The Minister for Mines: If you come down to the office and tell me what reply you expect to get I will consider it.

Mr. MARSHALL: Is this question, which I asked on the 10th August, not clear?—

What is the total rent that was received for these reservations for the year ended the 30th June, 1937?

Could there be plainer English than that? Now take the Minister's reply:—

£1,625 5s., being reserve fees and rents on leases.

Who asked about the leases?

The Minister for Mines: I could not answer your question without giving you the whole information.

Mr. MARSHALL: I asked only for the rent collected on reservations. I did not ask for the leasehold tenure, because I knew what that cost. It looked as if the extra information was put in to cloud the issue.

The Minister for Mines: It was never put in there for that purpose. It was actually the amount received.

Mr. MARSHALL: Because of the fact that bona fide prospectors do the prospecting I will never agree to the granting of reservations, which excludes from them the right to go where they desire; I will never agree that that assists the development of the gold mining industry. I disapprove of the Minister's preferential treatment in granting reservations, and I say that if they are to be continued they should be applied for through the warden's court and dealt with locally. Then all the parties concerned could attend and support or object to the application made for a reservation. I disagree entirely with these reservations. They are wrong in principle and detrimental to the mining industry. I move—

That the Bill be now read a second time.

On motion by Minister for Mines, debate adjourned.

House adjourned at 10.27 p.m.

Legislative Council,

Thursday, 2nd September, 1937.

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

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.34] in moving the second reading said: This Bill proposes to amend the Industrial Arbitration Act, 1912-35. It has been brought down in an endeavour (a) to improve certain machinery sections of the principal Act, (b) to alter the present basis of grouping workers for the purposes of arbitration, and (c) to eliminate certain practices adopted by employers to evade the provisions of the Act. When the Act first came into operation, it was regarded as being in the forefront of industrial legislation in Australia. With such a comprehensive measure, however, certain points arise from time to time that cannot be dealt with unless the law is amended. Consequently, efforts have been made on several occasions to amend the Act, but so far without success. Just as with the Factories and Shops Act, conditions under the Industrial Arbitration Act vary with the passage of time and certain contingencies arise that could not have been foreseen when the measure first came into operation. On this occasion I feel that the amendments included in the Bill, if agreed to by Parliament, will bring the Act up to date and will certainly tend towards the smoother working of this legislation. We propose to amend the definition of the terms "employer" and "worker." Doubt has existed regarding the position of persons acting in a managerial capacity on behalf of employers, more particularly where those persons virtually conduct the business of the employers. Therefore the definition of "employer" has been amplified to include any steward, agent, bailiff, foreman or manager acting on behalf of any person, firm, company or corporation employing one or more

workers. The Bill in amending the definition of the term "worker" seeks to clarify the position in respect to contracts to do work as distinguished from contracts of service. Considerable difficulty has been experienced in actually determining whether the relationship of master and servant exists in certain cases, and frequent advantage has been taken of the position by a certain class of employer. An employer might engage a labourer to cut and deliver stone at a certain place at a fixed rate per yard. The person for whom the work is being done claims that the worker is not his servant but is merely acting as a contractor to cut and deliver stone. An amendment in the Bill provides that this class of worker shall be regarded as a worker within the meaning of the Act. In cases of dispute the court shall decide whether the worker is, in fact, an employee. Last session a very similar Bill was introduced, and I think I explained practically all the clauses on that occasion. It is highly desirable that we should have this principle set out clearly in the Act, so that there can be no misgivings in regard to the matters I have mentioned as well as other matters of a similar kind. A difficulty somewhat similar in principle to the one I have just cited is associated with many of the partnerships now in existence. The question of partnerships has perhaps given more trouble than anything else in years gone by. Employers have been able to avoid the provisions of certain arbitration awards by making certain employees, who provide neither skill nor capital, nominal business partners. That has occurred on many occasions. Bread-deliverers, or bread-carters as they are generally known, have actually signed articles of partnership with their employers, and while such partners are neither more nor less than the servants of the principal partner and employer, yet the legal relationship of partnership exists.

[*The Deputy President took the Chair.*]

Hon. L. Craig: Would those people share in the profits?

The CHIEF SECRETARY: No.

Hon. J. Nicholson: That would depend upon the agreement. They would be liable for their proportion of any loss.

Hon. H. S. W. Parker: In law I think they do share in the profits but in fact they may not.

The CHIEF SECRETARY: Whatever the agreement provides legally, I believe that is what actually happens. While certain things might be provided on paper, in actual fact they are probably not carried out.

Hon. C. B. Williams: There are many such cases.

Hon. J. Nicholson: Has the Minister any instances?

The CHIEF SECRETARY: I had a number of instances last session which I believe I quoted but they could be made available on this occasion.

Hon. J. Nicholson: You would need a copy of the agreement also.

The CHIEF SECRETARY: I am pointing out that such agreements are entered into purely as a subterfuge to enable the employer or senior partner to avoid responsibility under Arbitration Court awards. This, of course, leads to unfair trade.

Hon. L. Craig: If the agreements were bona fide, it would be all right.

The CHIEF SECRETARY: If they were bona fide, yes. While convictions for breaches of awards have been recorded in some of the more glaring cases, it is considered desirable and necessary that the law be tightened up. Consequently, the Bill provides that partnership agreements of this nature, where the capital holding of a partner is either nothing or of small account, may be disregarded, and that such a partner shall be regarded as a worker within the meaning of the Act.

