. The projects approved under this condition were the Black Rocks port, the Ord River scheme, and the Wyndham jetty extension. Further, investigations into Napier Broome Bay to open up the area were also included in the proposal. The Commonwealth Government agreed to the Wyndham jetty and the Black Rocks port projects, and also to the investigation into the Napier Broome Bay project. It held over for further consideration the Ord

River dam scheme; I am glad to say that the succeeding State Government was able to implement that scheme.

The projects in respect of Napier Broome Bay, Wyndham jetty, and the Ord River were proceeded with; but apparently the Black Rocks project was dropped, because the Government has not made any specific announcement about it and time has passed. The money has probably been absorbed in other works. For the time being, it seems the Government's intention in regard to the Black Rocks project is not to be put into effect.

There are vast areas south of the 26th parallel which also lend themselves to development. I agree with the Government's amendment moved in another place; namely, that the motion should cover the whole of the north. There are vast areas in the Kimberleys which are crying out for finance for development. There is the Napier Broome area in North Kimberley which is virtually unoccupied, and which, at a comparatively small cost, could be opened up and developed by the provision of a jetty at Napier Broome Bay and a road connecting the hinterland. There are also vast irrigation projects which can be implemented along the Lennard River and the Margaret River in West Kimberley. These can only be developed with the expenditure of very large sums.

The State did undertake to assist Northern Development Ltd. in the rice project at Liveringa. Members will recall a Bill being introduced to assist that company in a rice-growing project. While it was thought at the time that the State might be required to find something in the vicinity of £150,000 to £200,000 to carry out its part of the agreement by supplying water, I understand the water supply at Camballin has cost, up to date, in the vicinity of £1,000,000. Costs can rise, but the State Governments have borne those costs; and they are still bearing the cost of developing that particular area of the Fitzroy River.

We read only recently in the paper that some of the rice grown at Camballin has been sold in England and some other parts of the world. No one can deny that water conservation and irrigation are the most important works and the most important problems facing Australia today.

The Hon. F. J. S. Wise: Water conservation will determine Australia's population ultimately.

The Hon. H. C. STRICKLAND: Absolutely. As Mr. Wise says, it will determine Australia's population ultimately. We all recall the time when Mr. Wise gave us a very detailed survey of the water resources of Australia, and particularly of Western Australia; and those figures cannot be denied.

The Hon. A. F. Griffith: Of course some early writings show there was little hope held for the north.

The Hon. H. C. STRICKLAND: I agree. I think the earliest notes written on the north are those which are in the Library in the diary of Dampier. Dampier recorded that the natives were disgusted that he was carrying water out to the boat. They did not understand why he did not sit down and drink it, but carried it away. He could not get them to help him carry it. He returned a couple of years later with some trinkets, but still they would not co-operate. However, he described Australia as being a land of flies, sand, and sore eyes.

The Hon. L. A. Logan: Don't forget the sin!

The Hon. H. C. STRICKLAND: There are times today when, if a plane happens to be a day or two behind, the people become short of food. I do not know how Dampier and his men fared, or the men who were prospecting around Halls Creek before stations were established.

The latent resources in the river areas in the north must be tremendous. I think at one time here not so long ago I gave the results of some early experiments carried out at the Kimberley Research Station.

Experiments of course, were carried out in regard to the raising of cattle—cattle which they took from the stations and pastoral properties where the research station is established near Ivanhoe. The report forwarded by the manager of the research station, after several years of research, was to the effect that sugar cane would grow very well; and the gross return for it was something in the vicinity of £22 an acre. Rice was also grown successfully and the gross return for that was in the vicinity of £30 an acre. This information, of course, was based on 1952 figures. However, the gross return per acre for beef was £35.

One can imagine that beef production is going to be the most profitable, because, in the first place it does not require the labour; and, secondly, it does not require the plant. I can see that the Kimberley area in the not-too-distant future is going to be a great beef producer.

Beef and wool production could be followed much more successfully in other areas north of the 26th parallel if the rivers which run through those areas lent themselves to irrigation. I feel that one of the specific points which the Government could propose to the Commonwealth could be a thorough investigation of all the rivers in the north, and investigation into the possibility of water conservation and irrigation.

The Commonwealth Department of Scientific and Industrial Research did make soil surveys in 1951-1952 in the West

Kimberley areas—that is in the Lennard River area and the Margaret River area. I feel that as those soil surveys were made at the request of the Western Australian Government of the day—if I remember it was Sir Charles Latham as Minister for Agriculture who prompted the request—a similar request could be made to the Commonwealth Department to have other north-west rivers thoroughly investigated. There are the De Grey, the Fortescue, the Ashburton, and the Gascoyne Rivers. The Ashburton is one which seems to be in a blind spot in our north. Onslow seems to be the only town in the north which is not making progress. It requires a cyclone or an atom bomb for any money to be expended in Onslow. But there is no doubt that some use could be made of the Ashburton waters.

The pastoralists at Bulooloo station have cultivated lucerne very successfully for the past several years, and there is no reason why that area should not be thoroughly looked into. When we go further south to the Gascoyne area, we know the production there; and according to the Scott and Furphy report, which the Minister tabled tonight, it appears that vast areas adjacent to Carnarvon on what the investigators termed the Gascoyne delta, could be put to some very profitable use with the damming of the Gascoyne River.

