

# Legislative Assembly

Thursday, the 17th October, 1963

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## QUESTIONS ON NOTICE

1. and 2. *These questions were postponed.*

## PASTORAL LEASES

### Acreage, Sheep Carried, and Carrying Capacity

3. Mr. NORTON asked the Minister for Lands:

- (1) What is the total acreage of each of the following pastoral leases:—  
Milgun; Milly Milly; Meeberrie; Boolathana; Landor; Lyons River; Billabalong; Minilya; Boolardy; Wooleen?
- (2) What number of sheep are carried at the present time on each of the above stations?
- (3) What is the recognised carrying capacity of each station?

Mr. BOVELL replied:

(1) The acreages of the following pastoral stations are—

	(acres)
Milgun	744,855
Milly Milly	758,518
Meeberrie	455,740
Boolathana	395,064
Landor	862,945
Lyons River	299,651
Billabalong	324,404
Minilya	676,111
Boolardy (including "Manfred")	849,745
Wooleen	465,485

(2) The number of sheep carried on each station as assessed in early 1963 were—

	(sheep)
Milgun	14,000
Milly Milly	8,000
Meeberrie	21,000
Boolathana	14,000
Landor	12,000
Lyons River	8,000
Billabalong	12,000
Minilya	25,000
Boolardy (including "Manfred")	25,000
Wooleen	17,000

(3) The recognised carrying capacity of each station on the basis of full development and normal seasons is—

	(sheep)
Milgun	23,000
Milly Milly	19,000
Meeberrie	20,000
Boolathana	26,000
Landor	34,000
Lyons River	13,000
Billabalong	12,000
Minilya	42,000
Boolardy (including "Manfred")	30,000
Wooleen	18,600

4. *This question was postponed.*

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

**ALBANY REGIONAL HOSPITAL***Extension of Physiotherapy Service*

5. Mr. HALL asked the Minister for Health:

- (1) Has there been any alteration towards extra space for the physiotherapy service at the Albany Regional Hospital?
- (2) If not, will he have the matter investigated so that alterations can be made if justified?

Mr. ROSS HUTCHINSON replied:

- (1) and (2) No; but the matter is being investigated by the department.

*Appointment of Resident Medical Officer*

6. Mr. HALL asked the Minister for Health:

- (1) Has reconsideration been given to the appointment of a resident medical officer at the Albany Regional Hospital; and, if so, what are the determinations?
- (2) If reconsideration has not been given and determination not made, will he have the matter reinvestigated and evidence taken from public sources?

Mr. ROSS HUTCHINSON replied:

- (1) and (2) It is not contemplated at present to station a resident medical officer at the Albany Regional Hospital.

The staffing of the hospital is at present adequately catered for by private medical practitioners in the area.

It may be necessary in the future to reconsider this matter.

**BLUFF POINT SCHOOL***Tenders, Site, and Architects*

7. Mr. SEWELL asked the Minister for Education:

- (1) Can he give the approximate date for the calling of tenders for the construction of the Bluff Point Primary School?
- (2) On which site will the new school be built?
- (3) Who are the architects for the new building?

Mr. LEWIS replied:

- (1) Approximately March, 1964.
- (2) The new site, reserve 23035.
- (3) Howard Bonner and Associates.

**LOCAL GOVERNMENT ELECTIONS***Withdrawal of Nominations*

8. Mr. JAMIESON asked the Minister representing the Minister for Local Government:

How does he reconcile his answer to question No. 13 (2), on Tuesday, the 15th October, 1963, with section 98 (1) of the Local Government Act, 1960?

Mr. LEWIS replied:

It is considered that there is no inconsistency between the answer given and section 98 (1) of the Local Government Act, 1960, hence there is no need to reconcile the two.

9. This question was postponed.

**GERALDTON HARBOUR***Availability of American Expert's Report*

10. Mr. SEWELL asked the Minister for Works:

When will the report of the American expert who was commissioned by the Government this year to report on the Geraldton Harbour and approaches be made available?

Mr. WILD replied:

The report has not yet been considered by Cabinet as it is awaiting further advice, and it will be available early next week.

11. This question was postponed.

**DRAINAGE OF MT. LOCKYER AREA***Provision of Finance*

12. Mr. HALL asked the Minister representing the Minister for Housing:

- (1) Has the State Housing Commission made a decision on the amount of finance to be made available for the much needed drainage work in the Mt. Lockyer area, Albany?
- (2) If no decision has been made, will he undertake to have finality reached so that the work can be carried out during the summer period to secure the maximum result?

Mr. ROSS HUTCHINSON replied:

- (1) and (2) The commission has received from the local authority an engineering report on the drainage of the Lockyer Estate and is now in consultation with the Public Works Department and the Local Government Department preliminary to making a decision.

## GOVERNMENT CONTRACTS TO FIRMS

### *Number and Value since 1959*

13. Mr. JAMIESON asked the Premier:

- (1) What contracts and of what value have been let to J. & E. Ledger Pty. Ltd. since the Brand Government took office in 1959?
- (2) What contracts and of what value have been let to the following firms since the Brand Government took office in 1959:—
  - (a) Tomlinson Steel Ltd.;
  - (b) Forewood Down W.A. Pty. Limited;
  - (c) Structural Engineering Co. of W.A. Pty. Ltd.;
  - (d) Vickers Hoskins Pty. Ltd.;
  - (e) Hadfields (W.A.) 1934 Ltd.?

Mr. BRAND replied:

Contracts and authorised purchases approved by the Tender Board for Government and railway stores were:—

	Number	Value £
(1)	14	42,320
(2) (a)	59	336,417
(b)	14	39,160
(c)	13	16,889
(d)	15	36,656
(e)	22	291,950

## QUESTIONS WITHOUT NOTICE

### PARLIAMENT HOUSE

#### *Air Conditioning of Assembly Chamber*

1. Mr. GAYFER asked the Speaker:

Is it proposed to install any form of air conditioning in this Chamber during the building operations, improvements, and renovations taking place to Parliament House at present?

The SPEAKER (Mr. Hearman) replied:

The matter of air conditioning generally has been under consideration by the House Committee for some considerable time. I think I could say that there are no immediate plans for air conditioning in either Chamber. Considerable difficulties have been encountered in connection with air conditioning, and it is a matter which the House Committee has in mind.

## ORD RIVER CROPS

### *Subsidy Requirements*

2. Mr. OLDFIELD asked the Minister for the North-West:

- (1) Did the Minister see the report in this morning's newspaper regarding subsidies required for all crops at the Ord River in order to make them profitable?
- (2) If so, is this in accordance with fact?

Mr. COURT replied:

- (1) and (2) I am afraid that if I were to give the honourable member a complete answer to the report of Dr. Davidson's lecture, it would be ruled out of order by the Speaker. I think it is too general a question to be answered in one or two brief sentences.

Suffice it to say we are confident about the future of the Ord River scheme based on the advice of our advisers, in whom we have complete confidence.

## PASTORAL LEASES

### *Station Acreages*

3. Mr. KELLY asked the Minister for Lands:

- (1) What is the acreage of Weedarra Station?
- (2) What area is held by Lyons River Station?
- (3) Are either or both areas included in the acreage of Bidgemia Station, given as 956,290 acres?

Mr. BOVELL replied:

I wish to record my appreciation of the honourable member in giving me prior notice of this question. The answers are as follows:—

- (1) Weedarra Station is not known, officially, in the records of the Department of Lands and Surveys.
- (2) An area of 299,651 acres.
- (3) It is understood that an area which could be known as Weedarra Station, but not officially, forms part of Bidgemia Station lease, which comprises a total area of 956,290 acres; Lyons River Station is not included in the Bidgemia Station lease.

## W. THOMAS & CO.

### *Takeover*

4. Mr. CORNELL: I am wondering whether to address my question to the Premier or to the Minister for Industrial Development. I refer to the recent takeover by an Adelaide-based company of W. Thomas & Co. I would like to know whether the House can be informed that this is a genuine

takeover by the Adelaide company, or whether the company is merely acting as hatchet-men for an overseas corporation?

The **SPEAKER** (Mr. Hearman): To whom is the honourable member directing his question?

Mr. **CORNELL**: I will try the Premier.

Mr. **BRAND** replied:

I will round off the honourable member's question by saying that I will have the Minister for Justice examine it and endeavour to obtain the information.

### ORD RIVER CROPS

#### *Payment of Subsidies*

5. Mr. **OLDFIELD** asked the Minister for the North-West:

- (1) Is it intended to subsidise the crops produced at the Ord River?
- (2) If so, who will pay the subsidy—the Commonwealth Government or the State Government?

Mr. **COURT** replied:

- (1) and (2) So far as the existing farmers and crops are concerned, there is no present intention to subsidise these crops. As the honourable member knows, there is a cotton bounty paid in Australia, which has been renewed by the Commonwealth Government for a further term of five years. This has been renewed on different terms, but on terms that are highly satisfactory to the Ord River farmers.

### RURAL AND INDUSTRIES BANK ACT AMENDMENT BILL

#### *Third Reading*

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

### FIRE BRIGADES ACT AMENDMENT BILL

#### *Second Reading*

MR. **ROSS HUTCHINSON** (Cottesloe—Chief Secretary) [2.29 p.m.]: I move—

That the Bill be now read a second time.

The Bill which is now before the House does three things—(a) it varies the rate of contributions paid to the Western Australian Fire Brigades Board by the Government, local authorities, and insurance companies; (b) it includes the State Government Insurance Office in having to make additional contributions towards the financing of the activities of the Fire Brigades Board through fire risk component on comprehensive motor vehicle insurance and any other policy or cover

which, if affected through a private insurer, would require payment of fire brigade insurance; and (c) it provides for procedures as sought by the underwriters—insurance companies—and agreed to by the Fire Brigades Board for arriving at the amount to be paid by any one insurance company. Also, the experience of the Fire Brigades Board over recent years, particularly in connection with new companies, makes it desirable that certain administrative processes instituted over the years in connection with premium returns from insurance companies should be specifically catered for in the Fire Brigades Act.

It has been found over the years that the method adopted in returning premiums by the insurance companies to the Fire Brigades Board has not been satisfactory; and a good deal of confusion arises in regard to new companies coming in, and even with the old companies, who find that the methods adopted are somewhat antiquated.

The field of insurance exhibits a changing pattern occasioned by the growing complexities of business and industry, and the Bill provides for flexibility in operations by providing for the policies and proportions of policies to be declared by Order-in-Council; and again, this is in accordance with the wishes of the insurance companies and the Fire Brigades Board.

In regard to the variation of contributions that I mentioned, I would point out that the rates of contribution to fire brigade costs since 1898 have been as follows:—

Fire Brigades Act 1898—Fire Brigades Board, Perth, W.A.—			
Municipalities (Perth only)	.....	4/9ths	
W.A. Government	.....	1/9th	
Insurance companies	.....	4/9ths	
District Fire Brigades Act, 1909—			
Local authorities	.....	3/8ths	
W.A. Government	.....	1/4th	
Insurance companies	.....	3/8ths	

So it can be seen that down through the years the contributions were altered to those applying at the present time, which are as follows:—

Fire Brigades Act, 1941—			
Local authorities	.....	2/9ths	
W.A. Government	.....	2/9ths	
Insurance companies	.....	5/9ths	

In passing, I think it should be noted that the Acts Amendment (Fire Brigades Board and Fire Hydrants) Act, 1951, relieved local authorities of paying the cost of new fire hydrants, and repairs to hydrants in fire districts. Under that Act these costs are borne by the board.

Over the past years the Chief Secretary—whoever he was, and including the late Gilbert Fraser—has been subjected to demands on the one hand by the Local

Government Association for a reduction in its 2/9ths rate of contribution and, on the other hand, from the insurance companies for a drop in their 5/9ths contribution. Naturally enough insurance companies are opposed to any increase in the 5/9ths contribution that they pay at present. It is apparent this state of affairs would continue unless some basis or formula could be found.

The rates of contribution to Fire Brigades Boards vary in each State and, in fact, in Victoria there are variations within the State, and it was decided to adopt an average of all the States. In some States there are minor ways in which changes are made to the general pattern, which rather confuses the issue of determining clearly how full contributions are met in each of the States. However, in trying to arrive at a formula, it was decided to adopt an average of all the States. The Treasury Department was asked to and did examine the various rates in each State and calculated the contribution percentages as are contained in the Bill, having regard for as many of the minor variations as was possible.

Another basis for averaging was put forward by the Treasury, more in line with Grants Commission procedure, and which would have involved insurance companies in an even higher rate of contribution, whereby an average would have been struck between the standard States of New South Wales and Victoria to arrive at a formula which could have been adopted under this measure. However, it was decided that perhaps in all fairness we should keep to the average of all the Australian States.

Mr. W. Hegney: Do you use the average of the other States or do you include Western Australia?

Mr. ROSS HUTCHINSON: We included Western Australia.

Mr. W. Hegney: You include the six—the whole lot?

Mr. ROSS HUTCHINSON: Yes. In using the average of the Australian States to establish a basis for periodical reviews by Parliament, it is felt requests for changes would be ruled out at least until 1967, as these contributions will apply for a three-year period, becoming effective from next year, and in that way all parties will know where they stand. These new averages will be 64 per cent., 20 per cent., and 16 per cent., and it will be found that the insurance companies will have to pay more, the Local Government Association will pay 2 and a fraction per cent. less, whilst the Western Australian Government will be more advantaged by paying approximately 6 per cent. less.

Finally, in regard to the inclusion of the State Government Insurance Office. I would like to say that very serious consideration was given before taking this

step. The Government eventually concluded that the S.G.I.O. should be responsible, with other insurance companies, and the Royal Automobile Club, for its fire risk component in comprehensive motor vehicle insurance and other insurances carrying a fire risk component.

I would point out to the House that the R.A.C. contributes to the W.A. Fire Brigades Board each year a sum of money exceeding £5,000 by a fairly substantial amount because of the fire risk component in its motor vehicle insurance policies. Therefore, it seemed only fair to include the S.G.I.O. I should also explain to the House that the S.G.I.O. payments to the W.A. Fire Brigades Board in respect of the local authority pool is only in the vicinity of £600 per annum.

I would like to point out that at present the fire risk component for comprehensive motor vehicle insurance is 3 per cent. With the passage of this Bill, and under regulations, it is intended that this figure be reduced by Order-in-Council to 2½ per cent. I submit the Bill to the House for its consideration.

Debate adjourned, on motion by Mr. Hall.

## SPENCER'S BROOK-NORTHAM RAILWAY EXTENSION BILL

### *Second Reading*

MR. COURT (Nedlands—Minister for Railways) [2.40 p.m.]: I move—

That the Bill be now read a second time.

The Railway Standardisation Agreement Act No. 26 of 1961 and the schedule thereto, which is the agreement between the State and Commonwealth, makes provision for the construction of associated narrow gauge works, as set out in the second schedule to the agreement.

When the agreement was framed, the proposal was to divert the Great Southern Railway from a point in the vicinity of Burges siding, across the Avon River, and run it more or less parallel to the Northam-York road to a point east of East Northam, where a new Northam marshalling yard was to be established; thence through East Northam, and joining in with the dual gauge to Midland via the Avon Valley. The line between Bellevue and Northam via Spencers Brook, and to the take-off point near Burges would then be lifted. However, to maintain rail connection to the Northam flourmill and the oil companies, it would have been necessary to retain the railway between East Northam and Northam, with its bisection of the town.

When the Bill was presented to the House for authority to construct the standard gauge railway, the alteration to the 3 ft. 6 in. railway at Northam was deliberately omitted, as the Railway Department and the Government were

not satisfied that the original concept was the best arrangement both on the score of railway efficiency, and the interests of the town of Northam.

I invite the attention of members to the first schedule of the agreement between the Commonwealth and the State which sets out, at the bottom of the first schedule, the following:—

The routes of the associated narrow gauge railway works are—

	Approx. Main Line Mileage.
(a) East Northam to Midland on the same route as the standard gauge railway .....	59
(b) Necessary deviations in the Northern and Great Southern Railways in the vicinity of Northam .....	15
	—
	74

For the reasons I have explained, the agreement was not specific as to the actual route to be followed in (b). As subsequent events have proved, it was desirable that it should have been in this form.

Investigation extending over some months was carried out; discussions were held with interested parties, including the local authority; and finally an altered arrangement was agreed on which was suitable to all concerned, including the Commonwealth. In this regard copies of the proposed route have been made available locally for the people to see, and, at the time, it was mentioned to the local member who is the Leader of the Opposition. Briefly the proposal is as follows:—

- (i) Reverse the junction at Spencers Brook, so that trains from the Great Southern Railway can run direct to Northam.
- (ii) Provide a new delivery siding at Spring Hill.
- (iii) Make use of the existing railway between Spencers Brook and Northam.
- (iv) Construct a new railway from a point west of the existing Northam yard, across the river and the Great Eastern Highway to a new marshalling yard to be built just north of the Northam sewerage depot between the Toodyay Road and the river.
- (v) Remove the main line rails between East Northam and the existing Northam yard.
- (vi) Build a 3 ft. 6 in. line along the route of the standard gauge between East Northam and this new yard so that trains from Goomalling can run into the new yard and thence to Perth.

(vii) Construct a new station and administrative buildings near East Northam.

(viii) Construct a passenger halt on the new line between west of Northam and the new yard, alongside the Great Eastern Highway.

(ix) Reduce the size of the present Northam yard.

To maintain a siding connection to the flourmill and oil companies situated between Northam and East Northam, it will be necessary to retain the shunting line connection from Northam. However, negotiations are now in train between the local authority and the two oil companies concerned, for relocation of their depots. If this eventuates, the only street in the town that will be crossed by rails will be Charles Street. It is realised that Fitzgerald Street at the eastern end will be crossed by the standard gauge, but this is unavoidable.

The new line covered by this Bill will cross over Fitzgerald Street at the western end by means of a bridge, cross the Avon River, and carry on over the Great Eastern Highway also by means of a bridge. The Toodyay road will be crossed by means of a level crossing.

Members will appreciate that because of the bridge over the Great Eastern Highway there will be no impediment to vehicular traffic along the Great Eastern Highway. The closing of the existing railways between Bellevue and Spencers Brook, and from a point near Northam to East Northam, will be the subject of a further Bill at an appropriate later date.

The only other comment I want to make is that if we are successful in our negotiations between the local authority and the oil companies, it will mean a tremendous thing for the town of Northam, because it will enable the local authority to replan a part of the town which has become very congested. The Government has undertaken, once this matter has been clarified, that there will be consultations between the Government and the local authority as to the use to which this land will be put.

This, of course, is contingent on the oil companies' sidings being removed. We have investigated the economics of discontinuing the rail siding into the oil terminals, and using a pipeline from where the siding goes into the flourmill, but the economics of this did not prove to be very successful. I think in the long-term interest of the town it would be desirable if arrangements could be made with the oil companies for the removal of their siding, as this would substantially aid the development of the town. After the adjournment of this motion has been taken I propose to table a plan required under section 96 of the Public Works Act, together with the Transport Board's report required under the State Transport Co-ordination Act.

Debate adjourned, on motion by Mr. Hawke (Leader of the Opposition).

### *Tabling of Papers*

Mr. COURT: With your permission, Mr. Speaker, I would like to table plan No. 53377 as required under section 96 of the Public Works Act, together with the report of the Commissioner of Transport under section 11 (7) of the State Transport Co-ordination Act.

*The papers were tabled.*

## **BILLS (2): MESSAGES**

### *Appropriation*

Messages from the Lieutenant-Governor and Administrator received and read recommending appropriation for the purposes of the following Bills:—

1. Fire Brigades Act Amendment Bill.
2. Spencer's Brook-Northam Railway Extension Bill.

## **RAILWAY (PORTION OF TAMBELLUP-ONGERUP RAILWAY) DISCONTINUANCE AND LAND REVESTMENT BILL**

### *Second Reading*

MR. COURT (Nedlands—Minister for Railways) [2.50 p.m.]: I move—

That the Bill be now read a second time.

After I have completed the introduction of this measure I will seek your permission, Mr. Speaker, to table a plan setting out the exact piece of land affected by this closure Bill. It is very complicated to explain in words; and, although it is not required by Statute, I think it desirable you agree to the tabling of a plan setting out the exact area that will be affected when this Bill becomes an Act. It is a small piece of land.

The Railway Discontinuance Act, 1960, provides for the closure of the Gnowangerup-Ongerup railway commencing at the south-western alignment of Yougenup Road in Gnowangerup to the end of the railway reserve at Ongerup. As a result of representation from the Gnowangerup Shire Council, it has been decided that termination of the railway would be best effected beyond Gnowangerup station on the south-western alignment of Whitehead Road.

Although the section of the line between Yougenup and Whitehead Roads is not within the jurisdiction of the Closure of Lines Committee under the previous Act it is most desirable that early action be taken to implement a decision on release of the railway reserve in this section. The committee is dealing with the portion of the railway reserve within the townsite of Gnowangerup from Yougenup Road eastwards, requiring a considerable amount of

investigation and survey work by the Lands Department, and this should be co-ordinated with similar work needed on the short section between Yougenup and Whitehead Roads.

Prior to the proclamation of closure of the Gnowangerup-Ongerup line, an urgent request was made by the Gnowangerup Shire Council for early action to be taken; and the committee has expressed a desire to see the two sections dealt with at the same time.

It was presumed that the small section remaining within the railway reserve could be excised by a recommendation and order-in-council; and in view of the urgency of allowing the Lands Department to proceed with the necessary investigation and survey work, the matter was submitted for approval.

I duly endorsed my approval, but subsequently the Commissioner of Railways advised that Crown Law felt this area would have to be dealt with by a special piece of legislation as it did not come within the land covered by the Railway Discontinuance Act of 1960. The following minute was addressed to me by the commissioner:—

Reference is made to my memo dated 15th May, 1963, at folio 1 hereunder regarding the proposed termination of the Tambellup-Gnowangerup railway at the south-western alignment of Whitehead Road instead of Yougenup Road, as provided in the Railway Discontinuance Act, 1960, and particularly to paragraph 5 wherein it was suggested that this could be effected by Order in Council.

This matter has been discussed with an officer of the Crown Law Department and the opinion has been expressed that a further Closure Bill is necessary.

As this particular section of the railway is within the Gnowangerup Townsite, considerable interest has been shown in the land which will be available to local business people and the Lands Department is anxious to proceed with the survey and necessary subdivision of the area. This of course cannot be done until the land has reverted to the control of that Department.

Under the circumstances, the commissioner recommended we proceed to have the necessary legislation passed. This was subsequently approved by Cabinet and the Bill is now submitted to Parliament to have this small portion of railway closed.

The plan which I will table indicates the amount of land involved is 1 acre 0 roods 25.9 perches. Members will realise it is a comparatively small piece of land, but without it the survey that is taking place would not be as effective; nor would the redevelopment be as effective.

I ask permission, Mr. Speaker, to table the copy of plan No. 54007, which shows in red the land affected by this closure Bill.

*The plan was tabled.*

Debate adjourned, on motion by Mr. Brady.

## GOVERNMENT RAILWAYS ACT AMENDMENT BILL

### *Second Reading*

Debate resumed, from the 15th October, on the following motion by Mr. Court (Minister for Railways):—

That the Bill be now read a second time.

MR. BRADY (Swan) [2.56 p.m.]: Since the Minister introduced this Bill to amend two sections of the Government Railways Act I have had a look through his speech, conferred with a number of railway unions, and done a certain amount of research in regard to the position. As far as I can see, no harm can be done by the deletion of section 39 of the principal Act which, as the Minister said, provides for a limit of £6,000 for the loss of life or limb in the event of an accident.

The Minister told us that in a case of recent times—I think in 1961—a person who I think was a railway employee, elected to sue his fellow employees rather than accept the £6,000 which the commissioner was prepared to pay. The employee apparently took the view that as the other employees were somewhat negligent in regard to the accident in which he sustained his injuries, he could get a greater sum than £6,000.

Subsequently, after some negotiations between the employees, the unions, and the commissioner, the matter was satisfactorily resolved. It is nice to know that an understanding was arrived at in regard to that matter and that a man, who I understand is now permanently disabled for life, will receive reasonable compensation.

All I have to say is this: It is desirable that the amendment should go through, because it will now give a person who is injured in similar circumstances the option of suing the Commissioner of Railways or the employees if the negligence is on their part. It does not take out of the Act the right of a person injured to sue employees in the case of negligence, but it does provide an opportunity for an injured person to receive a greater sum of money than £6,000 from the principal who, in this case, is the Commissioner of Railways.

No doubt, 99 out of 100 persons who may be injured would elect to sue the commissioner for greater damages rather than sue the employees. While this increase may seem a magnanimous gesture on the part of the commissioner, it is only one

of justice, because when railway employees take risks when doing their work they very often do so in the interests of the principal who, in this case, is the Commissioner of Railways.

By and large, the only people who gain when these risks are taken and got away with, are the principals—in this case the Commissioner of Railways. So, in order that justice might be done, it is only reasonable that the commissioner should be prepared to make a greater payment than the limit in section 39, as in the case which occurred in recent years, of £6,000, either gratuitously or by some other method, if risks are being taken.

I recollect that some years ago when I was a railway union organiser and secretary, I travelled from Mingenew to Dongara—no doubt the Premier has heard of that place—on a small trolley which a length runner was operating prior to a train going through. For the first 10 or 15 miles I enjoyed that trip, but my suspicions were then aroused when every five or six miles the length runner pulled up the trolley and walked to a rise to look some distance away.

I asked him then why he continued to stop the trolley and take a look at the view in the distance. He said "To tell you the truth, Jack, there is a train due along this length any time and I do not have my watch with me; and I am not too sure where that train is; therefore I want to see the smoke if I can". For the rest of that journey I was uneasy and did not enjoy it, because I did not know when a train might run us down.

I am mentioning that incident to indicate that that was a case in point. That particular length runner, in the line of duty, was running a length of railway without his watch which, apparently, was in the workshop for repairs. He was possibly saving the railways thousands of pounds by establishing whether any rail was dislodged, or there were plate difficulties, thus being able to avert any serious accident. He was prepared to take risks in the interests of his employer—the principal.

I do not know what these particular employees were doing at Darkan. It has been said to me that the accident under discussion took place near Collie, at a place called Darkan; and it was a wet and windy day, when the elements were causing great difficulties to railway employees. Under those conditions certain risks were taken which did not come off. An accident resulted and a man was permanently disabled. It would appear that justice will be done if, in the future, such people can be adequately compensated. If this provision is repealed, that will be the position; and so I have no objection to its repeal.

The second amendment deals with the alteration of the name of the endowment fund. It is being changed from the Western Australian Government Railways Employees and Tramways Employees' Death Benefit and Endowment Fund to the Western Australian Government Railways Employees' Death Benefit Endowment Fund Incorporated. The tramways have been omitted from the name of the fund now because they have gone by the wayside. However, the word "Incorporated" is included now; and I take it that this fund has now been legally registered and incorporated and will have some legal obligation to pay out of its funds certain endowments in certain circumstances.

For many years this fund has operated. I suppose it has operated for the best part of 40 to 50 years; and there was a time when railway employees were not obligated to join it. They could join it or not, and many employees elected not to do so. However, in 1934 an amendment was made to the Railway Act under which railway employees are now bound to join the fund. In the circumstances, therefore, it is only reasonable that they should be fully protected legally and that the fund should be known by its proper name. For that reason I support this amendment.

I would like to draw attention to the fact that—and this has operated since 1934—when an employee joins the railways, if he can prove he has other adequate cover in the way of insurance or other endowment policies which will give him the equivalent of what he would receive if he were to join the railway fund, he can be released from the obligation to join.

I can see no objection to either of the amendments outlined in this Bill and I therefore support it.

**MR. COURT** (Nedlands—Minister for Railways) [3.6 p.m.]: I thank the honourable member for his support of this Bill. We on this side consider it to be a desirable measure in the light of the circumstances which occurred in connection with the 1961 case.

The honourable member referred to the fact that anyone who was injured could claim against the employee as well as the commissioner. That is so. But we could not pass a Statute which provided otherwise, because if we did it would leave the position so wide open that it would be very unsatisfactory from the point of view of all parties. The fact is, as mentioned by the member for Swan, that in 99 cases out of a hundred—if not in a hundred out of a hundred—a person with a claim would obviously claim against the commissioner, because if he were successful he would not only obtain costs but also the award the court granted in respect of his particular case.

I would, however, stress that neither the commissioner nor the employees are exposed to danger of litigation unless there has been negligence. I am not quite right there. They are not exposed to damages if there has been no negligence. They could be exposed to litigation because some people go to law whether they have a good case or not. In such event both the employee and the commissioner could be exposed to litigation with all the attendant difficulties and costs. But where there has been no negligence, the employee is not exposed—nor is the commissioner—to any threat of costs or award by the court; and for that reason there is no danger in leaving the law as it will be when amended.

**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.**

## **SUPPLY BILL (No. 2), £22,000,000**

*Standing Orders Suspension*

**MR. BRAND** (Greenough—Treasurer)

[3.10 p.m.]: I move—

That so much of the Standing Orders be suspended as is necessary to enable resolutions from the Committees of Supply and of Ways and Means to be reported and adopted on the same day on which they shall have passed those Committees; and also the passing of a Supply Bill through all its stages in one day.

**Question put and passed.**

*Message: Appropriation*

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

*In Committee of Supply*

The House resolved into Committee of Supply, the Deputy Chairman of Committees (Mr. Crommelin) in the Chair.

**MR. BRAND** (Greenough—Treasurer)

[3.12 p.m.]: I move—

That there be granted to Her Majesty on account of the services of the year ending the 30th June, 1964, a sum not exceeding £22,000,000.

This motion is moved on the occasion of a Supply Bill; it is a formal matter. In view of the opportunities for discussion on the Estimates, I simply move as I have indicated.

**MR. HAWKE** (Northam—Leader of the Opposition) [3.13 p.m.]: It is true, as the Treasurer has said, that the Budget debate is still current in Committee, and the individual departmental estimates are still to be considered. Furthermore we had a

Supply Bill—the first one of the session—some seven or eight weeks ago. Therefore it is not my intention this afternoon to debate the question of supply as covered by the Bill which the Treasurer will introduce later this afternoon.

**Question put and passed.**

#### *Report*

**Resolution reported and the report adopted.**

#### *In Committee of Ways and Means*

The House resolved itself into a Committee of Ways and Means, the Deputy Chairman of Committees (Mr. Crommelin) in the Chair.

**MR. BRAND** (Greenough—Treasurer) [3.14 p.m.]: I move—

That towards making good the supply granted to Her Majesty for the services of the year ending the 30th June, 1964, a sum not exceeding £17,000,000 be granted from the Consolidated Revenue Fund; and £5,000,000 from the General Loan Fund.

**Question put and passed.**

#### *Report*

**Resolution reported and the report adopted.**

#### *Introduction and First Reading*

In accordance with the foregoing resolutions, Bill introduced, on motion by Mr. Brand (Treasurer), and read a first time.

#### *Second Reading*

**MR. BRAND** (Greenough—Treasurer) [3.18 p.m.]: I move—

That the Bill be now read a second time.

**Question put and passed.**

**Bill read a second time.**

#### *In Committee, etc.*

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

#### *Third Reading*

Bill read a third time, on motion by Mr. Brand (Treasurer), and transmitted to the Council.

### **TOTALISATOR AGENCY BOARD BETTING ACT AMENDMENT BILL**

#### *Second Reading*

Debate resumed, from the 24th September, on the following motion by Mr. Craig (Minister for Police):—

That the Bill be now read a second time.

**MR. TONKIN** (Melville—Deputy Leader of the Opposition) [3.22 p.m.]: The proposal in this Bill is to enable the board to extend its operations in a way which I consider might be desirable in the interests of those people who wish to wager during race days. Whilst I am prepared to support the proposal, I am going to make some suggestions in connection with it where I think alterations are desirable.

For some reason or other the board will not be fair to those who do business with it, and it adopts practices which ordinarily are not adopted by people who wager on horse racing. It seems to me that those practices are always in the board's interests, and never with an eye to being fair to both parties. To illustrate what I mean, I will read regulation 33 to the House; and if we agree to this proposal in the Bill, the board will be running doubles which will be covered by this regulation. It reads as follows:—

Where a person bets with the board on the double totalisator he shall be entitled to a refund when—

- (a) the horse in the first leg of the double is scratched or withdrawn regardless of whether the horse in the second leg of the double wins or loses or does not start.

That is in accordance with general practice. Continuing—

- (b) the horse in the second leg of the double is scratched or withdrawn before the first leg of the double is run, regardless of whether the horse in the first leg wins or loses.

That is in accordance with general practice; there is nothing wrong with that. Continuing—

- (c) the horse in the first leg of the double wins and the horse in the second leg is scratched or withdrawn after the running of the first leg of the double.

There is nothing wrong with that; it is in accordance with general practice.

There are no further provisions. That means that if a bettor takes a double and the second leg is scratched after the race in which his first leg has run and lost, he loses his money. That is contrary to all betting practice. The basic principle in wagering on horse racing is that if one has no chance of winning one should not lose. I will state that again because persons unfamiliar with wagering would not appreciate the point, which is: If a bettor is wagering on horse racing and he risks his money, he shall not lose his money unless he has a chance to win. That is to say, one does not rob a bettor. One does not take his money and say: "I have got your money now, no matter what happens." The bettor has to have a chance to win.

Let us examine what takes place in practice. If a bettor goes out to the race-course and takes a double—that is, he takes a horse in each of two races—then if the first horse wins and the second one is scratched he does not just get his money back, but the money back multiplied by the odds of the first horse. Therefore, the bettor has had a chance to win something. But if the first horse loses, the bettor loses his money. He has had a chance to win something because if the first horse wins, irrespective of what had happened to the second one, he gets some winnings.

That is not so with the Totalisator Agency Board, because if the owner of the horse in the second leg has made up his mind the day before the race that he is going to scratch his horse, but then leaves the scratching to the last minute when he goes on the racecourse, he abides by the rules, and if he happens to scratch his horse after the race in which the bettor has taken the double has been run and the first leg has lost, that bettor loses his money even though he had no possible chance of winning.

Mr. O'Connor: The regulations have been altered to prevent an owner from withdrawing a horse so late.

Mr. TONKIN: I have not got the regulation, and I do not know what time has been specified.

Mr. O'Connor: I think the regulation provides that the horse must be withdrawn before 10 a.m. on the day of the race.

Mr. TONKIN: That would not cover the bettor who had bet at 9 a.m., so the position still remains the same. It may be somewhat difficult for persons who have had no experience of this kind of wagering to follow what I am trying to illustrate; but the basic principle of wagering is that a bettor must have a chance to win before he loses.

With the bookmakers on the course, a bettor takes a double. As soon as he takes it, so long as he gets one starter out of the two, he has a chance to win. If the first leg wins and the second leg is scratched, the bettor gets the starting price to the stake he put on the first race. So he has had a chance to win. But if the first leg loses and the second one is scratched, the bettor has lost his money, and he cannot complain, because he has had a chance to bet the winner on the first leg.

Conversely, a bettor takes a double with the Totalisator Agency Board. The first race is coming up; but he has found out—although it is not yet official—that the owner of the second leg is going to scratch his horse. The bettor knows that before the race is run. He cannot get his money back, so he has to let the stake remain to ascertain whether the first leg wins. If the first leg wins, the bettor gets his

money back and he does not win anything; but if the first leg loses and the second leg is scratched, he loses his money. If the board indulges in totalisator betting in doubles it should rectify that point, because the present practice is not fair. It is contrary to the fair and accepted principle that a bettor should have a chance to win if he has a chance to lose; that has been the accepted rule of betting ever since I can remember. It should not depend on the time when the owner scratches the horse.

The position is entirely different if a person bets anti-post. In the case of doubles which are conducted on the Caulfield Cup and the Melbourne Cup, circulars containing prices are received from the Eastern States week after week. I understand that bookmakers in Western Australia cannot bet on that double, but those operating in the Eastern States send circulars over here and a lot of money goes to the Eastern States on that double. The bettor loses his money if one of his horses is scratched, because he gets the anti-post price, which is a far longer price than the all-up starting price, and he takes the risk of the horses he selects being scratched in order to take advantage of longer price. This betting is on the basis of all-in. If the punter is lucky enough to have two starters he has the advantage of much longer odds than those which would be paid on the days of the two races.

But the doubles conducted by the board in this State are taken on the day of the race, and the bettor receives no better odds. Therefore, the principle of anti-post betting does not come in, and these bets should not be on the basis of all-in. I submit that in common fairness the provision with regard to a doubles bet ought to be this: If either horse is scratched—and the bettor has no chance of getting the double in—he should have a chance either to get his stake refunded, or to win. A simple rule can be made to provide that if a bettor takes a double, and either horse is scratched, the bet is off: the rule should not be that the bet is only off if the first leg wins. That is what the board, in fact, now does, because if a bettor takes a double and the second leg is scratched, the bet is only off if the first leg wins. So the punter has to pick the first winner, without any chance of winning if the second leg is scratched. This practice is very unfair and ought to be altered in the interests of the punters. I had to smile when this legislation was introduced.

Mr. Craig: I saw you smile.

Mr. TONKIN: I was tickled to think the board was seeking an amendment of the law. It would have been acting in accordance with its usual practice if it had run doubles irrespective of the law. Up to date, it has shown scant regard for the law.

Mr. Craig: Do not spoil a good speech!

Mr. TONKIN: The Minister knows what I am saying is true. Firstly there was the situation where the board decided to limit the Eastern States dividends. The case finally went to court and the judge told the board that it could not limit those dividends. Subsequently the board discontinued that practice, but it hung on to the money it had received in the meantime. Then there was the matter which I dealt with last night.

I was a little amused to think the board, on this occasion, is asking the approval of Parliament to conduct this type of betting, so we seem to be making some progress. It is gratifying to note the board recognises that these matters should be covered by the law, and that the law should be obeyed.

As matters stand, the all-up betting is most unsatisfactory and most unfair to the bettor. I hope the Minister can follow what I am about to say, because I have no experience on these points, nor has anybody told me anything about them. I assume that with all-up betting which now takes place, when a bettor invests 5s. on one horse all-up on another in a later race, the board deducts 15 per cent. from the stake in the first race, and if the first leg wins it deducts another 15 per cent. from the second stake, and 15 per cent. from the winnings as well.

Mr. Craig: I understand that to be so.

Mr. TONKIN: That is a tremendous deduction. The deductions make up a great portion of the money invested.

Mr. Craig: That is why the board is instituting doubles betting.

Mr. TONKIN: If a bettor invests 5s. he loses 15 per cent. as a deduction by the board on the first leg of the wager. If he picks a winner on the first wager then the return goes on to the next race, when a further 15 per cent. is deducted. If the second horse wins another 15 per cent. is taken out of the winnings from the first investment. That is to say if the bettor picks a 4 to 1 winner in the first instance the board gets 15 per cent. of the 5s. he invested, and then on behalf of the bettor the board invests the dividend of 25s. on the second leg. The board then deducts 15 per cent. of that 25s. invested on the second leg. This is a ludicrous state of affairs.

Mr. Craig: That is why we want to discontinue that form of betting.

Mr. TONKIN: The doubles form of betting proposed in the Bill will alter that state of affairs in favour of the punter. I take it that under this form when 5s. is invested on a double there will only be one deduction by the board of 15 per cent.

Mr. Craig: That is quite correct.

Mr. TONKIN: It will certainly be to the punter's advantage. I suppose the poor returns on all-up betting were caused by the practice of the board in deducting the 15 per cent. from each leg of the wager, and a large slice of the money invested was taken by the board as a result of this double commission. I came to the conclusion that the board made a double deduction, because it could not avoid doing so as the Act stands.

Another disadvantage which now occurs with all-up betting is that the prices of horses chosen in the second leg are being depressed severely by the disproportionate volume of money invested on the course on those horses. That has resulted in a much lower dividend to course patrons, as well as to off-course patrons. So I consider the proposed alteration is very desirable in the interests of those who patronise the doubles form of betting, and we should agree to it.

With regard to quinellas, it would be quite impossible for the board to collate the information and convey all the money to the course. It is desirable in principle that the Totalisator Agency Board should put as much money through the totalisators as it can, and to hold as little as possible, although in agreeing to the doubles proposal I am running counter to that idea. However, I consider the advantages to be derived justify the change. This will mean that instead of the money being put on the totalisator on the racecourse, the board will conduct a totalisator in accordance with totalisator principles. The only drawback is that the volume of money on local races which ordinarily will go through the totalisator on the racecourse, is to be retained by the board.

Because of the disadvantages of the present system, it is desirable that the change proposed in the Bill be made. With regard to quinella betting, I can see it would be quite impracticable unless the quinella was closed a considerable time before the race on which the quinella was conducted, was run to get the information from all the various agencies and have it collated; and then to determine the amount of wagers which would have to be made on the course, would make the thing so unwieldy as to be most unattractive.

Mr. O'Connor: There would be the likelihood of errors, I should think.

Mr. TONKIN: We should take cognisance of the fact that in dealing with such a multiplicity of wagers the possibility is that errors would be increased. Quinella betting is an attractive form of betting because of the possibility of getting a fairly substantial dividend. I have no objection to that being done.

I was a little amazed at an assurance given by the Minister. This is becoming a figure of speech rather than an assertion.

So much so, we have to disregard assurances. Let us listen to what the Minister had to say, and I quote from the notes of the Minister's speech, as follows:—

To the backer, the double is more acceptable than an all-up for a win, as there is only one commission deducted for the double as against two for the all-up. It is felt that a very limited amount of quinella betting in local races and trots—and I can assure members it will be very limited—will be very acceptable to the investing public.

A little thought will show that the Minister is not in a position to assure that at all. It was a foolish statement. As a matter of fact, it will inevitably result in an increase in wagering. Its very objective is to make doubles betting more popular because the present results, owing to the Totalisator Agency Board taking too large an amount in commission, are poor and therefore unattractive to a lot of discerning bettors. But with the commission being substantially reduced, and the possibility of increased dividends as a result, there will be an increase in this form of betting. So it is just too silly for the Minister to start assuring the House that this amount of betting will be limited.