I know that these things cannot be done in a day, or in a year, but will take many years to accomplish. However, a start should be made wherever possible, and instead of huge amounts of money being required from the Commonwealth over a short number of years, I think that smaller amounts of money should be made available over a longer period, and the work started in various districts simultaneously.

After all, I believe this Parliament agreed to motions which provided that that area of the north which lies north of the 26th parallel should be almost free of taxation. The three private citizens who established themselves as the Northern Rehabilitation Committee—Messrs. Hancock, Thompson, and Leslie—submitted extensive evidence to demonstrate to the Commonwealth Government that by granting substantial taxation concessions, the north would be developed. However, the Commonwealth Government evidently did not have much faith in the case established; or it could be that the Commonwealth Government found it very difficult to decide on a dividing line, because someone would be inside the line and someone outside. Therefore, the Commonwealth Government had a very difficult task and consequently rejected the proposal.

However, on that occasion it was claimed by the sponsors of the proposals that the income tax being collected out of the area north of the 26th parallel at that time—1951 or 1952—amounted to no more than £2,000,000, and that if the Commonwealth Government granted a complete taxation concession, it would not in any case be giving away very much.

As I say, that could have been right; but the Commonwealth Government evidently found it difficult and did not agree. However, if £2,000,000 was being extracted by the income tax collector in those days. it would be quite reasonable to assume that today the amount would be much higher. The amount being collected in income tax these days could be approaching £3,500,000 to £4,000,000 a year, because there have been some very important industries established since that committee approached Canberra. For instance, Cockatoo Island this year produced over 1,000,000 tons of iron ore, and I understand that the managing director of the company expects to move 1,500,000 tons in the current year. Therefore, things are looking up.

The beef industry in the East Kimberley must, owing to price rather than numbers, be worth £2,000,000 these days; and the Australian blue asbestos industry, which was struggling and worth nothing in those days, is now worth £1,500,000. As the Minister for Mines knows, mining in that area will in the future be worth a lot more.

The Hon. A. F. Griffith: Give us a little more time and there will be a great change.

The Hon. H. C. STRICKLAND: I know. It is worth a lot now. I suggest it would not be an unreasonable proposition to ask the Commonwealth, if it could not forgo the taxation collected up there, at least to spend it back in the area. It might be that a case along those lines could be of great assistance to the north at practically no cost to the Commonwealth.

The Hon. A. F. Griffith: I understand Mr. Calwell stated that if he became Prime Minister he would spend £50,000,000 a year in the north.

The Hon. H. C. STRICKLAND: I thought that was in the north of Australia.

The Hon. A. F. Griffith: I would like to know where he is going to get it from.

The Hon. H. C. STRICKLAND: There is one place which has absolutely been forgotten in the north because instead of being a great big rocket town as we all expected it to be, it turned out to be what the children would describe as a "fizzog." There is a complete township established which cost several million pounds, and it was built in record time. But now nothing is being done about it. It is in the middle of the desert with no use whatever being made of it. Four men are acting as care-takers. The hospital and all quarters are fully air-conditioned —and there it lies.

The Minister asks where the money would come from. We know a lot of English money as well as some Australian money went into the establishment of that town which, of course, is Talgarno.

The Hon. A. F. Griffith: That is different from saying you will spend £50,000,000 every year.

The Hon. H. C. STRICKLAND: I would not know; because the Minister does not seem to be balancing his ledger so well. I put it that way. If this prosperity, which we read and hear about, and which is dawning so rapidly—this tremendous industrial explosion, and so on that Ministers mentioned; and I hope they are right —does come about, is it not reasonable to believe that the Federal Treasury will benefit by many millions of pounds, so that it will have much more to spend?

The Hon. A. F. Griffith: Yes; but this is State progress and not Commonwealth progress.

The Hon. H. C. STRICKLAND: Compare the road programme now with the road programme up to 1953. In those days the State was receiving from the Commonwealth something like £4,000,000, but today it is getting £9,000,000.

The Hon. A. F. Griffith: Sure.

The Hon. H. C. STRICKLAND: If members read the *Petroleum Gazette*, which they all get, they will see that in a recent issue the oil industry estimates that in 1970 the Australian motorist will require as much petrol again as he is now using. That being so, whereas Western Australia under the existing formula gets £9,000,000 to spend on roads, it will get £18,000,000 in 1970; and I do not think any industry knows more about its business than the oil industry; unless perhaps it is the banking industry. But the oil industry is one which, I venture to say, knows more about its own business than does any other industry, because it has no competition.

The Hon. A. F. Griffith: That could be.

The Hon. H. C. STRICKLAND: The Minister wanted to know where we were going to get the money. It will come from the progress and development which he and his Government are helping to bring about.

The Hon. A. F. Griffith: Are bringing about.

The Hon. H. C. STRICKLAND: It is only a matter of balancing the books. I do not think the Minister can raise any argument against that.

The Hon. A. F. Griffith: I just wanted to hear your views.

The Hon. H. C. STRICKLAND: There is not the slightest doubt that Western Australia cannot, from its own resources, develop its lands. Therefore we should have no compunction—I know we will not have any; and I feel sure the Council will support me—in agreeing to the motion, because it is necessary that the Commonwealth should provide more funds for the empty north. The only way that the north can be developed, apart from the Minister's iron ore and other mining ventures, is to establish permanent settlement through agricultural industries. We know about the iron ore and other mining ventures; they require no Government expenditure, or they should not, as the royalties should cover them. Although iron is not included, the other mining industries have taxation concessions which trade and commerce generally do not enjoy, so the mining industry is looked after.