One will have only to get the figures in, say, 12 months' time and compare the volume of betting on doubles and quinellas with what it will be in, say, a week or two's time, and one will see that it will gradually develop and increase in volume. That is to be expected.

I simply point that out in order to emphasise the ease with which assurances are given which cannot possibly be met. It is like the assurance which the Minister for Lands gave me a year or two ago. He assured me that the board was putting on the totalisator all the money it could possibly put there. I was in the court and I heard the chairman of the board tell the court that after 30 minutes before the start of the race no betting from any agency which was under £2 was sent to the racecourse. That was said by the chairman himself. Yet here a Minister rises in this House and gives an assurance that all the money that was procurable was being sent to the racecourse and was being put through the totalisator.

No wonder I complain about these assurances when they are so empty. I think Ministers should be more careful, when they are giving assurances, to see that they are in accordance with what can be carried out or in accordance with fact.

I hope the Minister will have a look at that regulation now that he is going to permit the board to run these doubles as against all-up bets and so provide that the punter shall have as fair an opportunity as he can get in betting; that is, if he has no chance of winning, then he should not

lose his money. If the Minister will have something done about that, I would have no reservations with regard to the proposal.

*Sitting suspended from 3.45 to 4.5 p.m.*

MR. CRAIG (Toodyay—Minister for Police) [4.5 p.m.]: I thank the Deputy Leader of the Opposition for his comments in connection with the Bill, and I might say how nice it is to hear agreement between that side and this side of the House on a matter connected with the Totalisator Agency Board.

The purpose behind the Bill, of course, is to endeavour to improve not necessarily the facilities but the arrangements for betting for those who like to bet; and perhaps the main feature is the substitution of the doubles type of betting for all-up betting. As the honourable member has pointed out, all-up betting poses a double application of the 15 per cent. deduction covering tax and other incidental charges.

Mr. H. May: What do you call all-up betting?

Mr. CRAIG: This was explained when I moved the second reading, as best I could, and it was amplified by the Deputy Leader of the Opposition. A bettor selects two horses in separate races, or one horse that is competing in two races; and he invests his money on the horse in the first race; and, if it wins, the total winnings, including the original investment, are then invested on the same horse, or a second horse in another selected race.

Mr. H. May: Every time I have a bet, it goes up—in smoke. I was wondering what all-up was.

Mr. CRAIG: Therefore the doubles form of betting will probably be more attractive to the honourable member because it imposes the 15 per cent. deduction on only one occasion.

The Deputy Leader of the Opposition has drawn attention to certain features of doubles betting that do not make these proposals over-attractive; or, in other words, the attraction could be improved if the bettor had the possibility of his investment being returned to him through the scratching or the non-starting of a horse selected in one of the two races.

Perhaps one way of looking at it is that with the doubles type of betting the investor realises, of course, that he has to take a bigger risk, and he knows he is taking a bigger risk because he is selecting two horses to win. In doing so he also realises he is going to get a better price; he is certainly going to get a far better price than by making his investment on an all-up type of bet. However, for all that, there are certain features connected with this type of betting to which attention has been drawn by the honourable member that I cannot help but feel do appeal to me. Naturally I will have to

seek some guidance and information on this matter from the board, but if it is in accord with the honourable member's views I can arrange for further consideration to be given to his suggestions in another place.

Had it been possible for this particular point to be made to me beforehand I could no doubt have had the information available today; but we all realise how much the Deputy Leader of the Opposition has been tied up with other debates in this House.

As stated, it is the desire of the board to carry out these proposals because it considers they are in the interests of the public generally. As I interjected when the honourable member was speaking, I thought he was spoiling a very good speech by referring to assurances from this side of the House. I can think of no reason why he should doubt any assurance from me, personally. Perhaps the assurance to which he referred was my reference at the second reading; but that could have been construed as an assumption—

Mr. Tonkin: A pious hope would be better.

Mr. CRAIG: —and not necessarily an assurance, because I was only giving a personal opinion that the formation of doubles betting would not necessarily increase the incidence of betting. I can assure him—and I trust he will accept this assurance—it is not my intention, nor is it the Government's intention, that the incidence of betting should increase. I based my assumption on the belief that this type of doubles betting—with, say, a 5s. double—will be far more appealing to the smaller type of punter, particularly the pensioner, who will have the opportunity of selecting two horses at reasonable odds, or very much better odds than it would be possible to obtain by a 5s. investment on a single race.

Mr. Oldfield: They have to win, of course.

Mr. CRAIG: In Victoria, where the T.A.B. conducts such a pool, it was found that roughly one-third of the total investment on the T.A.B. was of this type of betting. Therefore, it can be construed that it was at the expense of other types of betting, although I might be wrong. As was pointed out by the Deputy Leader of the Opposition, only time will tell. However, I feel that this form of betting will be very acceptable to those who patronise the T.A.B., and we are only instituting it as a result of the many requests that have been made for it.

I understand that before the introduction of the T.A.B. in this State this particular type of betting was very popular indeed, and so we are only complying with the requests of the betting public. In doing so we are cancelling out another type of betting, all-up betting. I thank

the honourable member for his support of the measure and I commend it to the House.

Question put and passed.

Bill read a second time.

*In Committee, etc.*

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

## LAND ACT AMENDMENT BILL

### *Second Reading*

Debate resumed, from the 5th September, on the following motion by Mr. Bovell (Minister for Lands):—

That the Bill be now read a second time.

MR. KELLY (Merredin-Yilgarn) [4.15 p.m.]: This Bill follows very closely on the recommendations of the Pastoral Leases Committee; and although the terms of reference were wide, I think it is rather unfortunate that the evidence should have been taken by a committee instead of by a Royal Commission. As it is there was no need for any sworn declarations. The evidence that was given was given voluntarily and, in many cases, compiled from very considerable and old records of very little value in so far as current requirements are concerned. Nor was the committee able to glean a great deal of substantiated information in compiling its report.

So the fact that there is no sworn evidence throughout the entire examination detracts very considerably from the value of the report in general. In saying that, I wish to emphasise at once that in no way do I cast any aspersions on the men concerned who, to my way of thinking, gave us a very interesting document. I cast no reflection whatever on their integrity, or their conducting of their examination. I know them all very well personally. For that very reason my complaint is not against the actual findings, or against the activities of these people.

I would refer to one or two of the matters that this committee gave as reasons for some of the actions taken, and for some of the comments made, because I feel it is comments of this kind which highlight the committee's report as being of very little actual value in assessing the future of the industry, a future bound up by this Bill on a 50-year basis, with an extension of 33 years on top of the present leases held.

It is matters such as this which highlight the ineffectiveness of a report, particularly when we use such a report as a basis for legislation which is to govern this industry, which has been one of our most important industries for a very long time. I refer to a comment which was made at

p. 29 of the report and which deals with cattle stations. I only make this comment because I desire to highlight how little intrinsic value there is in a lot of the matter we have before us. Speaking on cattle it says—

Submissions by a group of pastoral companies disclosed substantial expenditure on water, fencing, and other improvements during the past 10 years with good prices. Although it has been freely conceded that in good times, i.e., good seasons and markets together, the financial returns from cattle stations can be high, a note of warning has been sounded that the risks in the industry cannot be underestimated. The protracted effects of drought, unstable markets for cattle, and rising costs of operations and improvements are always threats to profitability.

This is rather an extraordinary part of the report, because it continues—

The extraordinarily high prices for cattle over the past few years (by comparison with earlier years) have largely offset the effects of drought years and avoided heavy losses. At the same time several pastoralists have contended that the average annual return for the past 30 years is equivalent to only about 3 per cent. on the capital invested.

Here we have an industry that has continued for a great number of years, and a report is made on the statements given to the members of the committee in various directions. That is one of those statements.

The people who gave evidence—again I say unfortunately not sworn evidence—have made the statement that over a period of 30 years cattle stations have made only 3 per cent. on capital invested. I ask members what incentive there would be to remain in an industry that was returning only 3 per cent. What person would have two bob invested in an industry of that kind? Who would want to continue to face the rigours of the north, and the difficulties that confront people with stock over certain times and in certain years, if there were only an average reward of 3 per cent.? It is ridiculous that something of that nature should creep into a report.

I took the trouble to ascertain a few of the particulars covering stations that have changed hands during the last few years. I find that one particular station was purchased in 1952 for £18,000, and sold in 1954 for approximately £35,000—very nearly double the initial value of the property. The second property I had occasion to single out was one purchased in 1956 for £60,000, and sold in this current

year for £150,000. A third one was purchased in 1955 for £60,000, and is now under option to an Eastern States company for £200,000.

In the face of those figures it is very hard to bring our thoughts to the stated fact that this industry, over a period of 30 years, has been able to return only the very low average of 3 per cent. It is more difficult to understand when we find that there are plenty of people who are willing to go on to these properties, spend a year or two on them, and later find people who are prepared to pay almost double the figure for which they were originally purchased, in a period of only a few years. Statements of that kind, coming as they do in the early portion of the report, rather dampen one's enthusiasm for the veracity of a lot of the material and evidence that was given to the committee.

Turning to sheep, we find that the member for Gascoyne asked a series of questions here today in connection with ten sheep stations in various parts of the State. The total area of these ten stations was 5,800,000-odd acres. The present carrying capacity of that total area is 156,000 sheep. The estimated carrying capacity—and I do not know how they arrive at this carrying capacity, because there does not seem to be any yardstick of measurement to assess the value of the country—varies from ten acres to the sheep to 50 acres to the sheep.

The estimated carrying capacity of that area would be 237,000 sheep. In other words, there are 30,000 or 40,000 sheep under this carrying capacity. It is remarkable that over not a very long period there should be this tremendous discrepancy in the actual figures that were carried some few years ago on many of these properties examined recently.

I can speak authoritatively in connection with one particular station—namely, Lyons River—where in my own time we had 21,000 sheep, some 650 head of cattle, and about 27,000 kangaroos. The area of that country was in the vicinity of 290,000 acres, and there was no difficulty in carrying sheep in those numbers. Today, in reply to questions, we find that this carrying capacity is now at the very low figure of 8,000 sheep. According to the formula of acres per sheep they should only carry 12,000 or 13,000 sheep. I very definitely say that I would far sooner have a property understocked than overstocked. Apparently there is a vast difference in the territory today, as compared with a few years ago when I knew it very thoroughly.

So these matters, appearing as they do in this report, and under the conditions in which the report was taken, make it very difficult for us to assess accurately just what the position is. Had the inquiry been conducted by a Royal Commission

we would then have known that the evidence was given and there was something to substantiate it; that it was not a matter of a chat over a cup of tea or in any other congenial atmosphere that might have been arranged by the mere visit of these gentlemen to some of the 30 stations they visited. It is easy to let one's imagination run riot, particularly when people have been on a property for a long time, and particularly when one is sitting in a shed or on a nice cool verandah or patio, and when one is reminiscing on the station's ability to carry stock, or whatever other subject might be under discussion at the time.

We could also visualise a lot of this report being made—as it was—in an accountant's well-appointed suite of offices; and his knowledge of the particular station would be based purely and simply on figures he had audited; and this, to my way of thinking, would not have the value of a statement made under proper conditions, in the proper place, and with visual examination being possible. Under those conditions we would be able to pinpoint the main factors that any Royal Commission would have been able to disclose, had one examined the position.

As it is now, there is no authentication of the records contained in this nicely prepared report, because they are only the result, as I said before, of discussions over a friendly cup of tea or meeting. Apparently there was little examination in any way at all. I know from experience that records produced under the same conditions as those under which we know this report was produced would be quite haphazard. Records on the majority of stations are not kept continuously. There are occasions when bookkeepers are changed and the new man does not get into the way of running things; where a little laxness creeps in with regard to the obtaining of data; where the rainfall record is missed altogether; and where sheep have been sold to an adjoining neighbour and no record has been kept. This information would appear in the accounts, but it would not be the type of data contained in a book that would be kept as a history of a particular station and retained on the property.

I consider there is plenty of room for error in any of the statements that have been made. Time erases many of the keen points of a person's memory; and if we are going to accept as authentic a record of this kind we are accepting something that is not reliable. As I have said, there is no guarantee that the facts, figures, and statements are accurate or sufficiently good enough to form the basis of a Bill of the importance of this one.

Another factor is that the accountants who have given much of the evidence in this report naturally have the accounts side of a property well in their minds; and the under-studies in their businesses

have a full knowledge of what is taking place from a figure point of view. It is a well-known fact, too, that all accountants on behalf of their clients put their best foot forward in an endeavour to make the income of the person for whom they are working face up to the best light possible as far as taxation is concerned.

We find that in this report much of the matter which has been used as reasons for this, that, and something else, has emanated from sources I have described. Therefore it is rather a pity that so much credence should be placed on a report of this kind. This Bill is of great importance to Western Australia, and I am sorry that the information upon which it is based has come from the sources I have mentioned.

Undoubtedly the committee covered long distances. I did have a rough run through the plan and it looked as though the members of the committee would have travelled 8,000 to 10,000 miles and, during that time, visited about 30 stations. However, the report makes no mention at all of the circumstances under which members of the committee made their investigation in connection with some of the most important features in a Bill of this nature. There is no information from the committee that it made an inspection of the unimproved back country of many of the properties visited. There is no mention of the type of country visited or any of the details I think are necessary when we are going to be faced with a calibration of the type of country and the carrying capacity of the country that was examined.

Mr. Bovell: The Surveyor-General has had a life-long experience of the whole of Western Australia. He has been in the Surveyor-General's Office all of his working life.

Mr. KELLY: The outlook of the present Surveyor-General is not the same as the outlook of the previous Surveyor-General; and the present man has only held the position for three or four years, although he may have been in the department for a long time.

Mr. Bovell: All of his life.

Mr. KELLY: I am aware of that. But the report of the previous Surveyor-General—which I have here—is not on all fours with the report of the present Surveyor-General. As a matter of fact, it differs very considerably in some of its findings. They are almost diametrically opposed. So I think that statement by the Minister really carries very little conviction, because the Surveyor-General, in his earlier life, would have undoubtedly visited some of the places and a great deal of water has run under the bridge since that time—10 to 30 years ago.

Today there is a much greater need for closer husbandry on pastoral properties than there was in the past. Therefore a very vital factor in compiling a Bill of

this kind is in connection with stocking and improvement of a property. There has been some little treatment of the matter, and this is what the report says—

From our talks with many lessees and managers we are convinced that most of them have learnt useful lessons from the mistakes of the past and realise that careful and intelligent management is essential if the country is not to go back further.

Of course, any person who has a valuable pastoral property under his control, whether he be a manager or an owner, would undoubtedly make a statement of that kind if he thought there was any likelihood of a reduction in acreage or that conditions were going to worsen. Naturally he would put the best construction on any evidence he gave. But it is not evidence. It only represents statements made; and, from some of the assertions made, the report was compiled. It continues—

Very few, if any, stations are at present overstocked and in fact, in some areas, lessees are having difficulty in breeding sufficient lambs to keep their flocks to satisfactory numbers.

That is not the reason at all. They are not overstocked. The reason is that the price per head of sheep has appreciated so greatly that many of these people may not have had the ready cash to bring their stations up to carrying capacity. In 95 per cent. of the cases, that would be the reason why the carrying capacity is now so far down. In almost every instance where information is available, we know that the majority of these properties are very low down in their carrying capacity.

Some of the properties have had a better form of management over a period of years than others. They have gone more closely into preservation of the land and have been able to spend—perhaps they were in a fortunate position in the beginning—sufficient money to provide the improvements necessary to carry the number of stock that the country is capable of carrying. Not only that; they have protected their country by virtue of the husbandry that has been exercised in their activities over a period of years.

Therefore we find that the soundly-managed and owned places are in a much better position than many others that are carrying only half of their capacity. So a depletion of carrying capacity can be traced back to those deficiencies which have taken place over a period of years. I do not think we can put the blame on the pastoralists in many cases, because many of them received a setback when wool fell to about 11d. or an average of 11½d.; and there was very little margin at

that time to provide a surplus for a pastoralist to improve his property. The pastoralist was also subjected to the strain of drought, together with the low price of wool and other factors. Some difficulties could have been brought about by the war when materials were short and the pastoralists were unable to obtain fencing materials and other commodities needed to improve their properties.

So, by and large, I do not think it is the fault of the pastoralists. However, at the same time, we find that other people were able to effect quite a lot of improvements to their properties, and their carrying capacity did not denude the country of its growth, particularly its top feed. Over a period of years they have been able to advance their stations in such a manner that today their carrying capacity is quite high. The report says:—

Generally speaking, the reasonable carrying capacity of the country now appears to be about 50 per cent. of what it was originally.

I think we can agree that that position was brought about by some of the things I have recently mentioned. The report says, too—

At present genuine efforts are being made to introduce new grasses such as buffel, birdwood and kapok and in many instances pastures are being regenerated by rotational and deferred grazing as recommended by the Department of Agriculture.

It is only about five years since I passed through the north-west after the Department of Agriculture had instituted its regeneration scheme; and up to that period, the department had been operating for three years and was in the process of proving very conclusively just what this country is capable of, if regeneration were carried out on proper lines. A number of pastoralists were given the opportunity to see what was being done by the department. Some of the best young men in the department were trying to guide station people in the matter of improving pasture conditions. Progress was being made; and it was obvious that if the ideas of the department were put fully into effect a great deal of improvement could be expected.

I took slides of various parts of the country where tests had been carried out and where a large area of regenerated land had reached its third year of progress—an area that had been kept free from stock. The change was remarkable. Despite all this, there were only about eight pastoralists in the area who were prepared to give any credence at all to this scheme.

Those people had small tractors with single furrow ploughs with little seed boxes on top of the ploughs; and they carried out the experiments the same way as had the department. Today, of course, there is a more general application of this

method to bring the country back into the same state as it was in the past. I mention that because it is one instance where the pastoralists were not ready to accept the principles laid down by the department in the earlier stages.

In the first year or two there should have been a large number of men prepared to adopt the method which the department had proved to be successful. There should have been far more than eight at that time. I think Liveringa was one of the places—and there were several others in the vicinity—to improve its country by the adoption of this new method. I believe that today there are a great number who have ascertained the wisdom of adopting this method; and it is making a great difference.

It is stated in the report that some of the people in the north have learnt their lesson. I hope they have, or Western Australia will be in a sorry position, as will the future of the pastoral industry. It is not so many years ago that this great pastoral industry of the north-west was responsible for more than two-thirds of Western Australia's entire wool production. Today we find that the south-west has leapt ahead and the production figures are now somewhere in the vicinity of 35 : 65 per cent.

This report is a very lengthy one and the way it has been produced and its clarity could quite easily be copied by those making similar reports. It is undoubtedly historical because it delves back into the history of the industry over many years. It contains a lot of extraneous matter which nevertheless is important from an historical point of view. However, the fact that the report is based entirely on unsworn evidence does reduce its reliability.

In the list of those who gave evidence, there are 13 Government officers; three members of the Pastoralists' Board; and six other persons, including a stock firm inspector. Why should we have to take the say-so of a stock firm inspector? Goodness gracious me! He is out to sell his wares and to get commission from as many stations as he can. If he can put the best side to London, naturally he will do so. I cannot see why such a man should be among those examined. Much of the evidence also has come from departmental records and the data collected by the department over a period of years.

It is no wonder that this report is very much in favour of the pastoralists, because the majority of the people who gave evidence are people who have owned the country, in many cases for a long period of years; and the majority of the unsubstantiated data in the appendices has come from those people. On a number of these properties, the second and third generations are established. There is, of course, a percentage of new folk entering

the country, which is perhaps a good thing for the north-west because, in all probability, they are bringing in new capital.

I wonder why a report of this kind has become so important in relation to the Bill now under discussion. I can just imagine what an uproar there would be by those now on the Government bench if, for instance, the Arbitration Court said to the unionists, "You boys come along and give us all the reasons why you should get this, that, and something else; why we should double your pay; and why we should extend all sorts of privileges to you," and then the Arbitration Court gave to the unionists everything they had requested. That would be a parallel position to the one contained in this measure.

The report has been compiled on the say-so of the people who are interested in that industry. I suppose it could be argued that the people in the industry should know the position; but this is a matter in connection with which we are giving to these people for 50 years an area of land that has actually all the resemblance of being freehold. There is practically no limit. Certainly there is no-one in this Chamber who will see the end of the leases being granted to these people. Under this Bill, we are tying up this land for all time, in tremendously large lumps. That is the point the Minister should have grappled with when he received this report and began to frame the necessary amendments to the Act.

Mr. Bovell: The Government is not in favour of putting the pastoral industry in jeopardy, and any move like that at this juncture could be responsible for upsetting the whole of the pastoral industry, which is one of the most valuable in Western Australia—and has been since the beginning of time.