Iron ore could be replaced by some other metal in a matter of time. We know that in some of its uses it is being replaced by aluminium, and so on. The aluminium industry is developing very rapidly; and the demand for iron ore in, say, 20 years' time, may not be so great as it is today. I do not know; but I am suggesting that with plastics coming into the field and different minerals being processed, the heavy iron ore industry could suffer to some extent. It must be suffering somewhat even now.

The Hon. A. F. Griffith: We can rely, in the future, to a large extent on iron ore and steel.

The Hon. H. C. STRICKLAND: Food is one of the items which none of us can do without, and the production of food is going to be the salvation of Australia in the long run. I agree with Mr. Jones in that respect when he talks about the man on the land being the backbone of the country. He certainly is; he has to provide the food. There is not the slightest doubt that it is most important that State and Federal Governments of all complexions—the two that we know of, anyway—should quick and lively get on with the job of developing the areas that can be developed in our north; otherwise we will be in bother in the councils of the United Nations, and also we will be in bother with the Asian countries which are beginning to display their growing strength.

Our near Asians these days are not satisfied with their past conditions of living. As they become educated to higher standards of living, they certainly cast eyes our way; and they are not afraid to criticise us at every opportunity for not developing our country as rapidly as we should, and for not allowing them to enter our country as freely as they think we should.

Debate adjourned, on motion by The Hon. A. F. Griffith (Minister for Mines).

BUILDING SOCIETIES ACT AMENDMENT BILL

Second Reading

Debate resumed from the 11th October.

THE HON. H. K. WATSON (Metropolitan) [9.22 p.m.]: Building societies were formed and fostered to develop the social and economic objectives of thrift and home-ownership; and they have been doing these things both in England and Western Australia for quite a long time. Indeed it is rather a coincidence that today, the 17th October, 1961, is the 99th anniversary of the foundation of the Perth Building Society on the 17th October, 1862, when the population of Western Australia numbered a mère 16,000 souls. That society was launched under the patronage of Governor Hampton at a public meeting held 99 years ago today under the chairmanship of The Hon. G. F. Stone, the then Attorney-General, as the first chairman of the society.

As I happen to be the 12th chairman of the society, perhaps I may be permitted to say that in this year of grace, the Perth Building Society with shareholders and depositors' funds of £3,500,000 is still fostering the homely virtues of thrift and home-ownership; is still encouraging self-help, freedom of opportunity, and individual enterprise. So also are the Fremantle Building Society; the Western Australian Starr-Bowkett Society; the Perth Starr-Bowkett Society; the Swan Building Society; and the Bunbury Building Society, all of which were formed either before or shortly after the turn of the century.

I might mention that the Western Australian Starr-Bowkett Society also has funds of about £1,500,000 and that the Bunbury Building Society has shareholders' funds and deposits amounting to £174,000.

In the conduct of their laudable objectives over so many years, these societies sought no Government assistance and wanted no Government interference. Their membership was always open to any citizen; and they gathered funds from their members and from depositors, and then loaned those funds, on the security of first mortgage, to assist individual borrowing members to acquire a home; and I would emphasise, a home—either a new home or an old home. The borrowing members were not necessarily confined to acquiring a new building; and they borrowed on the basis of easy monthly repayments over a specified period of years. The interest paid by the borrowing members, of course, provided the interest earned by the investing members.

This was precisely in accordance with section 4 of the Building Societies Act which provides—

> Any number of persons may establish a society under this Act, either terminating or permanent, for the following objects, namely, the raising a fund by the payments, subscriptions, or contributions of its members, and the receipt of deposits and loans as hereinafter provided, and the application of such fund in assisting its members in obtaining freehold or leasehold property, or in the making of loans or advances to its members or other persons upon the security of freehold or leasehold property.

The scheme of the Act and of the operation of the societies is that the building societies do not build, neither do they directly or indirectly traffic in land. They simply lend out the funds they have gathered in; and they lend them out, as I have said, on new houses or old houses; and they only lend by way of security on first mortgage. They do this in a business-like and quite disinterested manner in promoting the objectives which I have mentioned.

Then came the year 1956, and with it began a series of events which has disturbed the old-established and well-managed societies, and also the Registrar of Building Societies, and which has necessitated the introduction of this amending Bill.

The present Bill, as introduced by the Government, is rather paradoxical, for it is designed to prevent the objectionable and questionable practices which were created and facilitated, if not fostered, by nothing else but Government action and Government policy—by the policy of this and the previous Government, in conjunction with the Commonwealth Government. It came about this way: In 1956 the Commonwealth-State Housing Agreement, which was executed between the Commonwealth and the States, provided that of the total grant made by the Commonwealth to Western Australia, namely, £3,000,000, one-third should be channelled through the building societies. Previously the whole of the grant had been advanced to the State Housing Commission and had been employed by the commission in various directions.

But, as I said, in 1956 it was decided that £1,000,000 should be channelled through building societies. The margin allowed for management was ¾ per cent. to the societies, which was a smaller margin than the State Housing Commission itself operated on; and, so far as a money-making proposition was concerned, from the pure angle of borrowing, managing, lending, and collecting money, and so on, there was not a great amount in it. As a matter of fact at a conference which was called at that time between the Minister for Development (Senator Spooner) and representatives of the building societies, some of the societies which I have mentioned explained the matter to the Minister and said that they felt it was

not a business proposition to handle the money on the terms which were suggested; and they have at no time participated in this scheme.

On the other hand some of the other societies felt that as a public duty or a public gesture they should fall in with this scheme, and they advised the Minister accordingly. Had the disbursement of these moneys been confined to such of the then-established societies as were prepared to handle it, together with the State Housing Commission and the R. & I. Bank, all would have been well. But what has happened since 1956 is this: A host of new building societies have been formed with no funds of their own and no intention of doing anything except trying to get some of this Commonwealth money, and then exploit the position as opportunity offers. The result has been this: Whereas for 90 years or so there were eight building societies going about their lawful avocations and, if I may say so, doing quite a good job, suddenly we found the number spring to 30 or 40 by the registration of these new societies.

Many of them were sponsored by the same individual. We may have found one individual registering five companies, and one secretary being the secretary of the five companies; the idea being, of course, that if there were two companies, one stood a chance of getting more of the money than if one had only one society. Needless to say many of these new societies were sponsored by land speculators or agents, or by a building company which simply used the new building society which was formed as a front for getting Government money to facilitate the sale of its land, or its buildings, as the case may be; and generally at a pretty good profit. Alternatively the sponsor might have been one whose mental outlook and financial integrity did not go beyond getting for his own pocket a rake-off by way of fire insurance commissions on the houses in respect to which his particular society made loans.

Incidentally, this situation posed quite a problem for the Registrar of Building Societies, and we find that he had this to say in his report for the year ended the 30th June, 1958—

> As remarked in my last report, the provision of funds for building societies under the Commonwealth-State Housing Agreement has led to the registration of a considerable number of terminating societies. However, not all of those registered obtained an advance from Commonwealth-State moneys and at 30th June, 1958, there were only five terminating societies actively functioning.
>
> There are two features of this rapid increase in terminating societies which give cause for concern. In the first place there are a number of societies formed and registered which are not in a position to do any business because they have not been able to secure a Commonwealth-State Housing advance or capital from some other source. At the time of writing there are 42 terminating societies registered and the greater proportion of these is not likely to be in a position to make an advance on mortgage before July next. Even then some of them may not secure any Commonwealth-State moneys and will face another 12 months' inactivity.

Then we come to his 1959 report, and he has this to say—

> The position outlined in my last report still applies to terminating building societies. There are 54 of these on the register, but only nine have furnished returns, the balance being societies which have not commenced operations. The number registered would have been greater but for several amalgamations which have taken place and resulted in the removal of eight societies from the register. As funds under the Commonwealth-State Housing Agreement are limited there seems little prospect of many of the inoperative societies commencing business. Even were these societies to amend their rules and make provision for fully-paid and/or investing share capital, I can see little prospect of there being sufficient subscriptions available to permit satisfactory working. The danger is that a number may try such a move and each obtain too little capital, in which case they would be unlikely to be able to earn sufficient to meet reasonable interest on share capital. This would in all probability have an adverse effect on public confidence in the building society movement and seriously damage its stability to fulfil a necessary and useful role in the economic life of the State.

So members can see that the registrar was becoming, as we were, or as those in the building society movement were, really alarmed at the developments which were taking place. We find he had this to say in his last report, which is for the year ended the 30th June, 1960—

> There is little to add to my general comments last year. There are still a very large number of recently registered terminating societies which have not commenced operations and which have little hope of getting started under existing legislation. There have also been several registrations of permanent societies, few of which are yet operating. A disturbing feature of these new permanent societies is their initial dependence on finance houses for share capital. In fact, some of these new societies give the impression

of being intended to operate as co-operative terminating societies, but formed as permanent societies as a way out of the borrowing restrictions imposed by Section 21 of the Building Societies Act.

The Hon. F. J. S. Wise: Have any of those become operative?

The Hon. H. K. WATSON: Any of the permanent societies?

The Hon. F. J. S. Wise: Yes.

The Hon. H. K. WATSON: I will come to that in a moment; but at present I would like to make this point: The Building Societies Act—and I am not discussing the Housing Act but the Building Societies Act—never contemplated, as one will see by a reference to it, the formation and registration of societies designed to exist on nothing else but Government moneys. On the contrary, section 4 presupposed the society raising capital moneys from its own members, accepting money on deposit, and then lending those moneys out to its own members, or to other persons. Instead of sending all this crop of new societies and companies on their way we find—

The Hon. A. F. Griffith: How could you do that?

The Hon. H. K. WATSON: —that the authorities have, since 1956, played along with them and granted them substantial finance.

The Hon. A. F. Griffith: There was no lawful means of turning them to one side.

The Hon. H. K. WATSON: It is to curb the undesirable practices of these societies that this Bill has become necessary. I might mention that the old-established orthodox societies are, like the registrar, greatly concerned at the position which has arisen and which, to a certain extent, is virtually a prostitution of the building society movement.

Speaking for myself, I would approach the problem differently. Were it not for the possibility of my action being misconstrued or misrepresented, I would have moved to put into the Bill a provision that a society of less than 10 years' standing, and without reasonable funds of its own, shall not be entitled to receive or handle any of this Commonwealth-State housing money. That, to my mind, would have brought matters back to a pretty stable basis. But, as I have said, I have no intention of moving such an amendment; but, were it not for the circumstances mentioned, I would have been prompted to do so. I think it will be generally conceded that I am a believer in free enterprise in preference to Government enterprise. But is it free enterprise when the entrepreneur puts up nothing; risks nothing; and does nothing except look to the Government to provide him with funds to go about his business?