Mr. KELLY: I do not think the Government need have any fears in that regard, and no person with a sane outlook would consider that was ever likely, because everyone recognises the vast importance of the wool industry not only to Western Australia and the pastoralists, but to Australia as a whole. It is a tremendously important industry; but there is no reason why sanity should not prevail in not only placing it on a sound basis but also providing for continuity over a period of years, involving far more participants than there are in the industry today. The Government has slipped very badly in not recognising this factor.

There would be no need to dislocate anyone. There again, if the report had been based on sworn evidence it would have been of more value because the unimproved country would have come to the forefront. As the situation is, there was no need for anyone to disclose his position. All he had to do was state that his property was pretty fully improved; and who was there

to gainsay it? The evidence was not taken in paddocks where the unimprovement was evident. It was taken in the seclusion of a shady spot; in some nice nook, where generalities only were discussed.

I fully recognise the fact that there were some difficulties, and that the task of the committee was quite a huge one. There were many factors it had to consider; but if it had been given the correct support in connection with the compilation of this report, much more cognisance could be taken of it. We all know that many Select Committees and Royal Commissions have been conducted previously, as well as a number of departmental inquiries. This would indicate that there is a great difficulty in keeping the industry on the rails and keeping it progressing as we know it should progress. The history of this industry is not one of progression. Over a period of 25 to 50 years it has gone back further and further.

Mr. Bovell: It will if this measure is not passed.

Mr. KELLY: Not necessarily at all. I will come in a moment to one or two reasons why I make that statement. As I see it, we are not helping the pastoralists in any progression. We are going to call on them to make many more contributions in various ways which will perhaps ultimately help the country; but in the interim they are going to be an imposition on the pastoralists generally. However, I will deal with that when I come to it.

As I have said, all these examinations that have taken place over a number of years highlight the difficulty of an industry of this kind. Those in it have had to face many problems, probably one of the most acute being the seasonal conditions. We have passed through a period when crises have caused a considerable amount of difficulty. Another problem was labour, which was a chief drawback.

Mr. Runciman: It still is.

Mr. KELLY: Yes; as the member for Murray just said, it still is. This industry has been subjected to damage by vermin, with very little done to arrest it. This has been because there is such a big variety of vermin involved. The pastoralists have also had problems with their water supplies. In some cases, water has been practically unobtainable, but those more fortunate ones in areas through which rivers run have been in a much better position.

Lack of development has undoubtedly held many stations back, and those who unfortunately were not very financial were unable to develop their land in the way they desired. Others, of course, were not keen on development anyway and were prepared to rely on rivers and waterholes, and they ate that country out to such a degree that it will probably be 40 or 50

years before it can be restored to its original state. It is now down to red earth and there is no seed in some areas I have in mind.

Indifferent management, too, I believe has played a very important part in this running-down of the country; and, indeed of the industry. I think it can be said there is a limited amount of first-class pastoral country at present because, over a period of years, the indigenous plant life has been more or less denuded. Saltbush was one of the standbys for a long time; and now, unless the ground is given a spell for a lengthy period, no saltbush will grow. Even the hardy soft spinifex has been affected very greatly. Over-grazing has knocked it very badly. Some of the other bushes, such as the mulga and the kur-rarra, are almost non-existent; and yet 25 to 30 years ago most of these types of feed were the important ones. Irrespective of what grasses grew, those shrubs were the ones carrying the industry through. But today we find that a great amount of these types of bushes have practically disappeared. It is only by means of a very solid rejuvenation policy such as has been introduced by the Department of Agriculture that we are ever likely to bring back into productivity a lot of that country as we knew it.

The pastoral area that is referred to in the Bill covers somewhere in the vicinity of 200,000,000 acres and, I think, embraces 588 stations.

The report says that the majority of the people have their properties fully improved, but I cannot agree that that is the position; and I feel that a close examination would disclose that what I am contending is the fact.

The financial requirement to improve a property of, say, 500,000 acres, is tremendous. Any member who has a farming property of 2,000 to 10,000 acres, or is interested in grazing land, knows what a huge undertaking it is, firstly, to ring fence the property and then to subdivide it. As we get into the bigger acreages the magnitude of the problem increases tremendously until we regard 1,000,000 acres or even 500,000 acres as something that is colossal in respect of improving the property to its full carrying capacity.

I am quite certain that the theme that the majority of the country is improved would never have been developed as a part of the report if the inquiry had been made under different conditions. I keep harping back to that point because I think it is the crux of the whole situation; and I think a lot of the value of the report is lost. Everything that was said at the inquiry could have been taken as sworn evidence, and we would have been able to accept it as such; but we cannot accept these statements in their present condition.

Mr. Bovell: The committee was appointed in accordance with a resolution carried by the Legislative Council and moved by The Hon. F. J. S. Wise.

Mr. KELLY: I am perfectly aware of that, and before commencing my remarks I scratched that statement out because I did not think it had any bearing on the report.

Mr. Bovell: It has a bearing on the way the committee was appointed.

Mr. KELLY: It might have. But I do not think it was necessary for the Minister, with the experience he had behind him in the department, to adopt this method, because he had a much more positive way of getting the facts; namely, by appointing, as I have said, a Royal Commission rather than any type of committee. To my way of thinking a Select Committee, or any other type of committee, would not have sufficient authority to present a report of this kind.

The Minister commented that the Bill will be responsible for many improvements, and that when it is brought fully into effect it will bring about a change in the industry, provided a huge amount of capital is found from somewhere. Well, it is not possible to put in thousands of miles of fencing—and that is what is required if we are going to improve these properties to a worth-while carrying capacity. If we do not do that we will only fog along in the way the industry has fogged along in the last 25 years, and there will be no material benefits at all; because, as I will show a little later, the necessary improvements are so tremendous that what can be done is practically negligible when we have regard for a property ranging from say, 500,000 to 1,000,000 acres. It is just a drop in the ocean in regard to the amount that will be called upon by the department to be spent on improvements.

I shall deal with that aspect pretty fully because there are some factors in regard to it that need a lot more examination than is apparent from the statement that we will spend on a property 2½ times the rental of that property.

What I have been saying up to now would indicate that I am not at all happy about the report in so far as it touches on the Bill. Perhaps my main complaint is perfectly obvious by now. I say that the Bill and the failure of the Government to disregard the basic requirements of what is needed in the State at present are the main factors upon which I develop my complaint; namely, that the measure contains no provision whatever for subdivision. Subdivision would naturally cover the unimproved section of the pastoral properties of the north-west and the unused and undeveloped land; because that is where all the trouble lies at present, and

that is why we are limited in regard to the number of people who are in the north-west.

We talk about populating the north-west and preparing this, that, and the other. As an article in the newspaper this morning says—I do not altogether agree with it—we are developing a lot of the north-west for Japs and other Asians to come in and take at the top end of Australia. I do not think that is quite the position; I do not think we are preparing to improve our country just to hand over the Ord River area and a few other places. In my opinion, any invading people would want something better than simply a fringe of country 1,500 miles from here.

I consider the matter of subdivision should have been the crux of the Bill, because, had that been the case, we could have got to the point of putting a lot of this land into a far better position than it is in today. For quite a number of years the whole of the northern area of the State has been unpopulated, and that has meant very costly lines of communication, so far as development is concerned; and other factors have come into the picture that are frequently detrimental to the best interests even of the people who are there, because of the lack of amenities and other things that people in other parts of the State look upon as a right.

When we speak of subdivision, do not let us have regard for the possibility of subdividing this country on an arbitrary basis. I do not think that is necessary. As a matter of fact I made several trips through the north-west and discussed this matter with various pastoralists because they knew a Bill was in the offing. I had only been in the present Minister's position for a very few months at the time; and some of the pastoralists, even then, were quite nervy in regard to what could be the future of the pastoral industry.

I was questioned on a number of occasions as to what I and the department had in mind for the future welfare of the industry. I made it perfectly clear that in the case of a station that had, say, 150,000 acres lying idle—practically unused or unimproved—there was a very good chance that we would have to come to some arrangement with the owner to allow that country to go back into the land pool and be subdivided, or added to as the case might be, so that others could enjoy the right of being pastoralists beside the favoured few already in the industry.

Most of those with whom I discussed the matter thought that was perfectly fair, and many of them admitted that they did not have the wherewithal to develop the country but were holding it because they

had held it for donkeys' years and naturally would expect some form of compensation. Of course, the compensation would come from the ingoing incumbents.

The point I am making is that the Bill before us does nothing at all towards ironing out the lease position. We are living now as we lived 50 years ago. When the Act was originally before the House progress had not been made in the north-west as we know it today. At that time the north-west was definitely in a pioneering stage, and the Government found it incumbent on itself to do the best it could to induce people to go there. But that is not the position today. It is not a matter of having to induce people to go there; we have evidence of the huge sums of money being paid for properties—properties that in earlier times would have been worth £10,000 or £15,000, but today are selling for £60,000 or £70,000. There is no need for a drive to get people to go there. Irrespective of seasons, and irrespective of the provisions of the Bill, we would have to do something to stop the rush if some of this country were made available to the people.

The Government lost a valuable opportunity when bringing down a Bill of this kind by not making it possible, under a voluntary system, to take back into its possession many thousands of acres of this land which could be profitably used and which would be the means of bringing more people into the area. It is a very poor outlook for the State when a Bill such as this perpetuates the very unrealistic maximum holding of 1,000,000 acres. I think that is shocking, because there is no need at all for such a huge area to be held. As I have said, much of the country that is held under the present conditions is not being used, irrespective of what the report states or what the committee was told.

I feel the Government should have taken some cognisance of the position and altered it materially. If 1,000,000 acres has been held by a family for a number of years and, perhaps, three or four sons are getting a living off different parts of the property, that alters the position considerably. I am speaking mainly of the areas that are held but not developed; and areas which, because of the financial set-up, are not likely to be developed to any great extent unless the Government is prepared to shovel in huge amounts of money.

In many places we find properties of 1,000,000 acres with 12,000 sheep on them. Just fancy—12,000 sheep! Even in the areas known for a long time as marginal areas we can find properties of 7,000 and 8,000 acres with 6,000 sheep on them, but these other people have 1,000,000 acres but are running as few, in some cases, as 12,000 sheep.

Just imagine this Bill perpetuating a condition of that kind; and of course it is doing that in many cases. If this matter had been given the thorough investigation that it should have been, on a Royal Commission basis, those properties that are undeveloped and are carrying only a small number of sheep could have been quite safely subdivided into three or even four stations, instead of remaining as one-million acre properties, and a vastly different result would have been obtained. Not only that, but many people who hold this large amount of land realise that they cannot do anything with it. They know that it is more or less redundant from their point of view and that they have no possible chance of developing it because of the high cost of improvements these days. Yet we are saying to them, "There you are. It is an open cheque—one million acres; you can hold it as long as you like, and need have only the minimum number of sheep."

The Minister says he is providing for that in his Bill. But where is the capital to come from to improve properties of one million acres that are carrying 14,000 or 15,000 sheep? I will increase my previous figure by a few thousand. What kind of money does the Minister visualise will be necessary to stock properties of that kind; to improve properties of that kind? Of course, it is far beyond the financial resources of the people who hold those properties today to improve them. They can never develop the land. The Minister has reserved to himself the right to say, "If they cannot improve the property they will have to get off it." What a fine approach to the problem that is! Fancy the Minister saying that to people who have battled on those properties for years; and who, because the country was easily acquired in the early days, took up large tracts of land, but who, of course, in the years that have passed have been unable to effect any improvements thereon.

Some people would now resent any interference with their properties; but if they had effected any improvements, or carried out any development in a proper way, the Government could now string along with them, because no-one is anxious to interfere with a settler who is developing a property on sound lines.

However, when it is realised that we have a great deal of undeveloped land and it is anticipated that the owners will be permitted to carry on in the same sweet way as in the past, with the exception that from time to time the Minister is going to make a review of the properties of Brown, Smith, and Jones if they have not been able to keep up with their improvements, the future of these properties does not appear to be very bright.

If Brown, Smith, and Jones put up hard-luck stories to the Minister, what can he do? What is more, we would not want to see him taking any drastic action. Nevertheless, the Minister does not have the remedy for the problem concerning the huge area of territory which is held and which, in many instances, is largely undeveloped. I think the committee based its finding on the fact that any subdivision would decrease productivity and might prove uneconomical. Has one ever heard of such a thing!

Mr. Bovell: It has in other States.

Mr. KELLY: Yes; but the circumstances and the acreages have been vastly different to those in Western Australia.

Mr. Bovell: There are large pastoral areas granted in South Australia, and there is a much greater area allowed in the Northern Territory and in Queensland.

Mr. KELLY: A much different position exists on the Nullarbor; but one cannot compare the Nullarbor with the areas of the north-west.

Mr. Bovell: In Western Australia the maximum is a million acres, which does not apply in other States.

Mr. KELLY: And that maximum is far too high.

Mr. Bovell: They have not found that to be the experience in other States.

Mr. KELLY: I believe the thinking on this matter, and the statement that subdivision might become uneconomical, are so much hokey. In my opinion it is negative thinking. We know that the direct opposite has been proved by experience. I feel certain that subdivision would encourage more intensive development, because a great deal more money would be introduced to the industry and an attempt made to develop the land that is held; whereas at present it is impossible for a person who has 1,000,000 acres but who is using only about 250,000 acres, to develop the whole of it. He can effect only partial improvements and obtain a reasonable return from only a proportion of the carrying capacity which the country is able to sustain.

Mr. Bovell: In his report, a former Minister for Lands was quite clear on the position.

Mr. KELLY: I have his report here and the Minister will hear more about that report shortly. With the intensive development of that country, which there would be if it were subdivided, many more sheep would undoubtedly be carried, and the population would increase tremendously. I should say that population is one of our main objectives in that vast area. It would be quite easy to contemplate a possible increase of up to 70 per cent. in the population if this land were subdivided in a manner suitable to the requirements of the country, and on a voluntary basis.

Let me make that point very clear. I do not think there should be any compulsion whatsoever. I think that objective could be achieved if we set about doing something with that land.

Mr. Bovell: But we have resumed land for possible development in the Ord River area.

Mr. KELLY: Fancy comparing the Ord River district with the land of which I am speaking! No comparison whatsoever could be made between the two. I am thinking that not only would the subdivision of this country bring about a much better position, but also it would enable Governments to provide more, and improve existing facilities, such as telephone communication, roads, bridges, and such like. The Government would be justified in spending more money if the population increased in that area, and it could increase if this Bill were designed to attend to the requirements of the State.

The report also deals with the labour position, and points out how difficult it is to obtain labour on stations. This difficulty is brought about because of the conditions that exist in many of those places. For a period of years there has been a lag in the type of accommodation that would encourage an abundance of labour in an area of that kind.

Mr. Bovell: That has improved a great deal today, though.

Mr. KELLY: I agree with the Minister. But over that period the north has enjoyed a very unenviable reputation in regard to the employment of labour. The conditions were such that it was difficult to do very much to improve them on a station employing one or two hands only. Also, in those instances where a station owner is short of finance it is sometimes quite understandable that the best of conditions would be hard to provide. However, I believe that if this land had been divided in a manner in which it was capable of being divided, undoubtedly the labour position would have improved tremendously; because if the conditions were congenial many people who are quite happy to go to the north-west would grasp the opportunity to work on stations.

However, under this Bill the position will remain as it has in the past, when only one or two men could be obtained to work a huge property, when the full carrying capacity could not be reached on account of insufficient labour, and when it was difficult to purchase more stock to achieve full carrying capacity. I think the measure should have been drafted with a view to an attempt being made to examine all pastoral properties over 400,000 acres and with the object of gaining some land here or there, and without detracting from the value of the properties as they are now being held and worked. That could have been done on a voluntary basis,

and agreements could have been reached to the satisfaction of both the Government and the pastoralists themselves.

I think it can be easily claimed that the majority of the leases that are held today were selected about 50 years ago, with some of them being selected as far back as 70 or 80 years ago. By and large, legislation in succeeding years has merely extended the terms of the leases from one period to another, with no provision for correct husbandry. That has not been taken into account, but this Bill certainly does deal with it to some extent.

Mr. Bovell: To a very great extent.

Mr. KELLY: Yes, I agree with the Minister that it does if it could be put into complete effect; if it were policed thoroughly; if there were sufficient advisers made available to those engaged in the industry, and if the Government were prepared to advance a sufficiently large amount of capital to enable these things to be done. Otherwise, it is going to put a burden around the pastoralist's neck when it comes to the question of investing a large amount of capital to bring these properties up to a stage where they have a reasonable carrying capacity, and where the fertility of the land is assured. This will apply particularly to those properties which are substandard so far as improvements are concerned.

I again emphasise that this Bill, in its present form, is almost an entire benefit to the existing pastoralists. It will achieve nothing whatsoever towards bringing land into production; will do nothing towards increasing the carrying capacity of the north-west, and will do nothing towards increasing the population as we have done in the past. Even the provisions to which the pastoralists will have to conform will achieve exactly nothing towards increasing the population. Surely to goodness that must have been a target for the Minister to aim at when preparing a Bill of this kind! Surely he must realise, by making an examination of the position, and just studying the history as enunciated in the report, that one of the greatest drawbacks to north-west progress is lack of population!

If the Minister is going to take out acres of land here and there according to the availability of the land, what can one expect? We must realise that we are sounding the death-knell of the pastoral industry in Western Australia, and not for a period of 19 years by the present extension of the leases, but by an extension now of 50 years, during which the hands of Western Australia will be tied so far as the progress of the north-west is concerned. It cannot be otherwise if we are to maintain the position whereby the stations have an acreage of up to a maximum of 1,000,000 acres. If we are going

to disregard the position, all our efforts to find a solution to the problem will be frustrated.

Mr. Bovell: All the experts, including the former Surveyor-General, have strongly advised against subdivision at this stage.

Mr. KELLY: Those are the Minister's remarks; but we will come to mine in due course. I now come to the question of smaller holdings, and we will see what this report has to say in regard to them. All those members who are farmers, and who hold 1,000 acres will realise what would happen on a smaller holding in similar circumstances.

Mr. Bovell: If your theory were to be put into effect you would subdivide all the agricultural properties in the south-west.

Mr. KELLY: No; I would not. The following is what the report has to say in regard to little farmers holding 25,000 acres and not holding millions of acres—

As far as little areas are concerned, there are many properties in the State which are too small to be economically sound.

Those men have managed to exist over a period of years, reared their families on their properties, and have reached the stage where they can send their children south to be educated. This Bill is going to affect those men. The report continues—

In fact, we have been approached on behalf of several lessees that some means be provided whereby they may have their areas increased.

Naturally, a man at present holding 100,000 or 250,000 acres will want more land if he can get it because it will put him into a better economic position, especially when, by looking over the fence, he can see acres and acres of beautiful country, untouched and undeveloped. But, of course, there are no fences there as yet—or very few; it is only an imaginary boundary line. Naturally he wants more land; but this Bill will not enable him to get any. There is a far more drastic result ahead of him, unless he can do a few of the things he wants to do. From a State point of view, these small units are unsatisfactory says the report. The State is now dictating whether a person shall have a property off which he and his family have lived for a long time. The report goes on—

The Department of Agriculture reports that amalgamation of abandoned units in the Pilbara (individually too small to operate profitably) has been most successful.

It was an entirely different matter, because whole properties had been abandoned. It was not the case of a small landholder being stuck among 1,000,000-acre properties. These were properties operating as full stations. By a better

division of such land, by cutting it up in a more satisfactory manner, by financial help, and by assistance in other ways, some of these properties today are doing well. The report goes on to say—

There are three possible courses of action in connection with these small areas: They are:—

(i) Allow them to remain as they are.

If they are not economic we should not allow them to remain as they are. We have no right to say to the small holder, "You cannot do much good on your property. You should get off. It does not matter if there is plenty of vacant land next to you." That is not the answer. The second possible course of action is—

(ii) When the term of lease expires, refuse renewal and add the land to adjoining stations.

In other words, make the big landholder bigger.

Mr. Bovell: These are only alternatives. This is not what the Bill envisages.

Mr. KELLY: Underlying the provisions of the Bill is the report I am quoting from.

Mr. Bovell: The provision you have referred to is not in the Bill.

Mr. KELLY: I am pointing out what this Bill is based on; it is based on the report I am quoting from. The report continues—

(iii) Enlarge them at the expense of the adjoining large properties where possible.

The Minister has already said that 1,000,000 acres was the maximum that could be held, so who is going to give away his land? We hope they will do so to help those who are struggling. These alternatives are not designed to give relief. It is a matter of swallowing up the small holder. The report states further—

The number of these small units is comparatively very limited and although we would like to see them enlarged this is not practicable except by private negotiation.

The Government, in effect, says to the small holders, "We cannot help you. Let the big landholders do so if they desire. We will not take a hand in this." The Government is apparently prepared to allow the small holder to struggle on, until he becomes thoroughly disheartened and leaves the property, after which the property is given to the big holder.

Mr. Bovell: One cannot win.

Mr. KELLY: The Minister could win if he would put up something practicable, with provision being made for the future, so that the errors of the past could be avoided.

Mr. Bovell: In one breath you say it is intended to resume these units.

Mr. KELLY: That is stated in the report.