So that what I am saying cannot be misunderstood let me add this: So far as the Perth Building Society is concerned, it would, rather than see the present practice continued, prefer to see the whole of this Commonwealth-State housing money handled by the State Housing Commission and the R. & I. Bank. I will concede that the present Minister for Housing has done quite a bit to clean up the unsavoury position which he found when he took office. But at the same time I feel there is room for at least a bit of a difference of opinion concerning the full measure of success attending his efforts. For example, in the current year the sum of £120,000 of Commonwealth-State housing money has been reserved or provided for two stablemates whose names I will mention privately to the Minister if he is unable to identify them from what I am about to say.

I understand, and I am subject to correction, that these two societies were registered in 1960—one in March, and the other in August. Since then they have done nothing. In answer to an early interjection by Mr. Wise, I would say that they are two permanent societies. Those two permanent societies were registered by the same promoter; one in March, 1960, and the other in August, 1960.

They have done nothing until this year when, I understand, they applied for and were granted £120,000. At the time they made that application they had practically no shareholders, and were devoid of funds. I understand that when they were granted this money they were not carrying on business and had no intention of carrying on business unless they got some Commonwealth-State housing money. I understand they were promised the £120,000 this year, and £120,000 for each successive year, conditional upon their raising a mere £60,000 from other sources by the 31st December next.

I submit that whether the promoter of those two societies has since raised his £60,000, or not, it is a remarkable transaction which should never have occurred. The promoter of those two societies, in my opinion, ought to have been told it would be time enough to consider his application for funds when he or the societies had proved their *bona fides* by putting the societies into operation on a sound financial footing.

I would be obliged if, when replying to the debate, the Minister would confirm or correct what I have just said.

The Hon. A. F. Griffith: I will correct it.

The Hon. H. K. WATSON: I will also be obliged if the Minister will inform the House whether this promoter has yet raised the £60,000, and whether he has raised it from a company or from individuals. Has the money been loaned to the public generally or simply in conjunction with a single land agent or builder? Could the Minister also tell us

when the allocation of the money took place to the borrowers who borrowed from those particular societies? When one knows that out of the current allocation, only £150,000 of the Commonwealth-State money is being handled by the Perth Building Society; and when one knows that only £75,000 is being handled by the Western Australian Starr-Bowkett Society; that only £40,000 is being handled by the Home Building Society; and that only £50,000 is being handled by the Bunbury Building Society, one is naturally curious to know why these two societies of which I have spoken have had £120,000 earmarked for them.

It seems to me rather remarkable, for example, that the old established Western Australian Starr-Bowkett Society with funds of its own of over £1,000,000 is being entrusted with only £75,000 of the Commonwealth-State money, while these two new societies, with no funds of their own, or with the possible prospective £60,000 of their own, are being entrusted with £120,000 of the Commonwealth-State housing money.

The Bill seeks to correct some of the extraordinary features of which I have been speaking. It seeks to achieve the rather difficult task of providing general conditions for distinct classes of societies; and that has been a rather difficult task for the draftsman. The Minister was good enough to arrange for building societies to meet his officers and to discuss some points of the Bill where they felt it could be improved.

The Hon. A. F. Griffith: To discuss any point of the Bill they wanted.

The Hon. H. K. WATSON: They discussed the whole Bill. The Minister misunderstood me there. As I said, the Minister was good enough to provide that they should discuss the whole Bill, and this is what they did. There were then certain directions—and that is the point I am making—in which they made representations to the Minister's officers for the improvement of the Bill.

For example the Bill provides that various things may be done only by special resolution; but it does not contain a definition of what is a special resolution. It is felt that, following the Building Societies Act in the United Kingdom, or our Companies Act here, the ordinarily understood definition of a special resolution should be inserted in the Bill.

The Hon. A. F. Griffith: I will correct that and a number of other anomalies also.

The Hon. H. K. WATSON: There is one other point which did not come up at that conference, and which I would like the Minister to look at. I have an idea that although the Bill provides that various things shall not be done, I think at the moment it contains the same weakness which was evident in the fire brigades legislation of last year, inasmuch as while it provides that certain things shall not be done, it provides no penalty if they are done. The Bill does contain one unusual provision at the moment in respect of which representation has been made: It provides that the societies shall be paid such fees as shareholders determine and as are approved by the registrar. That is a very unusual provision. There is no such provision in the Companies Act.

I understand this was copied from a particular Act in New South Wales, where the societies were simply using the Government's money under complete Government control; and it was necessary. But so far as permanent societies here are concerned, I suggest it is a matter which is essentially domestic, and there is no call for official interference.

I think the proposal for the advisory committee is the Minister's own idea and is, if I may say so, an excellent one; because I do feel that the proposed advisory committee could be of considerable assistance to the Minister and his officers. As the Minister interjected, the Bill does at the moment appear to contain a few anomalies and drafting points which could be more conveniently dealt with in Committee, after we have put some amendments on the notice paper.

In conclusion I pay a tribute to the Registrar of Building Societies. In my opinion he is a most capable and industrious officer. From the extracts of the reports I have read this evening, it will be realised that he is also seized with the responsibility of his position as registrar. I understand he has had quite a bit to do with the Bill which has been introduced. I support the second reading of the measure, and will make whatever contribution I can towards improving it when it is being considered in Committee.

THE HON. A. F. GRIFFITH (Suburban —Minister for Housing) [9.55 p.m.]: I regard Mr. Watson's contribution to this debate as having been made in somewhat critical terms. To some extent it has been made a little unfairly as I will try to demonstrate as I go along. In the first instance I want to say definitely that when introducing the Bill I did not suggest that it was the be-all and end-all of building society legislation.

The Hon. H. K. Watson: I think you made that very clear.

The Hon. A. F. GRIFFITH: Rather to the contrary; it is an attempt to clear up some very grave ills in building society practice that have existed for some time. I am quite prepared to admit that the ills began in 1956 or thereabout. The 1956 Commonwealth-State Housing Agreement did provide that 30 per cent. of the State's

allocations should go through the building societies of each State. That was a dictation by the Commonwealth Government at the time. I did not disagree with it, because it was simply putting portion of the Commonwealth-State moneys into another channel which had not formerly received any benefit from them.

I might say to Mr. Watson, who is Chairman of Directors of the Perth Building Society, that that society has received very considerable benefit as a result of those moneys. I think it is fair to say that not only was the Perth Building Society cut down on its allocations, but so was the Starr-Bowkett Society, because of my urgent desire to get a good percentage of this money into the country. I actually got my officers to approach the building societies to see how much they would spend in the country areas, and some of them said they were not prepared to spend anything. Wherever I got that answer I was obliged to cut down on the allocation of the society, so that the money could go into the country.

The Hon. H. K. Watson: Without objection?

The Hon. A. F. GRIFFITH: Without much objection, shall I say. But it is of no use having loan funds of this nature—in the case of Western Australia approximately £3,000,000—out of Commonwealth-State housing moneys, and taking one-third of them away, leaving two-thirds to cope with the entire problem of the State, including the north-west. The sum of £2,000,000 in round figures does not handle the situation, so I tried in the current year to get more of this money into the country. To the best of my knowledge neither the Bunbury Building Society, nor the Albany Building Society was cut down. They still receive their same allocation. It must also be remembered that when I became Minister in 1959, the statutes were there: the law was made, and I had to operate under the existing law. There was no legal way of telling a particular building society of whose practices we might have some doubt that the things it was doing were illegal; because they were not illegal—they were quite within the meaning of the law.

I instructed the officers of the Housing Commission that in regard to the first year's allocations I had to make in 1959, they were, as far as possible, to make recommendations to me. Allocations have to be approved by the Commonwealth Minister; and, to the greatest possible extent, they were not to go to anybody who had formed a building society and who had some arrangement with a real estate office or insurance company from which a benefit for the individual might accrue, rather than a benefit for the members of a particular society, keeping in mind the purpose of the Building Societies Act when it was introduced some 30 years ago.

The Hon. G. C. MacKinnon: I do not think Mr. Watson blamed you for these things.

The Hon. A. F. GRIFFITH: I think Mr. Watson had 2s. each way on this. I was very conscious in 1959 of these shortcomings. I was anxious to get a Bill through here last year, and in fact did get one on the notice paper, but, because of the tremendous amount of legislation, we just could not get it to the House. It is a very complex subject. We did invite those two building society experts, Mr. Ebells and Mr. Tytherleigh from New South Wales and Victoria to come over; and I spent many hours going through the present Act, the Victorian Act, and the New South Wales Act in an attempt to get something on our statute book which would bring the legislation of this State regarding building societies more into line.

Mr. Watson was not correct in his allegations about those two particular building societies. From memory, I think there are seven permanent societies registered and making application for a share of the 1961 funds. The committee—when I say committee I mean my officers in the Housing Commission—investigates these things and submits recommendations to me to examine. This committee made recommendations that each of the two permanent societies first registered should get £60,000; and when I examined the whole of the proposition I said, "All right, we will give those two societies £60,000 each on the condition that they will get a £30,000 combined advance; and if they raise £30,000 themselves within the next six months, they will get their £30,000. If they do not raise the £30,000 within the next six months, they will not get the other £30,000." I think Mr. Watson will agree that at least in the circumstances that existed, that was some attempt to make the societies fulfil the purposes of the Act; bearing in mind, I repeat, there was no legal way of saying to them that their practices were either illegal or unmoral, because they were perfectly within the law.

The Hon. G. C. MacKinnon: Were they both prepared to operate in the country?

The Hon. A. F. GRIFFITH: One of the societies was prepared to spend all its money in the country.

The Hon. G. C. MacKinnon: That achieved your ends.

The Hon. A. F. GRIFFITH: Yes. It can be said that not enough benefit has been derived as a result of these Commonwealth-State moneys which, of course, were given to the building societies on the basis that they would lend them at a certain set rate of interest. The rate of interest last year was 5½ per cent. The Commonwealth has lifted its rate of interest this year; and Commonwealth-State moneys will be made available to the States at 1 per cent. below the long-term

bond rate, together with ¾ per cent. for management, which means that building society money this year will be only on the basis of 5¾ per cent. That is the rate at which the Perth Building Society and all the rest—I am sure my figure is right —will handle this money.

There is a clamour, of course, to get a share of this money. Whilst, I repeat, it may not be altogether attractive, it is certainly very attractive to a number. Although we are not dealing with the Housing Loan Guarantee Act, we have to have regard for that Act when we consider the Building Societies Act, and the amendment to the Commonwealth-State Housing Agreement Act in 1956. We also have to remember that that Act provided for this 30 per cent. to be made available to the building societies. When the Housing Loan Guarantee Act was first introduced in 1957, it contained one principal provision for guarantee, and that was that the State should guarantee the amount that was borrowed by the homebuilder from the building society.