Mr. Bovell: It is not the report which has been introduced.

Mr. KELLY: The Minister has introduced the Bill based on this report. I go so far as to say that if the subdivision provision had been included in the Bill, and if properties partially developed were returned to the Crown, the Government would have been in a position to undertake a new subdivision of all the land passed back, and I would not be averse to extending the period of lease. That would have been the right of each pastoralist. If a pastoralist had 300,000 or 400,000 acres he and his adjoining landholders could have gone to the Government to form another station. On that condition I am not opposed to the extension of the lease even beyond the contemplated time. I am not averse to pastoralists holding their land as long as they develop it, but I am averse to the holding of land that is not being developed, irrespective of what is claimed in the report.

There is no urgency in passing the Bill before us. It could be left for another 12 months or two years. After all, the period has still 19 years to run, and these leases are changing hands at present, although they have another 19 years' tenure. How much more improved in value will these properties be when the time comes for extending the leases for another 33 years?

This was what the previous Surveyor-General (Mr. W. V. Fyfe) had to say in connection with the voluntary conversion scheme which the Minister is not in favour of—

The proposal which I submitted for the Voluntary Conversion Scheme, under which pastoral leases could be surrendered, and new leases obtained to provide a fifty year period from the date of conversion, could, if agreed to by the pastoralists and approved by the Government and Parliament, date from 1st January, 1960. The reasons for this proposal are broadly, that the conditions for the new lease can provide for the more effective improvements and use of the land.

Mr. Bovell: You are taking this statement out of context. You should read the report in full.

Mr. KELLY: I am referring to the voluntary conversion scheme. The Minister said the former Surveyor-General had not approved of it; but, in fact, he had.

Mr. Bovell: There is no mention of a voluntary conversion scheme in the Bill.

Mr. KELLY: All the Minister is doing is to extend the evils and ills of the industry for another 33 years. There is no attempt made at all to implement the voluntary conversion scheme. Contrary to

what the Minister said, the previous Surveyor-General did, in fact, mention this matter, and it was foremost in his mind. On every occasion he visited the north he conferred, and discussed this matter, with the people.

Another feature in the Bill which the Minister should consider again, if we are to have something reasonable, concerns the development plan. I do not know the exact wording used, but in essence the Bill provides that pastoral properties must be improved at the rate of  $2\frac{1}{2}$  times the annual rental paid on the property.

Mr. Bovell: Annually?

Mr. KELLY: Yes, annually; and they must carry the correct number of stock, maintain the land in good condition, and spend annually not less than two and a half times the annual rent. Let us look at what this will mean in practice to some of the people, and how little it means in the overall to some of the big holdings.

I wish to quote some information in regard to properties, but I will not mention the names. If the Minister wants to know the names of the properties I am prepared to give the list to him. One particular station in 1955-56 showed a profit of £25,519, and in 1956-57 it showed a net profit of £28,881. It carried 21,000 sheep and its annual rental is £279; and the amount that that property, with its huge profit—and it is a big profit in comparison with many of the other stations—will be called upon to spend—it is a half-million-acre property—will be £697 10s. per year. That would not put down one well or provide two miles of fencing.

Mr. Bovell: You have to take a period of 50 years. You have already stated some of the causes of the problem—the depression and bad seasons. This is the annual expenditure in season and out of season.

Mr. KELLY: But on a property of 1,000,000 acres there would not be ten miles of fencing but hundreds of miles of fencing; there would not be one well but dozens; and every type of improvement would be on a great scale. However, we are asking them to spend that amount.

Mr. Bovell: What is the area of the station?

Mr. KELLY: Just on half a million acres.

Mr. Lewis: You cannot relate the income there to the amount that would have to be spent. Obviously much more would have been spent to get that income.

Mr. KELLY: That is not my point. Some property owners, in their own interests, would spend more than two-and-a-half times the annual rent; but how silly it is to compel them to spend that amount when their income is high. I think the amount which has to be spent annually should be based on income, as there are some station owners who will find it a hardship to even

spend annually the amount that is proposed. For instance, the profit of one property in 1955-56 was £9,086, while the net profit the following year was £14,379. The property was carrying 236 sheep and the rental was three times that of the first property I mentioned—£679 for a smaller property; and on that rental they will be required to spend £1,697. It is utterly ridiculous to base the expenditure in the manner proposed, because rentals over a period of time have been quite diversified.

I can quote another station which has been paying an annual rental of £1,226, and the annual expenditure will be £3,065. Then we come to another and find that in 1955-56 there was a profit of £3,800, while in 1956-57 there was a loss of £1,759. I only obtained the acreage of this property in the last few hours, and it consists of slightly more than 250,000 acres. The annual rental is £231, and an expenditure of £577 10s. will be required.

Mr. Bovell: You should know, as former Minister, that the Pastoral Appraisal Board recommends things of that nature and can give the Minister the right to waive the rent.

Mr. KELLY: Is the Minister doing that?

Mr. Bovell: If it is recommended.

Mr. KELLY: What do we spend then?

Mr. Bovell: You are quoting individual years to suit your own argument.

Mr. KELLY: The scale I have here covers a period of two years and it is the latest I could get. I do not think the Minister could give me one at the present time.

Mr. Bovell: Why don't you ask for it? I have not denied you anything that you have asked for.

Mr. KELLY: At times the Minister has been generous and good to me. Here is the information concerning another property. I have already instanced a station that is paying £1,226 rental which, under this new legislation, will have to spend £3,065. I now refer to a station with more than double the profit. In the first of the two years I mentioned the profit was £48,542, and in the second year £24,865. This property is carrying 28,330 sheep, and paying a rental of £863.

Mr. Bovell: It is probably a fully-developed property, because the carrying capacity indicates that. Therefore, improvements may not be necessary.

Mr. KELLY: No; this particular place has a long line of river frontage which has served it for over half a century. The property was one of those appraised early, and it has done very well.

Mr. Bovell: They have put their profits back into the property and it is well developed.

Mr. KELLY: Another property adjoins this one on its southern boundary, and there are miles and miles of country in

which no person has ever been and which has never been stocked. It is unimproved. Therefore, the Minister cannot get away with it that way. I did not come here with a lot of figures dragged from a sky hook. These figures are authentic; and the proposed method of calculating the amount to be spent will not get the Minister anywhere. As regards the bigger properties, I do not think the provision will be worth the paper it is written on. A few hundreds of pounds going into improvements in vast areas will not mean anything. If people want to progress, they will not be able to keep to this provision.

So far as the people who do not measure up are concerned, the Minister has a weak stick—a blackboy stick—but it would not do any good if he tried to use it. In regard to other matters in the Bill, I think the new policy that will be adopted in connection with soil erosion, and the co-ordinated effort between the Government and pastoralists in connection with vermin, and things of that kind, will be good and should, in time, bring about quite an improvement on present conditions.

As I said earlier, the impost of doing these things will be a heavy financial burden on the majority of owners; and unless the Government is prepared to give a great deal of assistance, particularly in regard to improvements, the stations will not be brought up to anything like modern requirements. In order to restock and overcome the disabilities from which the industry has suffered over a period of time, a lot of finance will have to be provided if the properties are to be placed on a better basis than they are on now. As I have indicated right through, the possibility of increasing the population is nil, and the possibility of creating a few more pastoral properties is nil, because this Bill merely perpetuates all the ills and troubles which have been existent in the industry for many years.

I feel I have indicated fully that the Bill under discussion is not going to do anything beneficial for this industry. It is not going to overcome the many drawbacks under which the industry has laboured for quite a long time. In essence it will preserve the *status quo* in connection with the huge properties already existing, and unless the Government is prepared to place a lot of capital at the disposal of the industry the Bill will do nothing to improve any of these properties to their carrying capacity.

**MR. NORTON** (Gascoyne) [5.51 p.m.] : As the member for Merredin-Yilgarn has stated, this is a very important Bill for the pastoral industry. The report on which it is based, whilst it contains a lot of valuable information, is very hard to follow.

I do not desire in any way to criticise the members of the committee who have presented this report, but I feel that they must either have been given a time limit in which to submit the report, or they were hampered by lack of finance. In other words, there may have been a certain amount of money set aside for them, to be used in the compilation of this report. If that were the case, it considerably hampered their movements and they were not able to do the job which would otherwise have been possible had no restrictions been placed on them. I believe that a Royal Commission would have been preferable because all evidence then would have been given on oath and we would probably have received a far more complete report than that which has been presented.

The committee had to investigate 558 stations in Western Australia and these cover probably five-eighths of the total area of this State. In the Gascoyne electorate, of the 106 stations established, only three were visited. The 106 stations comprise one-fifth of the total number in this State. If we take the same percentage of stations visited throughout other parts of the State, the committee would have visited only 16 stations. The report contains no indication as to which stations or how many were visited; but, taking the same percentage, the committee could only have visited approximately 16.

In my area, the three stations visited were two in the Murchison, which were side by side, and one very nearly in the northern part of the electorate. The two areas visited would be approximately 300 miles apart and throughout that area there are many changes in conditions. The committee could never have obtained a general picture of the industry in that area, by merely visiting three stations. Whilst the present Surveyor-General has probably gone over the area at some time or another—

**Mr. Bovell:** Over and over and over again; and he has spent five weeks with me in the Kimberleys during my term as Minister.

**Mr. NORTON:** I do not doubt it.

**Mr. Bovell:** That was done because Mr. Wise moved for it.

**Mr. NORTON:** Apparently the Minister does not like us saying that this was taken lightly, but I did not say it was taken lightly. However, I do say that proper investigation was not made. The Surveyor-General would be more or less about his own job. He would not be investigating the capabilities of the pastoralists or the pastoral areas.

Evidence was submitted to this committee by 90 people, 60 of whom were pastoralists. The witnesses came from all over Australia, but how those from the Eastern States knew what our pastoral

areas were like is hard to imagine; however, evidence was taken from them and was considered in the compilation of this report.

I think it is a great pity that the committee did not undertake far more on-the-spot investigations because it is these which leave an impression with anyone. It is all very nice to be able to make use of reports from an office but it is not the same as on-the-spot investigations. Incidentally, I notice, from a perusal of the list of those who gave evidence, that in some instances the same person gave evidence on behalf of more than one station. Therefore actually 60 independent pastoralists probably did not give evidence.

On pages 26 and 27 of the report the committee sets out to give the profits or losses made by the stations as a whole. Paragraph 58 reads—

The margins between the running costs and wool returns of the past two years have narrowed very seriously by comparison with the years prior to 1959. In 1961-62 the average margin was less than 10d. per lb. of wool without taking into account livestock losses and certain financial expenses.

The report does not indicate what the financial expenses were. To continue—

This suggests that if 10,000 sheep were run a surplus of £3,750 per year would arise but, in fact, a property which will carry only 10,000 sheep (say 300,000 to 350,000 acres) would be involved in running costs considerably in excess of the average figure.

Just what is meant by that last part I am not quite sure; but let us have a look at what it actually means when investments are considered. An area of 300,000 to 350,000 acres would be required to run 10,000 sheep, according to the report. On page 27 it is indicated that to run 9,000 sheep would require an expense of £96,000 so that a profit of £5,000 would, roughly, only be 5 per cent. on the capital investment. However, this does not include the cost of the purchase of the sheep and if we are going to add to that the cost of the purchase of the sheep we are going to run up the investment to within the vicinity of £120,000 which would reduce the interest on capital investment to less than 4 per cent.

Now, this does not ring true; because if one follows the sales that have taken place—and these have not been commented on at all in the pastoral report; that is, the sales of stations over recent years—within the last 12 months we would realise that if the profit is so low, the stations would not be selling at the prices they are in my electorate, or bordering right on it.

There have been three sales in this area, one of them being a sale at £78,000 for a station of 14,000 sheep. Another with 12,000 sheep sold for £68,000; and another

with 12,000 sheep sold for £74,000. These people do not buy stations for cash. Most of them buy on bills of sale or mortgage, which means that there would be 6 per cent. interest on their money. If these stations are going to show only 3½ per cent. or 4 per cent. on capital investment, how are people going to meet their interest payments, let alone the return on their capital?

This document is misleading, although it was not intended that it should be so. A number of figures are given in appendix F. They show the size of stations, the number of sheep being run, the number of bales of wool produced, the weight of the clips, the cost of various items, and the prices paid for wool sold. If we analyse these figures we will find that we cannot get very far; mainly because we do not know the areas in which these stations are located. That is a tremendous factor when dealing with the matter of returns from stations. In the Murchison or in the Wiluna area, we know what to expect. If the station is in the middle or upper Gascoyne areas we know that it is in stony country. If the stations are in the region of the North West Cape we know that the area is spinifex country. But spinifex country differs considerably, from soft spinifex to old man spinifex, which is useless as feed.

Earlier this session I asked the Minister whether he would indicate the areas in which the respective stations were located. That was to give me some idea of what might be expected in each area. I realise that from this information certain people could have identified the various stations. But the average pastoralist knows how many bales of wool his neighbour shears and how many sheep he runs. He knows the price that his neighbour receives for his wool because the information comes over the air and is reported in the Press. It is not difficult to get down to a working figure for each station if one wishes to do so.

It is a pity that no consideration is given and no reference is made in the report to the various stations which have been sold. Some cognisance of that aspect could have been given in the Bill. The Bill provides for the setting up of a pastoral appraisal board, which is to supersede the board of appraisers. The board of appraisers consisted of the Surveyor-General, the Assistant Surveyor-General, and a pastoralist, Mr. W. E. Butcher. Its primary object was to review and assess rentals on the various stations.

Mr. Bovell: It will have a lot more responsibilities now.

Mr. NORTON: The new board will consist of the Surveyor-General, the Director of Agriculture, and two others, one of whom is to be Mr. W. E. Butcher. But it

does not say in the Bill whether the two other persons are to be pastoralists, or whether one of them shall be an accountant or something else. That should have been defined in the Bill so that members of the House and the pastoralists would know who were to be the members of the board.

As the Minister interjected, the new board will have tremendous responsibilities. In fact, I am wondering how it will cope with its responsibilities. I cannot see how the board will be able to function as one would expect a part-time board to function. It will have to deal with rentals of pastoral properties, and that will not be an easy matter. It will have to deal with plans for improvements, for stocking, and for the issuing of new leases.

The board will each year have to analyse 558 stations. Each pastoralist will have to submit to the board each year a plan for the Minister's approval showing the development which has taken place to date on his station, and the proposed development plans for the ensuing year. The board will also have to examine the stocking rate of each station in the light of the various conditions which apply climatically, such as erosion, and so on. If the board has to do all that, it will have a full-time job. I will deal more fully with the various points a little later.

The Bill, with regard to stocking, says—

After the coming into operation of the Land Act Amendment Act, 1963, a pastoral lease shall not be granted unless the Board is of opinion that the land comprised in the lease will be capable when fully developed of carrying not less than six thousand sheep or not less than one thousand two hundred cattle, or such other respective numbers of sheep or cattle as are at the time application is made for the lease, prescribed by the regulations for the purposes of this subsection; but this subsection does not apply to a new lease applied for under the provisions of section one hundred and fourteen of this Act.

Section 114 simply deals with land which is taken up for the first time.

When introducing the Bill the Minister said that the leaseholders of these small properties—and in my electorate, as far as I know, there are about 10 properties that do not carry more than 6,000 sheep—would not have to forfeit their leases. Yet, from the way the Bill is worded, to get a new lease of their land leaseholders will have to forfeit their present leases; otherwise they can carry on under their present leases to 1982. If they wish to get the extra 33 years they have to surrender their leases and be issued with new ones. Therefore, according to that subclause of the Bill when they apply for new leases they will be ineligible.

The Minister may argue, and he said when he introduced the Bill that this subclause does not refer to any leases now held. But the point is that if leaseholders want new leases they have to surrender their present ones. There is no reason why some of these smaller holdings could not be given land from some of the adjoining properties. In my area there is a man on a small holding who is running well under 6,000 sheep. The property is quite profitable but on the adjoining station the owners are not running any sheep at all on one portion of the property, and, as far as I know, have not done so during the 30 years I have been in the district.

Today that station is running one sheep to 23 acres whereas it is recommended that it should run one sheep to 19 acres. It is a very good station and portion of its land has never been used. In a case like that there is no reason why that big station, which is over 500,000 acres, should not surrender a small portion to the adjoining leaseholder who is on a small property and who is a resident whereas, on that particular station, there are 21 absentee shareholders.

Mr. Burt: Why do you think they are not using that land? They must want to grow wool on it.

Mr. NORTON: I do not know why they are not using it. It is excellent country and other people are running large numbers of sheep on identical country. It is in an artesian belt where water can be obtained for the expenditure of probably £14,000 or £15,000.

Mr. Bovell: But this Bill makes provision for making use of land that is not being used now.

Mr. NORTON: I know that very well, but the point is why should this little chap be crushed out, which is what it amounts to, when the larger station, with nobody but absentee shareholders, is not making an economic use of its land? This Bill should have a provision in it under which, in a case such as this, a certain portion of the larger lease can be made available to the lessee of the smaller property so that he can have a reasonable station. It would certainly not be at the expense of the larger station in this case because the land is not being used. Therefore I cannot see why the Bill is so down on the little man and all for the larger people—the large shareholders.

While the member for Merredin-Yilgarn was speaking I checked on some of the figures which have been given by the Minister over the last few days, and I checked on the stations which are holding over 750,000 acres. It is very interesting to note what is happening on these stations. One property, which is just short of 1,000,000 acres, is running one sheep to every 23 acres, whereas its carrying capacity, as recommended by the committee, is one

sheep to every 16.5 acres. Another station, a little larger and just under 1,000,000 acres, is carrying one sheep to 49 acres, whereas the recommendation is one sheep to 36 acres.

Still another station, which is 1,000 acres larger, is running one sheep to 40 acres, whereas the recommendation is one sheep to 28 acres. Another one, just on 750,000 acres, is running one sheep to 43 acres, and the recommendation is one sheep to 32 acres. Yet another station of 750,000 acres is running one sheep to 94 acres, whereas the recommendation is one sheep to 39 acres. Another station of over 750,000 acres is running one sheep to 72 acres, and the recommendation is one sheep to 25 acres. Yet another property of 750,000 acres is running one sheep to 34 acres, and the recommendation is one sheep to 28 acres.

Members can see from those figures that the leaseholders of the larger properties are not running the correct number of sheep to the number of acres they have. If we analyse the situation in regard to the various properties we will find that the most economic size is between 350,000 and 500,000 acres.

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

Mr. NORTON: Prior to the tea suspension I was pointing out how stations of 750,000 acres and up to 1,000,000 acres usually stock lighter than stations in the 300,000 or 500,000-acre range. Further, those stations which carry less than a minimum of 6,000 sheep should have their pastoral leases increased rather than have land taken from them, as is envisaged in the Bill.

I also believe there should be no provision for the granting of leases up to 1,000,000 acres. These large holdings do not tend towards an increase in population in the north. Usually they are held by large companies; and naturally all the shareholders are absentees and their only interest is an increase in their capital investment. It is quite evident that better husbandry is practised with the smaller and resident lessees than is practised on the larger holdings. Therefore, I am firmly of the opinion that these large areas should be reduced considerably to permit of more pastoral leases being developed.

It is to be regretted that the Bill has not made provision for the registration of all shareholders in pastoral companies. As we have learned from answers to questions asked earlier in the session, practically all shareholders in pastoral companies in the Kimberleys reside outside Western Australia, and even Australia, and no record is kept of their names.

I would point out that a proprietary company can be formed by a syndicate of only three or four people for the purposes of taking up various leaseholdings. Provided they have sufficient money these

people could form a company to acquire 1,000,000 acres of pastoral property; and with sufficient capital behind them, in a short time they could control well over 1,000,000 acres each by forming various proprietary companies.

In view of this position, I consider that the companies which are granted pastoral leases should have their shareholdings registered according to the provisions of the Companies Act in this State. If that were done the names and addresses of shareholders would be recorded and known, and one would be able to ascertain what their objects were.

I now want to deal with that part of the Bill which concerns stocking. When the Bill is passed, the Pastoral Appraisal Board will be empowered to instruct a pastoralist on how many sheep he has to carry on his leasehold. In many ways this is quite a good feature; but the position will be reached when one will have to ask how the Pastoral Appraisal Board is to police such an instruction, and how it will assess the correct number of sheep to be carried on any leasehold for every 1,000 acres. On a property where there is an owner-manager he usually takes care of that problem himself. This can be seen from many of the figures that have been given in this House in answer to questions asked this session. If we analysed those figures given in relation to 10 pastoral leases it would be found that only two are carrying the recognised stock holding. The other eight, it would be found, are carrying considerably less than the required number of stock.

As a matter of fact, if those eight stations were instructed to restock today, it would mean that a total of 82,600 sheep would have to be purchased and taken into the area. That would mean, working on a conservative estimate of £3 10s. per sheep landed at the station, a total expenditure of £330,700.

Mr. Bovell: Are all those stations fully developed?