The previous Government found that that was not a very attractive proposition. I am not being critical by saying this. The previous Minister amended the Act, if I remember rightly, to include another section which was called section 7A. The effect of that was not only to guarantee the amount of mortgage moneys which existed between the borrower and the homebuilder, but to give an additional guarantee to the investing company, in some cases a bank and in other cases an insurance company, of the amount of capital they would lend to the building society which, in turn, would lend it to the borrower. So there was this double indemnity between section 7A of the Act and section 7 of the Act.

All those building societies which clamoured for this Commonwealth-State money said they were looking for a guarantee. I received information the other day that one was surprised that in addition to the moneys raised by the building society, the moneys advanced by the State Government under the Commonwealth-State Housing Agreement Act were not guaranteed. That struck me as rather humorous—that one was expected to lend State money to a building society and then turn around and guarantee it. Apparently some misleading information was given to the members of that particular building society.

In respect of the two permanent societies that Mr. Watson questioned me about, I would like to make it perfectly clear there was certainly no undertaking that they would get any allocation whatsoever next year. As far as I was concerned they were to stand on their own two feet this year, and if they raised their £30,000 each, then they would get consideration. As far as the terminating societies were concerned, it was reasonable and necessary to give them an amount of money to build them up to something of an economic unit; and where a society had £50,000 or £60,000, we built it up to £100,000 to make it economically operative. In many cases we stopped them, and that is where they finished.

In regard to the distribution of these moneys, I found when I became Minister there was a principle fixed that about 50 per cent. should go to the permanent societies, and 50 per cent. to the terminating societies. I thought that was a reasonable proposition and I continued it. In fact, for the last couple of years, in round figures, 50 per cent. has gone to the permanent societies and 50 per cent. to the terminating societies. I did not regard it as paradoxical when we found ourselves in that position. I repeat, we had this legislation; and the amendments to the Commonwealth-State Housing Agreement that were made in 1956 gave the opportunity to some of these people to form building societies to come in and take advantage of the situation.

The Bill before us will, I think, considerably strengthen the situation. It gives to the registrar, as I said when introducing the second reading, quite a considerable amount of authority to act in the manner he thinks fit; and I think it is necessary he should have this authority in the interests of the home-builder who, after all, is the person about whom we should be principally concerned. We should see that he gets an advance of money which does not cost him too much.

As I said the other night, the interest rate under the Housing Loan Guarantee Act a couple of years ago was 7¼ per cent., and on my recommendation the Government brought it down to 6¾ per cent., because 7¼ per cent. was a pretty high rate for any home-builder to pay.

I join with Mr. Watson on one particular point: his commendation of the officers of my department. The Registrar of Building Societies, Mr. McKennee, has applied himself diligently to his task and has been of very great assistance indeed in helping us with the policy—and when I say "policy", there is no political attitude about this; it is purely and simply a matter of trying to lay down a policy which will be attractive from the homebuilders' point of view—of providing that the Government will advance this money and issue guarantees under the Housing Loan Guarantee Act, and that the society will, as a result, get a fair go.

I cannot join with Mr. Watson when he says there should be a period of ten years of existence before anybody can get an allocation, because it would be ten years before we could get any newcomers into the field. I would like to assure the House it is my intention to have this matter watched as carefully as possible. This advisory committee to the Minister will

deal with many of the problems which an advisory committee can give counsel upon because of the experience of its members in building society activity. I am hoping the committee will be able to give the Minister in control of the Act the advice and information he needs.

There are, as I said by way of interjection, one or two anomalies that have been uncovered as a result of the Registrar of Building Societies having a conference with the permanent societies; and during the Committee stage I will try to clear up those anomalies. I will be grateful for any help Mr. Watson can give me as a result of the many years he has spent in building society activity. I do not propose to ask the House to deal with the Committee stage of this Bill tonight; that can be left to a later date.

Question put and passed.

Bill read a second time.

Sitting suspended from 10.15 to 10.36 p.m.

HOUSING LOAN GUARANTEE ACT AMENDMENT BILL

Second Reading

Debate resumed from the 11th October.

THE HON. A. F. GRIFFITH (Suburban —Minister for Housing) [10.36 p.m.]: In the main, what has been said in debate on the Building Societies Act Amendment Bill has just about covered the situation in respect of this measure which, although not complementary, is one that most certainly must be acted upon in conjunction with the Building Societies Act. This, too, is substantially a Committee Bill. As was the case with the Building Societies Act Amendment Bill, a close examination of this measure has disclosed one or two apparent anomalies, and it is my intention to rectify them by amendments in the Committee stage.

Question put and passed.

Bill read a second time.

CIVIL AVIATION (CARRIERS' LIABILITY) BILL

In Committee

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

Clause 1 put and passed.

Clause 2: Commencement—

The Hon. A. F. GRIFFITH: Mr. Wise was good enough to lend me the Victorian parlamentary debate on this subject; and I have had an opportunity to look at the points he raised during the second reading. The honourable member opposed the measure because it cedes the State's right to the Commonwealth; and also, on the basis of administration, he objected to the Bill not being presented to the Chamber with the actual part of the Commonwealth Act, to which he referred, being included.