Mr. NORTON: Yes. They are old pastoral leases, and if the Minister casts his eye down the list he supplied to me today he will see that some of them originally commenced operations in the '80s. Apart from the cost of the sheep, from where would the lessees obtain the stock? At the present time it would not be possible to buy them within the State. I have been very conservative in quoting the figure of £3 10s. per head, because sheep on last week's market were fetching from 56s. to 62s. per head, and that figure does not take into account the cost of transport, which is quite considerable.

The position is then reached when the pastoralist has his stocks up to the maximum number, and if he gets a run of one or two good seasons his stock will increase rapidly. It then follows that the pastoralist has to be instructed to reduce his

stock rate. What is to be the position then? If a good season has been enjoyed in the pastoral areas and also in the south, with an increase in stock taking place, no-one in particular would want much stock. However, the position is that sheep usually realise about 35s. to 40s. per head, gross, out of the district. If the sheep are in reasonable condition, from that amount £1 at least would have to be deducted for freight. However, if they are in poor condition, the chances are the pastoralist will receive a debit note for the consignment of his sheep.

So the pastoralist is faced with the problem of whether he will leave the sheep on the area and take a risk, or cut their throats, or send them to market with every prospect of making a loss. In this respect the Pastoral Appraisal Board will have a very difficult job to perform, because no matter what happens in regard to taking steps to reduce stock in the pastoral areas, a loss will result in most instances.

Unless the State Transport Co-ordination Act can be amended to permit the transport of sheep by road truck to the south, and to permit backloading, which would reduce transport costs by 50 per cent., the problem of reducing stock in pastoral areas will be a hard one for the Appraisal Board to solve, and I am sure will require many hours of its time. Together with the improvements to be made on pastoral leases I do not know how the board is going to be successful in its efforts unless it gives its full-time services. I think that is one aspect which the Minister will have to look at, where the board has the right to order an increase or a decrease in stock. If we considered the amounts some of these people would have to pay to bring their places up to full capacity, we would find them to be very large indeed.

One station, recently bought for £68,000, would now have to spend another £77,000 to bring its stocking rate up to the required standard. Another station, which is a very old one, would have to pay £38,500; another £42,000; another £55,200; and so on. These figures are arrived at by using the amount of £3 10s. per head.

I now want to touch on the question of improvements. This is one of the responsibilities of the Pastoral Appraisal Board. The Bill sets out very clearly what is required. It says in effect that each pastoral lessee shall supply to the Minister, each year, a map showing his improvements—on his lease—and the improvements he has to undertake during the coming year. Those are the improvements which would be required on the basis of two-and-a-half times the rental of the station. That is quite a good idea.

Mr. Bovell: I suggest you look at page 11, subclause (3).

Mr. NORTON: The question is, however: How will this be policed? It is very easy to send down a map to the Pastoral Appraisal Board showing the improvements, and the proposed improvements, and next year showing further improvements, and further proposed improvements, and so on; but unless the station is inspected—and here I might say I do not cast any aspersions on the lessees—how will it be proved that the improvements have been carried out?

There is a further provision that no further improvements shall be carried out without the sanction of the Minister. Let us consider that a pastoralist this year decides to put down two wells in a particular paddock by way of improvements. He goes ahead, and then finds that in another paddock one of his wells has cut out, which means that it is necessary for him to put down a fresh well. Before he can do that, must he wait for the Minister's approval; must he get the Minister's sanction before he can sink that other well? He should not have to obtain the Minister's approval, because he is carrying out more improvements than were required of him.

According to the Bill, however, it is necessary for him to first get the Minister's approval. Again, the pastoralist might find it necessary to subdivide a paddock, but before he can do so he must obtain the approval of the Minister. When a man is willing to develop his station to that extent, why should he have to approach the Minister every time for his approval? If he were seeking to reduce his improvements one could understand it, but that is not the position. He must obtain permission to put down anything extra; and over and above the improvements included in his plan.

I might add, however, that there is no penalty in this improvement clause, though there is in the stocking clause. So actually the clause has no power or strength whatever. It is very nice to know what is going on; but what is the use of legislation if there are no teeth in it? It is one of those clauses which the Minister should look at to see if it cannot be improved. We should take out the provision which prevents a man from carrying out extra improvements without first seeking the Minister's approval.

This question of approval has long been required in relation to soil conservation. Here again it is a question of policing. It certainly says in the legislation that the Minister, or the board, may direct one to take his sheep off the eroded areas, and that he will not be charged rent while the sheep are off those areas. But if we are to get those areas into production as quickly as possible, and in the correct manner, there must be someone to supervise the work; to help the pastoralist in that direction.

At this stage I would point out that in the Gascoyne area there are no agricultural advisers at all. There is not one agricultural adviser in the 67,000 square miles I represent. There are 11 agricultural advisers in the north-west, but as far as I can ascertain they are all in the Kimberley, and probably at the Ord River. Surely these people can be dispersed throughout the area. Surely the technicians could take over the plans! After all, it is the agricultural advisers who set down the plans for the technicians to carry out.

There are many pastoralists in my district who are willing to undertake soil conservation and rejuvenation in their areas, yet it is practically impossible to get anyone from the Department of Agriculture to go out and advise them, particularly in relation to contour improvements.

The **SPEAKER** (Mr. Hearman): The honourable member has another five minutes.

Mr. **NORTON**: Thank you, Mr. Speaker. If these people are to be forced—and they should be—to rejuvenate their areas, then they should have advice available to them within a reasonable time. The advice should be given by a qualified person.

We have had some very good men in the north-west, but we have lost some of them because of the conditions that exist in that area. The technicians are specialists, and as such they should have a special award. This would help us keep them in those areas. We need not give them extra salaries, but the conditions could be improved in many ways to encourage them to stay.

Vermin is another matter which is going to be very hard to police. Vermin inspectors are few and far between. In one of my shires we have not even a vermin control board, so I do not know how this provision will operate. I do wish to bring to the notice of the House, however, that probably one of the greatest pests in the Gascoyne electorate—and I daresay in other electorates—is the kangaroo. He is a very mobile animal, and moves quickly from place to place. I think it is generally known that kangaroos eat more than sheep do.

On a station 125 miles from Carnarvon there have been two kangaroo shooters with a freezer truck. They have been there for twelve months shooting kangaroos for pet meat. I have not the figures with me; but it will give the House some idea how bad the kangaroos have been, and still are, when I say these kangaroo shooters will not shoot in any area unless they can get 60 to 80 kangaroos a night. Once the bag drops below 60 kangaroos they move on. They have been shooting between 60 and 80 kangaroos a night for a period of over nine months. Everything

possible has been done to keep the kangaroo shooters there, yet the number of kangaroos does not seem to decrease. This is one of the worst pests in the area.

Another pest is the goat, of which people do not seem to take much notice. Usually goats are hard to get at, because they live in rugged country. The dingo is going closer and closer to the coastal areas. In this area very few doggers operate. Native doggers seem to have lost the art, and the white men engaged in that occupation are growing fewer in number, because the job is a lonely and uncongenial one, although with many dogs about it may provide a lucrative living.

The Minister should postpone the Bill for 12 months to enable the pastoral community to have a look at it and find out what they are up against. They have had very little time, individually, to study it closely. I know the younger generation are not very pleased with the restriction of a minimum of 6,000 sheep, because such a restriction does not enable them to make a satisfactory start. In my area there are at least three sets of young pastoralists who, for the past three or four years, have been developing their properties, while at the same time they went out to work to earn money to carry out their development.

**MR. BURT** (Murchison) [7.53 p.m.]: The pastoral industry has been described by the Minister as being an all-important factor in the economy of Western Australia. It certainly has had a tremendous effect on industry generally in the more remote areas of this State; but as an industry it has had a most varied career, and has experienced, during its lifetime in Western Australia of approximately 100 years, periods of great prosperity as well as periods of serious depression. It has experienced seasons of plenty, and seasons of very severe drought.

When we consider the future of the pastoral industry we should realise that the whole outlook can change completely in a matter of months; from a good season with high prices, the industry can, within a short period, face drought conditions, damage from cyclones and floods, and sudden falls in the price of wool. In the same way, the reverse sometimes occurs; and from a period of fairly poor rainfall the season may change suddenly, and great beneficial effect on the industry can follow from the improved season, while at the same time the price of wool may improve. This year is a case in point.

In my view the most important provision in this Bill is that which seeks to extend the tenure of leases for a further 50 years. When we look at the future of the industry, we must take into account how the wool and pastoral industry in Western Australia fared from the commencement of, say, World War I. First of all, let us see what the position was in respect of droughts.

From 1912 to 1914 there was a very severe drought in the Kimberley, Gascoyne, and Portescue. On one station alone the 30,000 sheep were reduced to 1,100. Between 1918 and 1921 the Murchison suffered a severe drought; and in 1924 all the country from the Gascoyne northwards was affected. Between 1935 and 1942 the most serious drought ever occurred throughout the whole of Western Australia. It was so severe that at one stage it appeared very few pastoralists would be able to survive. In 1944 the De Grey, Portescue, and Gascoyne districts were again affected by drought, and in 1946 the Murchison district suffered in this way. Between 1946 and 1951 the Gascoyne had very little rain, and similarly the Murchison district experienced a drought period from 1949 to 1954; and so it goes on.

After World War I prices rose considerably and were maintained at a high level practically throughout the 1920s. Prosperity was then the order of the day throughout the industry. Then came the depression, followed by the very serious drought in the 1930s when a great number of stock died, when the price of wool fell below 10d. a lb., and when the whole industry faced extinction.

Pastoralists were then too poor to purchase feed, and they had to resort to cutting valuable mulga scrub to keep what sheep remained alive. Conditions were so bad that the number of stations in this State which succeeded in keeping on the right side of the financial ledger by the end of the 1930s could be counted on the fingers of one hand. At that time most pastoralists owed money to banks and stock firms. They barely existed on their properties, and had to obtain permission to come to Perth and to send their children to school. In fact, they were tied down completely, because of the tremendous liability on their properties.

It is not often one can say that any good comes from a world war; but had it not been for World War II, most of the pastoral properties in the north-west would have ceased to exist. As it was, the Commonwealth Government took over the marketing of wool, and the war brought about a very short supply of wool. Gradually, with the end of hostilities, the stockpile of wool had to be built up. In 1951 we had the amazing experience of wool reaching £1 per pound weight, which was a price completely unprecedented. From that day an inflationary spiral was set forth in Australia, and it existed practically throughout the 1950s up to the present time. That was probably the major cause of the credit squeeze which was imposed three years ago.

Throughout the period droughts still persisted, and with the increased development of the stations the vermin also increased. Some members may think that the pastoral industry is one of milk and

honey and flowing wealth, so it is interesting to point out that a number of stations did not pay a dividend of any sort for about 18 years during the 1930 to 1948 era. When the return is measured in terms of an annual dividend, the figure of 3 per cent. given by the pastoral committee is not erroneous, as the member for Merredin-Yilgarn would have us believe.

The member for Gascoyne referred to vermin a few minutes ago. I do not think too much can be said about the serious effect of the kangaroo on the pastoral industry, because this pest breeds far quicker than sheep. Kangaroos move hundreds of miles within a very short time, and their capacity for feed seems to be greater than that of sheep. However, great inroads are being made into the kangaroo population by various ways and means.

In the Pilbara the Government has inaugurated a scheme of wholesale poisoning, and I believe that is having the desired effect. Mobile freezer units are being established throughout the pastoral areas, and kangaroo shooters are liberally rewarded for supplying carcasses to the freezers. In the main these are being sold in the metropolitan area and elsewhere for pet meat. However, it is interesting to note that a shipment of five tons of kangaroo meat left today for South Africa, where it is to be known as kangaroo venison. It is going there for human consumption; and it is to be hoped that an industry of exporting kangaroo meat will be established as this will have a beneficial effect on the pastoral industry. Also, I think kangaroo skins are in great demand now. However, the effect of the kangaroos as vermin still does play an important part in making them a hazard for the pastoral industry.

We must not forget the serious effect of dingoes. For some unknown reason the Department of Agriculture decided some years ago to abandon its maintenance of the rabbit-proof fence in the pastoral areas and this has had a serious effect on the pastoral industry, inasmuch as numerous dingoes are now traversing that country from the Nullarbor Plain westwards and are creating havoc throughout the sheep population in the Murchison and lower Gascoyne areas. Great efforts are now being made to combat the dingo; but in many cases the damage has been done.

I would say that, by and large, since the war has ended the pastoral industry has not deteriorated. Maybe there are cases of indifferent management in the industry; but that, of course, applies to all walks of life. I must stress here the great difficulty there is in obtaining suitable station labour today. It is not only a case of lack of accommodation. I think if palaces were provided for station hands they would not increase in number. There is too much money in the cities these days; and men who once flocked to the bush to

earn a living will not leave the cities. As a consequence, the pastoral industry is denuded of suitable labour. Good stockmen could be found everywhere 30 years ago, but they are practically non-existent today; and station labour is completely dependent upon natives who, in most cases, however, have proved themselves to be very excellent stockmen.

Also, the future of wool is ever in doubt. We have read a great deal lately about the pros and cons of wool promotion. Wool promotion is necessary only because of the fear of the impact of synthetics—man-made fibres; and who is to know what scientific achievement could occur which might mean that wool is no longer wanted at all? I do not think that will happen; but it will be one of the most tragic blows ever dealt to Australia should it come about. However, there is always that fear; and it is the reason for great emphasis being placed on wool promotion throughout Australia today. This must be taken into account when considering the future of the pastoralists.

I cannot agree with the statements of the member for Merredin-Yilgarn regarding the subdivision of pastoral leases. I am not able to speak with any knowledge of the Kimberleys, but I can do so in regard to the Murchison and the eastern goldfields and, I think, to a great extent with regard to the Gascoyne. There are few properties that would stand any subdividing. There are large areas of land that are not improved, but that is because there is either no water or this type of country will not grow any feed.

Water, of course, is the life-blood—to mix my metaphors—of the back country and of the pastoral industry; and it is a blessing to know that the Mines Department is making available the use of hydrologists to the pastoral industry to give expert advice on the search for water. If water is found—that is, fresh water, of course—there will be a very different picture in a lot of the areas which are now understocked; and it will be a wonderful thing for the pastoral industry.

I cannot see that any pastoralist would neglect or fail to stock his land if he felt he could turn it into economic use. By subdividing properties, one deteriorates the country in many ways; and here I must quote the report of the Pastoral Leases Committee, which gave several reasons why it thought subdividing would not be very profitable. These are as follows:—

Increased capital expenditure per head of carrying capacity, with no corresponding increase in net profit.

That is very obvious. Continuing—

Due to the vagaries of the climate in Western Australia and the irregular rainfall it frequently happens that

one area gets sufficient good falls to ensure a reasonable season and yet another, perhaps only 20 or 30 miles away is having a drought. A large property has a much better chance of getting good rains on a portion of it than has a small one, and therefore, has a better chance of survival.

It then goes on to say—

Every year is a drought year (there are long periods without rain), and reserve country is needed.

The owner of a small property tends to overstock in order to pay his way, especially when times are bad.

Mr. Norton: What would you class as a small property?

Mr. BURT: I would class as the smallest property one of 150,000 acres because my opinion is that throughout the length and breadth of the pastoral areas, taking the good seasons with the bad, one cannot run more than one sheep to 50 acres. So 150,000 acres, come good and come bad years, will only allow one to average 3,000 sheep—and that is a small property.

Mr. Norton: Would that be enough to make a living?

Mr. BURT: One man might make a living; but 3,000 sheep averaging, say, 30 bales to 1,000 sheep, would produce only 90 bales per year, and that is not a very profitable clip.

Mr. Norton: That is different from the committee's report.

Mr. BURT: I am speaking from my own experience. I do not know to which portion of the report the honourable member is referring when he says that; but I feel it is very necessary to weigh all the factors over a great number of years before we can give any general opinion on the future success or failure of an industry such as this.

Mr. Norton: I was referring to page 73, reference 126.

Mr. BURT: Admittedly, at the present time, properties are changing hands for very large sums of money. Why, I do not know, because I know of companies with numbers of shareholders, and these companies are today fighting very hard to return a decent dividend to those shareholders. At times, when a family takes on a property—when it is purchased for the use of a son, his wife, and family—they can certainly make a go of it at the price being paid at present; but to say that a station will return year in and year out a profit greater than, perhaps, 4 per cent. is not altogether correct.

We all know that from a seasonal point of view, this year has been the most prosperous one in this State in the memory of man. It has been a tremendous season. It rained, and rained; and at the right times, which is most important. However,

it is bringing its share of worries. There are some amazing things happening now that I do not think have ever been anticipated. For instance, the grass seed menace has never occurred before. I know that one station in the Gascoyne—I am not going to mention its name—hoped to shear 30,000 sheep. But up to date 15,000 have been shorn, and no more can be found. The reason mainly is the grass seeds which form a collar a foot in diameter on the sheep's legs and this simply immobilises them and they die.

As is usual in a good season, the blowflies are very bad and have caused tremendous sheep losses. Another problem of which I have heard but which I find hard to believe is that some sheep are too fat to move. In other words, one is unable to muster them because of the effect this tremendous season has had on them.

These are a few of the hazards which can be encountered; and although no-one wants to experience drought conditions, the problems and worries associated with an exceptionally good season are not very different from those experienced in a drought year.

The report generally is a very thorough one, and I believe the committee which has been responsible for it is to be congratulated. It has placed special emphasis on soil conservation and vermin control—two important things. Soil erosion is something which worries most pastoralists these days, and the Department of Agriculture has been very valuable in its advice to pastoralists on contour ploughing, deferred grazing, and pasture control.

Encouragement to develop leases is all-important, and I sincerely trust it will be carried out to the letter as provided in the Bill. I know that permission to agist stock must be obtained from the Minister. I would like to emphasise how important it is that should a pastoralist decide to agist portion of his stock, the requisite permission should not be strangled or held up by any red-tape delay. After all, an owner will hang on to his flock as long as is possible, hoping for rain until the last moment. But when he realises he will have to send them away or lose them, he wants to be advised as quickly as possible that he can do so legally.

There is another provision in the Bill which I wish to criticise. I know that improvements which are to be allowed towards reduction in, or cancellation of, rent do not include the improvements to homesteads or buildings. Most of the homesteads are in a pretty good state, and although I said a little while ago that it is well nigh impossible to do so, if we are to encourage employees on to a station, the very best accommodation must be provided. For this reason I feel that were this factor to be allowed in the improvements, greater interest would be taken in accommodation provided for employees.

In conclusion, I consider this Bill can have nothing but a beneficial effect on the industry. It will give the young pastoralists the confidence and the knowledge that they will be able to go ahead and improve their leases for many years to come; and this will, I think, encourage them to put the utmost effort into their work. I support the Bill.

**MR. BOVELL** (Vasse—Minister for Lands) [8.14 p.m.]: I desire to thank the member for Merredin-Yilgarn, the member for Gascoyne, and the member for Murchison for their contributions to this debate. Undoubtedly the pastoral industry is one of the oldest industries, and was established at great personal effort and enterprise on the part of the pioneers of this State. It is today one of the most important factors in the State's economy.

It is not possible to make radical changes in this industry, but I believe this Bill will be responsible for improving the productivity of the pastoral areas and will bring to the north—despite the pessimism of the member for Merredin-Yilgarn—an increase in population.

The pastoral area covers the greater portion of the State; and it is being planned at present, particularly to the north and south of Kalgoorlie, to provide an area for further pastoral pursuits.

The member for Merredin-Yilgarn suggested that a Royal Commission should have been appointed. But although Mr. Wise, in moving that a committee be appointed, suggested that it be clothed with the powers of a Royal Commission, the Government decided that this committee should be appointed to function as it did. We want to look at the personnel of this committee. The Surveyor-General (Mr. Camm) has had a lifelong knowledge of the State in a departmental way and a practical way, not only in his sphere of activity with the department, but also as the son of a former Surveyor-General. His environment during his whole lifetime has been one of development on a State-wide basis.

The period of 50 years was criticised to a degree by the member for Merredin-Yilgarn; but here again it is vital that a period of years be provided in order that the pastoral industry might look to the future with the knowledge that the conditions will not be disturbed. It has been the custom in the past to provide a 50-year period for pastoral pursuits. This Bill provides that 20 years before the expiration of the period—that is, in 1915—the Government of the day must consider the future of the industry.

Reference has been made to carrying capacity, and I think this Bill will give the Pastoral Appraisement Board—formerly known as the Board of Appraisers

—more authority in relation to the carrying capacity and conditions of development.

Reference was made by both the member for Merredin-Yilgarn and the member for Gascoyne to subdivision of properties. I believe that at this juncture it would be detrimental to the State's best interests to embark on a scheme which would mean that existing properties would be subdivided. The Bill does provide for resumption for purposes which the Governor-in-Council may consider at the time, and therefore any future development is safeguarded because the Governor-in-Council will have the power to review the position from the angle of the State's best interests.

The conditions of development concerning expenditure were criticised by the member for Merredin-Yilgarn. The amount of two-and-a-half times the annual rent is the minimum. By way of interjection I pointed out that over the years—and the member for Murchison emphasised this point—there are many hazards which have to be overcome by pastoralists. Whatever the hazards, the minimum amount must be expended unless the Pastoral Appraisement Board recommends to the Minister that, because of circumstances beyond the control of a pastoralist, he is unable to meet his commitments.

The member for Murchison referred to the fact that the value of improvements did not include homesteads. That is a very good provision, because a pastoralist could take up a lease and for some reason or other spend the whole of the money required on improvement conditions on a homestead, and the productivity of the pastoral lease would not be enhanced in any way.

Mr. Norton: I hope that does not include the men's quarters.

Mr. BOVELL: That is so. So far as the men's quarters are concerned, whilst I would not be definite on the matter, I should imagine that the homestead clause would not incorporate all the buildings which are being used for the increased productivity of the lease.

The member for Gascoyne referred to the board of appraisers and the provision in the Bill which alters the name to the Pastoral Appraisement Board. The board of appraisers consists at the present time of the Surveyor-General, as chairman, and two members. The Deputy Surveyor-General is one member and the other member is Mr. Butcher, who is a pastoralist; and I think it is reasonable that a pastoralist should be on the board. His appointment is made by the Governor-in-Executive-Council.

Mr. Norton: This Bill also provides for that.

Mr. BOVELL: The new Bill provides for the appointment of the Surveyor-General, the Director of Agriculture, and two members to be appointed by the Governor. So far as I am concerned, and while I remain the Minister, the Deputy Surveyor-General will remain a member of the board. Because of circumstances, the Surveyor-General may be absent, and he is the key figure in the pastoral industry so far as the Department of Lands and Surveys is concerned. As Minister I would recommend to the Governor that the Deputy Surveyor-General remain a member of the Pastoral Appraisement Board. I would also recommend that a pastoralist be a member of the board. I am making quite clear my thoughts and intentions regarding appointments to the Pastoral Appraisement Board. Who the pastoralist might be I am not in a position to say at the moment; but I believe that the Deputy Surveyor-General should be a member, although that is not provided for in the Bill.

Mr. Norton: He could be one of the two others.

Mr. BOVELL: He could be; but I am telling the honourable member what I propose to do as Minister. The Deputy Surveyor-General will certainly remain as a member of the board. Whether the pastoralist will be Mr. Butcher or some other pastoralist, I am not prepared to say.

Mr. Norton: The Bill appoints Mr. Butcher.

Mr. BOVELL: The member for Gascoyne referred to certain provisions in the Bill that are not enforceable. The nineteenth schedule to the Act deals with pastoral leases. It reads as follows:—

or in case of the breach by the Lessee of any condition on which, in accordance with the said Act, this lease is granted; or if the Lessee assigns or underlets the demised premises or any part thereof without Our said Minister's approval, in writing, as required by the said Act first obtained; then these presents shall become void, and the term hereby granted shall be absolutely and indefeasibly forfeited,

Therefore, if any provisions in the Act relating to a pastoral lease are not carried out, the lease is subject to forfeiture. There is no doubt about that.

The members for Gascoyne and Pilbara requested earlier in the session that the Government delay the passage of this Bill for a further 12 months. It is not the Government's intention to delay the passage of this measure. In 1958, when the previous Government was in office, the Minister of the day called for a report. It would appear from the records that the then Government considered the matter needed urgent attention. On the 22nd December, 1958, the then Minister for

Lands (the present member for Merredin-Yilgarn) addressed a minute to the then Premier in Cabinet advising him of certain submissions which the then Surveyor-General, Mr. W. V. Fyfe, had made in regard to the extension of pastoral leases. On the 13th January, 1959, a minute addressed to Mr. Tonkin stated that Cabinet agreed to set up a Cabinet subcommittee consisting of The Hon. J. T. Tonkin, M.L.A., The Hon. H. C. Strickland, M.L.C., The Hon. L. F. Kelly, M.L.A., and The Hon. F. J. S. Wise, M.L.C., to investigate proposals on the file for the voluntary conversion of north-west pastoral leases. It was signed by the then Premier.

The general election intervened and a minute dated the 23rd March, 1959, was sent to the then Minister for Lands. It was signed by Mr. J. T. Tonkin, the then Minister for Works, and stated that it had not been possible to hold a meeting of the Cabinet subcommittee and that a decision should not be made. The papers were returned.

In April, 1959, the matter was considered by the present Government—and rightly so—and the Minister for the North-West, the Minister for Agriculture, and I were appointed to a Cabinet subcommittee. We considered the submissions made by Mr. Fyfe. He recommended development of 100,000 acres at a time. Mr. Fyfe's recommendations were more brief and did not go into as much detail as the submissions in the latest committee's report.

The Minister for the North-West, the Minister for Agriculture, and I considered this matter after many conferences and meetings had been held and after several visits to the north-west. I went to the Kimberleys with the Under-Secretary for Lands, the Surveyor-General, and the Deputy Surveyor-General. We made a comprehensive tour of the Kimberleys lasting about five weeks.

With the exception of Mr. Wise, who is a member for the North Province, I would say that very few Ministers for Lands have spent so much time in a detailed inspection of the Kimberleys as did I when I visited the area with the officers to whom I have referred.

With the Minister for the North-West I visited the Pilbara and the Gascoyne areas in the early stages when we were considering this measure, which had been submitted to the previous Government. I then went to Queensland; and, through the courtesy of the Queensland Government, I was able to tour Queensland and the pastoral areas in a time of extreme drought, as was the case in Western Australia, particularly the Murchison and Pilbara areas, up to 18 months or so ago.

I was most concerned to see the problem which confronted the Queensland Government and the pastoralists in Queensland when I was there. An announcement was made in the Press; and on my return in

1961 Mr. Wise advised me, on the day that Parliament opened, that he intended to move a motion in the House regarding pastoral leases. He was not obliged to inform me and I thanked him for his courtesy in doing so.

The motion was moved and carried in the Legislative Council and was then submitted to the Government. The Government was under no obligation to form the committee asked for, of course; but it agreed, although we had reached the stage where probably, in 1961, we would have been ready to introduce legislation. This was two years ago, so I do not think any further delay regarding consideration of this Bill is warranted.

This is a voluntary conversion proposal. Those pastoralists who wish to continue under the existing conditions can do so until 1982 and then their leases become forfeitable. They have up to the 31st December, 1964, to apply for a renewal of their leases under the new conditions.

The leases provided for in this legislation are new leases and include many improved conditions, conditions which lessees will be required to fulfil. It was not a recommendation of the committee, but Cabinet stipulated that on the passing of this measure the Director of Agriculture would become a member of the Pastoral Appraisal Board to ensure that the provisions of the various Acts relating to soil erosion, vermin, and so on, were carried out. It will be necessary to have regular inspections.

The member for Gascoyne mentioned the question of ascertaining whether the conditions and improvements were being carried out. The reason for requiring pastoralists to send in each year a statement of their proposed improvements is to ensure that the Pastoral Appraisal Board can advise the Minister that the development is proceeding in accordance with what is considered to be in the best interests of the State.

I believe it will not be possible to carry on with the present staff; and arrangements will have to be made for additional experienced officers, both in the Surveyor-General's Department and the Lands Department, to be appointed to ensure that the provisions of the new legislation are carried out.

Mr. Norton: It should be the Department of Agriculture and not the Lands Department.

Mr. BOVELL: Not necessarily. The Land Act provides that the Lands Department shall carry out the supervision and control of the pastoral industry. However, the Director of Agriculture, when the Bill is passed, will be a member of the Pastoral Appraisal Board; and there will be liaison between the Department of Agriculture, the Lands Department, and the Surveyor-General's Department; and

I am sure the outcome will be of benefit to the State and the pastoral industry generally.

The matter of subdivision and areas was discussed at length by both the member for Merredin-Yilgarn and the member for Gascoyne. In New South Wales the term of a pastoral lease is "in perpetuity"; and as regards area limitations the provision reads—

A home maintenance area as defined, i.e. "An area which when used for the purpose for which it is reasonably fitted, would be sufficient for the maintenance in average seasons and circumstances of an average family."

In Queensland the term is "Not to exceed 30 years" for any pastoral holding and "Not to exceed 50 years" for any pastoral development holding. The maximum area is not fixed in Queensland.

In South Australia the term provision reads—

Land not situated south or east of the River Murray—42 years.

As regards area limitations, there is no limitation on size. In Tasmania, pastoral leases as we know them are almost non-existent and therefore the provisions do not apply. As regards the Northern Territory the term is "as determined. Not exceeding 50 years." That is in regard to a pastoral lease under section 37 of the Crown Lands Ordinance. As regards a pastoral homestead lease, under section 59A of the Crown Lands Ordinance the term is "perpetual." The area limitation in the Northern Territory is a maximum of 3,200,000 acres which is over three times the maximum in Western Australia, and in regard to a pastoral homestead lease it reads "Economic area as defined."

So, in fact, by comparison with Queensland, South Australia, and the Northern Territory, our area conditions are in my opinion reasonable. I think I have covered most of the points raised and I commend the Bill to the House.

**Question put and passed.**

**Bill read a second time.**

### *In Committee*

The Deputy Chairman of Committees (Mr. Crommelin) in the Chair; Mr. Bovell (Minister for Lands) in charge of the Bill.

**Clauses 1 to 6 put and passed.**

**Clause 7: Section 98 amended—**

Mr. NORTON: I take it this is the clause under which Mr. W. E. Butcher will be appointed as a member of the board. Could the Minister advise me as to this?

Mr. BOVELL: As far as I know, the intention of the provision is that the members of the board will continue in office, but not necessarily the same personnel. This provision does not name Mr. Butcher. The Governor has the right to appoint a

member, and I suppose it would follow that he can terminate his appointment.

**Clause put and passed.**

**Clauses 8 to 14 put and passed.**

**Clause 15: Section 102 amended—**

Mr. NORTON: This clause proposes to add a new subsection to section 102 of the Act to provide that no improvements can be effected except in accordance with the plan of improvements approved by the Minister. Why should a pastoralist be prohibited from effecting any improvements in addition to those set out in the plan each year?

Mr. BOVELL: On a quick assessment of the position, I would assume that the pastoral lease is being developed under certain conditions, and if the pastoralist does not conform with the plan of improvements submitted each year, and desires to effect additional improvements, he should advise the Pastoral Appraisal Board. The department wants a record of the development of pastoral leases in order to provide continuity in the programme of development. If the pastoralist is going to effect improvements in addition to those set out in the plan, that continuity would be broken.

Mr. NORTON: I can understand the department wanting to know what is going on in regard to improvements. The position is that the pastoralist shall submit a plan of improvements each year. Therefore, if he carries out improvements in addition to the ones set out in the plan, they could be included in his plan for the next year. He may have a well that has salted up or dried up, and he is forced to sink another well to save his sheep. In the circumstances, he would not have sufficient time to advise the Minister of his intentions, but under this provision he is obliged to obtain the permission of the Minister to sink a well. I cannot see why any pastoralist who desires to effect additional improvements should be prevented from doing so by a provision such as this.

Mr. BOVELL: In the circumstances, I do not think any reasonable board or Minister would object to such improvements being carried out. However, this condition is imposed so the department can be fully informed of the developments that take place. In the past development has been haphazard and no record has been kept. If an emergency arose and the stock of a pastoralist was in jeopardy, I am sure no reasonable board or Minister would object to his providing essentials for the maintenance of his stock or plant. The general pattern will be to advise the department how each individual station—which in the future will be comprised in one lease—is being developed. Previously there were 1,700 leases approximately, and about 558 stations. It is proposed that all leases for one station will be amalgamated

so that the board, the Minister, and the Government of the day will be aware of the progress being made with developments, and will know that they are being made in a manner which meets with the approval of the Government for the benefit of the State.

Clause put and passed.

Clauses 16 to 25 put and passed.

Title put and passed.

#### *Report*

Bill reported, without amendment, and the report adopted.

### **BETTING CONTROL ACT AMENDMENT BILL**

#### *Second Reading*

Debate resumed, from the 24th September, on the following motion by Mr. Craig (Minister for Police):—

That the Bill be now read a second time.

**MR. TONKIN** (Melville—Deputy Leader of the Opposition) [8.52 p.m.]: When the Minister moved the second reading of this Bill he very early made clear what its purpose was. He said, "The purpose of this Bill is to once again fix starting-price limits for licensed off-course bookmakers." I had to sit up and ask myself if I was hearing properly, because one of the arguments used by the supporters of the proposal to establish totalisator agency boards, and also one used very extensively by the Press in this State, was that licensed bookmakers had limits, and therefore the punters were deprived of the full result of their having supported a winning horse.

The totalisator was to be one of the benefits which the punters would derive from the new order, inasmuch as they were not to be limited in their dividends. Now we have a proposition where the punters in the city will get the dividends to which they are entitled without limit, but the punters in the country will be subject to a limit.

**Mr. Craig:** Not all the country.

**Mr. TONKIN:** Where there is no T.A.B. agency. This is betting with licensed bookmakers.

**Mr. Craig:** You said the country; it is only portion of the country that will be affected.

**Mr. TONKIN:** Most of it will be, because there are not too many agencies in the country yet.

**Mr. Craig:** There are 47.

**Mr. TONKIN:** That makes the proposition even worse. We are to impose a burden upon punters in the area where there is no T.A.B. agency, in order to meet the requirements of the Totalisator Agency Board.

The reason given by the Minister is that the new method of paying dividends has exposed the licensed bookmakers to increased risks. The other reason is that the board is finding it difficult to get licensed bookmakers to operate in some of these remote areas. To help the board, and to help the licensed off-course bookmakers, the Minister proposes to place a burden upon the punters. One has to look pretty hard to find justification for that. Why, in order to meet the requirements of the licensed off-course bookmakers and the T.A.B., should the punter, who very occasionally has the good fortune to support a long-priced winner, be deprived of portion of the dividend to which he is entitled, and which punters elsewhere will obtain?

That is a most remarkable proposal coming from where it does. Firstly, there is an obligation on the board to put agencies in, rather than call upon the punters to subsidise licensed off-course bookmakers. The next point is that if it will not pay the board to put an agency in, then it should carry the cost involved to the bookmaker, rather than expect the off-course punter to do it.

I suggest that in most places—and this would apply to most of them—where an agency has not been established, it will be possible for the bookmaker, if he does not want to run the risk of having to pay out big dividends, to give this class of business to the T.A.B. So, where he is within telephone communication, all he need do is collate all this betting on the long shots, as they are termed, and hand them to the T.A.B., after which he has no risk.

We are told by the Minister that this is a business he is reluctant to take, and there are instances now where the bookmaker is turning that business away. Instead of turning it away, let him take it and give it to the T.A.B. There would be difficulty with regard to a place like Witte-noom Gorge, where there is no telephone communication.

**Mr. Craig:** You need not go as far as that.

**Mr. TONKIN:** What the T.A.B. should do in this case is to say, "Instead of expecting the poor old punter to carry the burden involved in this proposition, the board will do it; and, therefore, you pay up to the limit we propose to fix here, and the board will pay the difference." The Minister laughs. Why should the punter pay it?

**Mr. Craig:** I can see some rackets going on in that. There are enough already.

**Mr. TONKIN:** That is what I said, and I am glad the Minister is coming around to my way of thinking. The Minister thinks it is a wonderful idea to get benefits for the T.A.B. and the bookmakers at the expense of the bettor; but when I suggest that he get these benefits at the

expense of the board, then it is a case of "not on your life." Where is the justice in that proposition?

This proposal is being put forward so that the Totalisator Agency Board will experience less difficulty in getting bookmakers to operate in certain districts, because if it cannot get the bookmakers it will face the prospect of illegal betting, or the establishment of an agency. It does not want to set up an agency, if it is to be a losing agency; so, instead of carrying the loss itself, it wants to put the burden on the punter.

Mr. Craig: That is not so.

Mr. TONKIN: It is no good for the Minister to shake his head. What I have said will be the result. Let us look at the position in practice. It is a rare experience for the bettor to be wagering on a horse that pays odds greater than 50 to one.

Mr. Craig: That does happen.

Mr. TONKIN: Yes; but it is a rare experience. In my opinion, when a punter is lucky enough to have that rare experience he should not be deprived of a portion of the winnings, just to suit the requirements of the board or the bookmakers. The punter should receive the whole of his winnings. Otherwise, this will be the position: Bettors in Perth or Kalgoorlie, where agencies are established, can make their wagers on long shots in the knowledge that whatever dividends are declared they will receive; whereas the punters in country districts where no agencies are established will know that if they make wagers on long shots and are lucky enough to strike a winner, they will be deprived of a portion of their winnings. That is not a fair proposition.

Mr. Wild: Were not these limits imposed when the old S.P. bookmakers operated?

Mr. TONKIN: The Totalisator Agency Board was brought in to wipe out that practice.

Mr. Wild: It cannot hope to wipe out that practice in one sweep.

Mr. TONKIN: It did.

Mr. Wild: It is doing that slowly.

Mr. TONKIN: When the board came into operation, the limits were abolished. The abolition of limits was one of the arguments used in support of the creation of the board. The argument was that the S.P. bookmakers imposed limits, and so retained a portion of the dividends which the punters should get. That was a bad feature, I agree. So let us now have a board which imposes no limits.

Mr. Wild: You must agree that the limits imposed by the former S.P. bookmakers were harsh, and amounted to daylight robbery. I think the limit was eight to one for country centres.

Mr. TONKIN: The Minister ought to bring himself up to date. I shall read to him what was said by the Minister for Police when he introduced the Bill. This was what he said—

Thus, relative to the previous limits, it will be seen that the limits now proposed are substantially the same—

Mr. Wild: I disagree with that, because there were many country centres which imposed a limit of eight to one. One such centre was Three Springs, because I remember seeing the limits displayed on the board.

Mr. TONKIN: To continue with what the Minister said—

—except that they have been increased in regard to both metropolitan and country trotting within the State.

In order to prove my point, let us take the figures he quoted. They are as follows:—

When bookmakers only operated prior to January, 1961, the limits fixed were within the State on metropolitan racing: for a win 50 to 1, and for a place 12 to 1; on metropolitan trotting: for a win 33 to 1, and for a place 8 to 1; on country racing: for a win 25 to 1 and for a place 6 to 1; and on country trotting: for a win 16 to 1, and for a place 4 to 1; on Eastern States racing: for a win 50 to 1, and for a place 12 to 1. There were some special limits in regard to feature events, such as the Melbourne Cup. These limits were previously fixed by regulation.

That does not support the interjection of the Minister for Works, not in any form. In my opinion the proposal in the Bill is an unreasonable one. If the punters were to be given some compensating benefit, my view might be different, but it is proposed to take away something which the Betting Control Act gave them. Under this regulation they enjoy the same dividends as are paid in the city, and they are no longer subject to limits, as was the position under the licensed off-course system. The punters in the country have enjoyed that advantage ever since the board has been in operation.

Now, because the board is running into difficulties and may be forced to establish agencies where it does not want to, it seeks to avoid the obligation by making the poor old punter pay. So, in the districts represented by members sitting on the crossbenches, punters who are fortunate in supporting a long shot in anticipation of a

large dividend will be deprived of a portion of that dividend to the benefit of the bookmaker operating in the town. But the punter in the city will be paid the full dividend.

Imagine how the Minister would feel if he supported a horse in a country district where there was a 50 to one limit, and the horse won? His friend in the city who supported the same horse would be paid the correct odds, which might be 150 to one. That is not a fair proposition, in view of the fact that since the establishment of the board—which has been operating for nearly three years—it was able to function on the basis of no limits in dividends paid to punters. The proposal in the Bill is a retrograde one. It is certainly not in the interests of the punter, without whom there would be no off-course betting at all, no revenue for the Government from this source, and no additional revenue to the racing clubs.

The punter is the last to be considered in the proposals before us. In fact, he is not considered at all. The Totalisator Agency Board is in a spot. It faces the prospect of losing some of the bookmakers in country districts, and some of its revenue, so it decides to impose limits on the punter in the country. We, on this side, will not support such a proposition, and I am surprised at the Minister bringing it forward, in view of the arguments he used against off-course bookmakers in the first instance before the board was established. It would require much more argument than the Minister has advanced to make me change my mind on this point. Simply to say that the bookmakers are exposed to a greater risk and that the T.A.B. is finding difficulty in getting bookmakers to carry on, does not convince me. I thought the idea was to get rid of them; but now we have a proposition which will enable them to carry on, and we are to deprive some of the punters of the dividends to which they are entitled.

One never knows what attitude this Government is going to adopt with regard to the various proposals which come forward from time to time. It does not matter whether it is a complete somersault or not, so long as it suits, it is brought here. So far as we are concerned we will strongly oppose the move and hope it will be defeated.

**MR. CRAIG** (Toodyay—Minister for Police) [9.11 p.m.]: I feel that you, Mr. Speaker, and the House generally, will have had your education improved over the last couple of sittings in regard to the operations of the T.A.B. and racing generally. With this particular Bill, might I explain again that the licensed off-course bookmaker who operates mainly in

country areas is required to pay winning bets at the same prices as are declared on the off-course totalisator; and as paid out by the Totalisator Agency Board.