It must be admitted that the Bill does cede power to the Commonwealth. This is a legal opinion of which I have certain information. It is unlikely, however, that the Commonwealth would desire to take advantage of the situation. That is only the opinion I express. It is agreed, of course, that this is a measure that will be introduced in each State where it has not been introduced; and I think it is reasonable to say that any change that may be made in the legislation would only be made following a conference between the States. Therefore I do not think there is any necessity to fear any dire results from the legislation. Nevertheless, if Mr. Wise is desirous of removing that part of the Bill which is obnoxious to him, or inserting words which will make it clear that the authority of the State is not ceded to the Commonwealth, I would like to hear the amendment he proposes.

The Hon. F. J. S. WISE: In my view it is in clause 3 that amendments are necessary.

The Hon. A. F. Griffith: I am sorry. I merely rose to my feet so that the Committee stage would not go any further.

The Hon. F. J. S. WISE: I think that my remarks, to be in order, should be reserved until the next clause.

Clause put and passed.

Clause 3: Interpretation—

The Hon. F. J. S. WISE: I think it could be said, quite safely, that the vast majority of Australian citizens, in whatever State they reside, are very jealous of State rights. Every opportunity that has been given to the Commonwealth by special legislation at special times has been availed of; and the States have found themselves, on more than one occasion, in the position in which there has been no re-ceding because of certain agreements. However, when such matters have been tested by the vote of the people they have always voted overwhelmingly against such proposals.

Whatever the merits of such proposals may be—for example, uniform taxation—they have always been instituted at a time of emergency; at a time when it was promised that they would be of only temporary duration. But the State has found itself in the position not only of having to accept them permanently, but also of having the power vested in the Commonwealth becoming an enormity and a power that was never intended.

I am always chary about giving the Commonwealth Government an inkling that the State is agreeable to waive its rights. In this clause there is a suggestion

that Western Australia not only supports the Commonwealth legislation as it stands, but also such amendments as the Commonwealth may make in the future. The Minister said these amendments could be agreed to and discussed in this Parliament, and they could be innocuous ones; but the point is that this method of giving away the rights of the State is wrong in principle.

If a provision could be inserted in the Bill, since some legislation is necessary to deal with intrastate civil aviation, to let us have on all occasions the opportunity to consider amendments passed by the Commonwealth before they were put into effect in this State, I would be agreeable to the passage of the Bill.

The Hon. A. F. Griffith: Would not such a step be taken if the Commonwealth amended this legislation?

The Hon. F. J. S. WISE: No.

The Hon. A. F. Griffith: This State could amend the Act or even repeal it.

The Hon. F. J. S. WISE: I would be agreeable to this Bill if a specific provision were included to the effect that no amendment made by the Commonwealth would be applied to this State unless it was passed by this Parliament. I have not prepared any amendment; but for the time being I am of the opinion that all words after the word "Commonwealth" in line 4 should be deleted.

I am expressing the feelings of many members when I point out that I am reluctant to give away a right that belongs to this Legislature, and to give away to the Commonwealth something which could be used as the thin edge of the wedge against us, to be driven home hard in the future.

The Hon. J. G. HISLOP: To some extent I support the views of Mr. Wise. If we agree to the clause as it stands the Commonwealth Government will in the future have full control of this legislation, and any amendments made by it will automatically apply to Western Australia.

During an interstate visit last week I heard that the same method will be applied to the companies legislation, which is being introduced as a uniform measure throughout the Commonwealth. After the Commonwealth has passed it, its provisions will be implemented when all the States have passed complementary Bills. Eventually, when amendments are made by the Commonwealth to the Companies Act, they will automatically be inserted into the State legislation.

During the meeting of the Commonwealth Parliamentary Association it was stressed by the Victorian members that the Statute Law Revision Committee in their State was a very important body which safeguarded Bills introduced in Parliament. It might be wise for Western Australia to consider setting up a similar committee. Previously I stressed the need for the appointment of a committee to review all regulations, which is a practice adopted in South Australia. In that State there is also a committee which examines all public works costing over a certain amount. I hope that this clause will be amended before it is agreed to.

The Hon. G. C. MacKINNON: I agree with the comments of Mr. Wise and Dr. Hislop. The implications of a provision such as the one in this clause affect the Constitutions of the States and the Commonwealth. The Australian Constitution differs from the Canadian Constitution; in the latter country the residual rights are vested in the Commonwealth and not in the States, and the problem with which we are dealing may not arise there.

I am inclined to believe that legislation affecting fast-moving vehicles, such as aircraft, are better controlled under the Canadian law where the rights are vested in the Federal Government. However, in Australia these matters are vested in the States. The Commonwealth therefore does not possess the power to legislate in respect of intrastate air transport. It is our duty to interpret the will of the people of Western Australia; it is the will of the people that we should retain the rights of the State with regard to intrastate air transport. We should not therefore agree to give away this right to the Commonwealth. It is our duty, as members of Parliament, to consider all legislation before it is put into force in this State.

The Hon. H. K. WATSON: I am in substantial agreement with the views of Mr. Wise, Dr. Hislop, and Mr. MacKinnon. I am impressed by the fact that the Bill, in its present form, is quite unintelligible. If it had been a reprint of the Commonwealth legislation it might have been a more intelligible document. In my view any legislation which is to be passed by this Parliament should be easily understood, but that cannot be said of the Bill before us.

The Hon. A. F. GRIFFITH: In view of the comments which have been made I suggest that progress be reported to enable me to confer with my colleague, the Minister for Transport.

Progress

Progress reported and leave given to sit again, on motion by The Hon. A. F. Griffith (Minister for Mines).

House adjourned at 10.59 p.m.