Over the last couple of years, or since the inception of the T.A.B., agencies were first of all opened in the metropolitan area. In other words, the concentration has been in establishing these agencies in that area. Since then there has been a gradual expansion into the country—first of all to the main country centres and then to the smaller country towns. Despite that fact, the Deputy Leader of the Opposition states that the T.A.B. is trying to place the burden or the responsibility on these off-course bookmakers in country areas. I say that is not so, because it is the policy of the board to gradually extend its activity with the establishment of these agencies in all country centres.

It must be realised, of course, that some of these country towns where the licensed off-course bookmaker operates, the turnover is so small it does not warrant the establishment of an agency; and the board feels—and so do I—that some form of legalised betting facility should be made available to the people in those smaller country towns. If we cannot provide that facility, which I consider they are justly entitled to, what would the type of person who feels he must have a bet, do? Where would he turn to place that bet? He has to turn, possibly, to some form of illegalised betting. That position could perhaps develop if no legal facilities were made available.

The report under the Betting Control Act for the last year, which I tabled recently, mentioned there were some 51 licensed bookmakers operating throughout the State. The number has now been reduced to 47 because of expansion since this report was compiled to the 31st of July; and two of those bookmakers are operating in the metropolitan area—one at Mundaring, and one at Rottneest. A reference to some of the centres where these licensed off-course bookmakers are operating, will, I feel sure, let members know or appreciate the reasons why it is not possible to establish T.A.B. agencies in these centres. Some of the towns are Beverley, Boddington, Boyup Brook, Bridgetown, Brookton, Bruce Rock, Carnarvon, Coorow, Corrigin, Cranbrook, Cunderdin, Dalwallinu, Denmark, Derby, Donnybrook, Dowerin, Esperance, Goomalling, Katanning, and Kojonup. I will not weary the House by reading them all. Those are some of the centres in which these licensed off-course bookmakers operate.

The purpose of introducing this legislation was to give some protection to those bookmakers—protection against fluke bets.

The honourable member used the comparison of a country bettor having to bet on a horse that wins at 150 to 1, and stressed the fact that he would be only entitled to a return of 50 to 1 compared with his counterpart in the metropolitan area who would collect 150 to 1 by betting at a T.A.B. agency.

What is the position in, say, some small country town where one of these licensed bookmakers is operating and is subject to one of these what one might possibly call fluke bets when a horse wins at 150 to 1? I would say that is a fluke bet. A bettor might be a person who was travelling through the area. He has a particular fancy and puts, say, £5 on it. One can imagine the effect that would have on the bookmaker if he were required to pay out £750 for a bet of £5. It would force him out of business.

The T.A.B. knows there have been a number of these licensed bookmakers in the smaller country towns who have been forced out of business. The member for Murchison can recall what transpired at Leonora; and I know the same thing also occurred at Southern Cross—and there are other areas in the State where the same thing applies.

The limits that are proposed are not as severe as has been suggested by the Deputy Leader of the Opposition. He quoted certain maximum limits proposed in the Bill; but might I put it in a different way in comparison with what was operating before the T.A.B. came into operation. For instance on metropolitan racing, when licensed off-course bookmakers were of considerable number and operated in the metropolitan area, the limits of metropolitan racing were 50 to 1 for a win and 12 to 1 for a place. Those same limits are proposed in this amending Bill. On metropolitan trotting for a win it was then 33 to 1. We are proposing now to make it 50 to 1. For a place it was then 8 to 1; and we are proposing 12 to 1. On country racing it was then 25 to 1 for a win; and we are now proposing 33 to 1. For a placed horse it was then 6 to 1; and we are now proposing 8 to 1. On country trotting for a win it was then 16 to 1; and we are now proposing 33 to 1. For a place it was then 4 to 1; and we are proposing 8 to 1. In view of this, I cannot see where there is any great burden being placed on those bettors who now place their bets through licensed off-course bookmakers.

The honourable member says the T.A.B. is running into difficulties and is forced to put agents in the country. I would say the T.A.B. is not being forced to put agents in the country at all—it is just part of its policy. It is the intention of the T.A.B.

to extend agencies into those country areas and provide the same facilities as are enjoyed by bettors in the metropolitan area.

We have to realise, too, there are certain difficulties so far as communications are concerned. The honourable member pointed it out himself. He suggested that the off-course bookmaker in a country area should be enabled to transmit the bets received to the collating centre and the T.A.B. more or less meet the obligation so far as a maximum bet is concerned; but he must appreciate there is a certain difficulty in this regard because of communications. The honourable member mentioned Wittenoom, but I could refer to other places much closer to the metropolitan area where the same position applies.

The number of agencies established last year is referred to in the Totalisator Agency Board report which was tabled recently, and I am sure the Deputy Leader of the Opposition has perused this. It refers to the fact that the country programme is proceeding according to schedule and that additional district offices have been established at Kalgoorlie, Geraldton, and Narrogin. Since that report was written a number of agencies have been established in other parts of the State.

I have visited many country centres and have been approached in regard to some form of protection for the licensed off-course bookmakers. The approaches have not necessarily been made by the bookmakers themselves but the people in the district concerned. I know from my own experience—and I can say this quite truthfully—that some of these licensed off-course bookmakers, because of the small turnover involved and the small net return to them, if any, and the risk that they have to take, would give the business away tomorrow if they could. They would surrender their license. As members will note in the report, it is stated that a number of them have surrendered their license. I believe that a portion of these off-course bookmakers are carrying on because they consider they are providing a service for the community.

Mr. H. May: Don't you believe that!

Mr. Davies: They must be making some profit.

Mr. CRAIG: I do not say that applies to all of them, but some of the bookmakers in the smaller country towns do not consider it worth their while to remain in the business, and they are possibly only doing it for the service they are providing for the community. If they do not carry on, how will the people who want to bet be able to do so? Of course it could be that a town reasonably near may provide

the facilities, but I feel sure that if the bookmaker did surrender his license someone else would start up in the area illegally.

Mr. Davies: Couldn't an illegal bookmaker limit his prices?

Mr. CRAIG: According to the amendments proposed under this Bill, that is what it is for—to make the limitations on the price.

Mr. Davies: But could an illegal bookmaker do it?

Mr. CRAIG: I do not know anything about illegal bookmakers.

Mr. Ross Hutchinson: They always have done.

Several members interjected.

Mr. H. May: I think the Minister ought to sit down and let someone else make his speech for him.

Mr. CRAIG: There is no desire at all to fix a limit by regulation. This is included in the Bill. It is proposed that if any alteration is desired, it should be Parliament which makes the decision as to the alterations.

Mr. Tonkin: Could you have done it by regulation?

Mr. CRAIG: I would not know.

Mr. Tonkin: Of course you could not!

Mr. CRAIG: It is surprising what one can do by regulation.

Mr. Tonkin: I mean, can you legally do it by regulation? That is what I mean.

Mr. CRAIG: As I have not had the opportunity of replying to many of the points raised by the Deputy Leader of the Opposition last night, and on a previous occasion, if you, Mr. Speaker, would allow me a lot of latitude I would take the opportunity of doing so now.

Mr. Tonkin: You had the opportunity of doing so last night.

Mr. CRAIG: I thought it was a matter of courtesy to the Deputy Leader of the Opposition in the House that I did not do so; but then the Deputy Leader of the Opposition might not know what courtesy means.

Mr. Tonkin: Now, don't get nasty again. You are as thin-skinned as an apple.

Mr. CRAIG: There is no ulterior motive behind this Bill. I believe it is going to assist towards keeping some of these

licensed off-course bookmakers in operation in country areas; and, by doing so, this will provide a service to the betting public in the areas concerned until such time as the T.A.B. can extend its agency to those particular points. I commend the Bill to the House.

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

## Ayes—18

Mr. Boveil	Mr. Hutchinson
Mr. Burt	Mr. Lewis
Mr. Court	Mr. W. A. Manning
Mr. Craig	Mr. Nimmo
Mr. Crommelin	Mr. O'Connor
Mr. Dunn	Mr. Runciman
Mr. Grayden	Mr. Wild
Mr. Guthrie	Mr. Williams
Dr. Henn	Mr. O'Neill

(Teller)

## Noes—17

Mr. Bickerton	Mr. Norton
Mr. Brady	Mr. Oldfield
Mr. Davies	Mr. Rhatigan
Mr. Fletcher	Mr. Rowberry
Mr. Graham	Mr. Sewell
Mr. Hall	Mr. Toms
Mr. Heal	Mr. Tonkin
Mr. W. Hegney	Mr. H. May
Mr. Moir	

(Teller)

## Pairs

Ayes	Noes
Mr. I. W. Manning	Mr. Curran
Mr. Nalder	Mr. Jamieson
Mr. Cornell	Mr. Evans
Mr. Hart	Mr. J. Hegney
Mr. Mitchell	Mr. Hawke
Mr. Brand	Mr. Kelly
Mr. Gayfer	Mr. D. G. May

Majority for—1.

Question thus passed.

Bill read a second time.

## In Committee

The Deputy Chairman of Committees (Mr. Crommelin) in the Chair; Mr. Craig (Minister for Police) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Section 5 amended—

Mr. TONKIN: This clause is the main part of the Bill and makes the actual provision for the altered method of betting. During the second reading debate the Minister was trying to make some virtue of the fact that this was put in the Bill instead of being done by regulation, and I interjected to the effect that I did not think he could do it by regulation.

From my recollection of the position, when the T.A.B. was established and the Betting Control Act was amended, it provided that bookmakers who were operating outside totalisator regions should be obliged to pay out at totalisator odds as declared by the board; because I remember taking the argument at the time that that would mean an increase in pay-out by the bookmakers as against the starting prices, which was the practice in those times.

Of course, I was not able to see far enough ahead then to know that the T.A.B. would operate in a way which would result

in the starting prices on the totalisator being less than the actual starting prices in the betting ring. But, of course, that is what has happened.

I want to point out to the Minister that this has conferred a tremendous financial advantage on the bookmakers since the board has been operating. I got that information from bookmakers themselves. Because of the way the T.A.B. has been investing money on the racecourse, in the majority of cases the totalisator dividend for the winner is less than the starting price of the horse with the bookmakers.

That means that the T.A.B. itself and the licensed off-course bookmakers in other than totalisator regions, instead of having to pay out more than they were paying out before—as I anticipated would be the position—because of the way the T.A.B. is putting this money on the tote on the course, actually pay-out is less. That is not just a figment of the imagination. That is actual fact. I have read in the daily Press where some members of the Turf Club have pointed this out at the club's annual meeting, and they have been concerned about it.

One has only to glance at the results in the *Weekend* newspaper and compare the actual starting prices with the tote dividends to see that that has been the position; that in the majority of cases the dividend to be derived from the actual totalisator dividend is less than it would have been if the punter were being paid at the actual starting price odds.

I feel that this has been remedied to some extent in recent weeks, and that suggests to me that the Totalisator Agency Board is now putting on a greater amount of money than it did previously and in a less disproportionate way than it did before. So the position has to that extent been corrected. But I remember on one occasion I actually took the results out of the newspaper and I wrote a letter to the members of the T.A.B. asking them whether they thought this was a satisfactory position. I gave the actual starting prices of the horses according to the bookmakers' prices and I showed what the starting prices were on the totalisator—the dividend—and in some cases the totalisator dividend was only half the starting price in the betting ring. So instead of the bookmakers being obliged to pay out more than they were doing hitherto, they were in the happy position of having to pay out considerably less.

I would point out to the Minister that the bookmakers who are still operating have had that advantage ever since the T.A.B. has been going, and that should have enabled them to build up more profits by way of reserve than they would otherwise have had. It is not unreasonable

under the circumstances to expect them to meet this odd fluke bet which may come up on the totalisator. Whilst it is not impossible, it is highly improbable that anyone is going to have £5 on a rank outsider. That is the type of winner that some woman dreams about and decides to have 5s. on.

Mr. Craig: It is only a fluke bet.

Mr. TONKIN: And the usual amount on a fluke bet is a very nominal one. As a rule, people who are making bets of that kind do not invest large sums of money. I am not saying it could not happen. I believe it could happen very occasionally that somebody might bet £5. I do not know of anybody who has ever had £5 on a long shot. I know that plenty have had 10s. or 5s. on something they dreamed about; or they saw somebody with a red hat and white stripes and decided that was the colour they would back; and sometimes they make a mistake with the horse they intend to support, and support the wrong one, and then find out that they have supported the winner.

Mr. Craig: And they tear their ticket up.

Mr. TONKIN: And usually those bets are made with very small amounts, and so the risk is not a great one. The bookmakers have benefited by the reduced pay-outs. One bookmaker told me it must run into thousands of pounds. They have derived benefit from the fact that the various T.A.B. totalisator dividends have been reduced below the starting prices; whereas previously the experience was that the dividends were somewhat above the actual starting prices. If that be so—and I believe it is, from what I have seen—then I cannot understand this solicitude all of a sudden for those persons who were previously maligned; who were supposed to be a very poor section of the community and not worthy of consideration of any kind.

It seems to me now that the one who is not receiving any consideration is the one who keeps the business going; namely, the punter. Why should he be deprived of the good fortune which might come to him once or twice in a lifetime of having been on a fluke bet? Surely the business is such today, with the protection that is given and the monopoly that is provided, that the bookmakers should be able to carry the risk!

I was interested in the interjection of the member for Victoria Park, who, I felt, could see the position very clearly. The Minister was suggesting that if these licensed bookmakers went out of business in certain districts because of the small volume of business they were doing, illegal bookmakers would start up. Well, if there is not enough business to keep a licensed man going, who has not got to run the risk of gaols or fines, then I cannot

imagine there is enough business to keep an unlicensed man going; and, of course, if an unlicensed man started up he would not get any business if he imposed limits. So I do not think there is much in that argument.

I just cannot see anything to justify this at all. My attitude would be different if the T.A.B. were going to carry the cost of it. This is a proposition that is going to cost something, and the cost is to be loaded on to people already paying investment tax; and it is loaded on to a section of the betting public in remote areas because of difficulties which have occurred between the board and certain bookmakers who now show a reluctance to carry on because of the risk.

In order to get over that difficulty the Minister and the board, say, "Well, let us take it off the fortunate punter who now and again backs a winner, and let us make him pay for it"; because that is what it boils down to: he pays for it in hard cash. The punter in the city will be able to get whatever dividend is declared, without any limit. He will get it, too, in the country areas where the T.A.B. is operating; but in the areas where licensed bookmakers have been left—and let us not forget we were told when the legislation was going through that there would be some places in the State where bookmakers would continue to operate all the time, and agencies would never be established—punters will be taxed the same as punters elsewhere; but in addition they will be subject to a limit on the wagers they make if they happen to support a long-priced winner.

In my view, it is not justified, and I am surprised at the Minister falling for this in view of the fact that the board has operated for so long under the conditions which now apply. If the bookmakers in certain country areas do not want this risky business, they should hand it all over to the T.A.B. Where they are in telephone communication, they can do that. They could close off their betting ten minutes or a quarter of an hour before a race and could then telephone the business through to the T.A.B. and let the T.A.B. carry the risk. That would leave the licensed bookmakers in districts where there was no telephone communication, but I suggest it is not beyond man's ingenuity to devise a system which would enable the board itself to meet the amount required for these fluke bets without having this legislation. That would mean that instead of the off-course punter paying the difference, or losing the difference, the T.A.B. would lose it; and as it is for the convenience of the T.A.B., and would be saving it money in the long run, I can see no valid argument against it.

That seems to me to be reasonable in the circumstances; otherwise it becomes a form of additional racing taxation on certain bettors in the State. They are all

subject to investment tax and they should all be entitled to the same treatment. If this Bill is passed, instead of doing that we will be singling some of them out. It is a sectional tax to meet the requirements of the T.A.B. and certain bookmakers who may give the game up. There is no compulsion about being a bookmaker; and if it is unprofitable under the conditions let them give it up, the same as other people give up other businesses if they are unprofitable, and let the T.A.B. take it over. Even though it involves the T.A.B. in losing money, it is more entitled to lose it than the punter, who is losing enough already in the mass.

The DEPUTY CHAIRMAN (Mr. Crommelin): Order! The honourable member's time has expired.

Mr. CRAIG: I would not like members to get the idea that every second race is won by a horse at rather lengthy odds. The limitations imposed in the Bill are set at fifty to one on metropolitan racing and trotting meetings. I ask members who are in any way connected with, or have an interest in, racing to cast their minds back to an occasion when a horse has won a race in the last few months at odds in excess of those.

The main purpose of the Bill is to provide against the occasion when it does arise. Very rarely does a horse win at odds longer than fifty to one, so in other words the country bettor is getting the same privileges as the metropolitan punter, except on the very rare occasions when an outsider wins at a price far in excess of fifty to one. Such instances are very rare, but when they do occur they can be the cause of putting one of the small country bookmakers out of business.

The honourable member said that the T.A.B. prices are less than those obtaining in the betting ring, and his information was from the bookmakers themselves. I prefer to get my information from the annual report of the Totalisator Agency Board for the 31st July, 1963; and as regards Eastern States racing and W.A. racing and trotting, for the year there was a total of 2,713 events, and on 1,600 races totalisator dividends were greater than starting price. There were 119 races in which the dividends were equal to starting price, and 994 occasions when the starting price was higher than the totalisator dividend.

That raises another point. What is the official starting price, or who sets the official starting price? There is a lot of confusion at the moment as to who does set the official starting price. Is it the sporting writers in the newspapers, or is it the bookmakers themselves; or who does set it? I have heard time and time again that it is a common occurrence in the ring, virtually at the finish of betting,

for the bookmaker to flick the tabulator, or whatever it is called, up a couple of points, and that is the official starting price. I do not think the supposedly official starting price is as official as it is thought to be.

Mr. TONKIN: I do not intend to take very long, but I cannot let the Minister get away with that idea. That reminds me of what Dickens, I think it was, had to say about somebody taking the average of cold in the Crimea as a reason for clothing the soldiers in nankeen on a night when they would be frozen to death in fur.

If we are going to take averages over a considerable number of bets, and say that overall these bets the prices were greater, we are not arriving at the true position. One must know something about the pattern of betting. The greater bulk of the betting is done on the first four or five horses in the order of betting. The greatest amount of the betting is done on the first, second, third, fourth, and possibly the fifth favourite. After that, the betting is all over the place, with a few wagers on one horse and a few on others. All one has to do is to have a look at the odds on the indicators.

Of course, with regard to the longer prices—that is, all those over about six to one—the totalisator prices will be much better than the prices offered by bookmakers, because there one is getting a true indication of the relative preference being shown by the bettors, whereas the bookmakers are doing most of their business on the fancied horses, and the other prices are only put up now and again to attract a little money to balance their books.

The figures the Minister quoted as instances where the totalisator result was better than the starting price result relate to most of the long shots where there are very few bettors supporting them. The prices which affect the bettors most are the prices of the first, second, and third favourites. Up to a few months ago, if one had looked at those prices and compared them with the totalisator prices, one would have found, almost invariably, that the totalisator dividend was a long way below the bookmakers' dividends.

Dr. Henn: Not when George Moore is riding a horse.

Mr. TONKIN: Oh yes, if he were riding the favourite!

Mr. Rowberry: The better the jockey the lower the price!

Mr. TONKIN: What I am saying applies more particularly to local races than to Eastern States races, because the local races are influenced by off-the-course money being paid on the totalisator on the fancied horses. It is only necessary for

one to have a look at the weekend newspaper and compare the prices published with those on the racecourse and one will get an entirely different impression from what one would from the figures quoted by the Minister. The members of the Turf Club are not fools in regard to this matter, and they complained about this. The Minister must know that this discrepancy has come to the knowledge of the T.A.B. I assume that is the reason why it has been corrected to some extent in recent weeks.

I have noticed sometimes, when I have been watching television on Saturday nights, that in recent weeks, when the prices are shown, the totalisator dividend is much closer to the starting price than it was some two or three months ago. Rightly or wrongly, I have come to the conclusion it is because the Totalisator Agency Board is now spreading its investment more than it did previously, and therefore is getting a truer reflection of the actual betting pattern than was previously shown by the totalisator. I would say that six months ago the discrepancy was most marked.

I noticed, in some instances, that horses would be starting at four to one and paying less than two to one on the totalisator. That was the result of the special type of investment that was being made by the Totalisator Agency Board. As a result, the bookmakers have benefited substantially, because it is when the favourites come in that the bookmakers have to face their greatest pay-out. The bookmakers win when the longer-priced horses win. They pay out to some punters, of course, but they do not pay out the same volume of money as they do when the favourites win.

Because of the difference in prices, bookmakers who were in business, and some who are no longer in business and who are not agents, have told me that the difference in dividends has meant thousands of pounds to their return: that is, if they had been paying out at the actual starting price rather than at the totalisator dividend price. Having regard to that fact, and that the bookmakers have benefited substantially, I do not think it is asking too much to ask them to pay out at the ruling prices which apply in all totalisator regions; and nothing the Minister has said has altered my opinion to any degree.

Clause put and passed.

Title put and passed.

*Report*

Bill reported, without amendment, and the report adopted.

House adjourned at 9.58 p.m.