Hon. W. J. Mann: Where are you going to draw the line? Is the court going to say whether a contract is a fair thing or not?

The CHIEF SECRETARY: The court will determine whether an actual partnership exists or not. If it can be proved to the satisfaction of the court that certain men have entered into a deed of partnership that involves the provision of no capital, or only a very nominal sum, and that as a result of the agreement award conditions are not being complied with, or the partner is receiving less than the award rate of pay, then the partnership agreement will have no effect.

Hon. W. J. Mann: That cannot be provided in the Act; it must be left to the court.

The CHIEF SECRETARY: Then again, under the existing legislation, canvassers for insurance are only brought within the ambit of the term "worker" if they devote the whole of their time to industrial insurance business. Most members of the House will recollect the long debates we had in previous sessions on that subject. It has been before

the Chamber numerous times. When the Act was amended some two years ago, I believe most members were of opinion that it gave full recognition to this principle, and that the objections which had previously been raised had then been met. However, it was not long before it was found that the limitation imposed in that particular amendment was sufficient to deny to practically the whole of the insurance canvassers the benefits of the Arbitration Act. The matter has been fully explained before, and I am quite prepared to explain it again when I get the opportunity in Committee. The Bill proposes to include in the definition of "worker" a canvasser whose services are remunerated wholly or partly by commission and are wholly or substantially devoted to the interests of one company. That is a material alteration in the provision as it exists in the present Act. Further, it is provided that domestic workers shall come within the definition of the term "worker." I think the House will recognise that it is about time something was done in this direction. I believe the general opinion is in favour of raising the status of domestic workers.

Hon. H. S. W. Parker: One has to get them first.

The CHIEF SECRETARY: The hon. member may have to.

Hon. H. S. W. Parker: I do not, but my wife does, and she finds it difficult.

The CHIEF SECRETARY: There does not seem any logical reason why this type of worker should be excluded from the protection of the constituted arbitration authority. I would point out, moreover, that the amendment does not mean that these workers will automatically become entitled to prohibitive wages or impracticable conditions. That is a matter for the Arbitration Court to decide. I should say that the court in issuing an award would naturally take into account the special circumstances obtaining in respect of domestic employment, and issue an award as required by Section 4(h), having regard to "what is fair and right in relation to any industrial matter having regard to the interests of the persons immediately concerned and of the community as a whole." Those are words which now appear in the Act. There can be no argument that at present domestic workers occupy a most unfavourable industrial position; and insofar as their conditions are improved, there should be a corresponding benefit to the community. Apropos of remarks made by Mr. Mann, I may say that the Bill does provide that in order to safeguard the privacy of any home wherein a domestic is employed, no right of entry to any home or domestic establishment shall be conferred on any inspector or officer. So that the hon. member's fears of an army of inspectors invading the homes of the country because of this amendment are ill-founded.

Hon. G. W. Miles: Then the provision is different from what you had in the previous Bill.

The CHIEF SECRETARY: Not different from the corresponding provision in last year's Bill, but slightly different from the corresponding provision in another Bill. Provision is also made for the registration of the Australian Workers' Union. In this connection it is provided that before proceeding to register the union the registrar shall obtain an undertaking by the union to alter its rules so that its activities will be confined to branches of industry which cannot be served, or are not conveniently served, by any other registered industrial union in this State. That is a condition which will, I believe, meet with the approval of most members who on previous occasions have raised objection to the proposal, stating that there are organisations which can and do, according to those hon. members, cater for this class of worker. Existing legislation provides that the court may declare any industrial agreement to have the effect of an award. Under the provisions of the Bill, all agreements which have been declared common rules shall automatically be placed on the same basis as awards of the Arbitration Court upon the passing of this amending Bill. Those existing agreements which have not been made common rules shall continue on the same basis as formerly. I know that many people who are not closely associated with the working of the Arbitration Act are under the impression, with regard to industrial agreements, that once a common rule has been obtained an industrial agreement is the same as an award in every particular. That is not quite true. The amendment to which I have referred is a necessary provision in that it will prevent common-rule agreements from expiring in the event of either party to such an agreement going out of existence. Hon. members may recall a judgment of the

Full Court on this point. The judgment was given a year or two ago, and it will probably be fresh in the minds of members as I referred to it specifically on a previous occasion when dealing with this aspect. I may recall the fact that the judgment was given in connection with an industrial agreement made between the Shop Assistants' Union branch at Busselton and the employers of that district, which agreement was subsequently made a common rule. Later, although the Busselton branch of the union went out of existence, a decision was given that the common rule should continue to have legal effect. It was argued by all those associated with industrial matters that the mere fact of the branch going out of existence should not have any effect upon the common rule, on the ground that an industrial agreement which was made a common rule was supposed to have the full effect of an Arbitration Court award. The Full Court, however, decided that the agreement had expired as from the time that the Busselton branch of the union had dissolved. I believe the position then was that while the employees were still members of the union, the Busselton branch as a branch had been dissolved. On this account the Full Court held that those members, while still members of the union, were not entitled to the protection of the industrial agreement which had been declared a common rule in regard to any of the provisions of that particular agreement. While Busselton is quoted as an instance, there are several other places where the same conditions apply. This amendment will ensure that common rules will continue to have effect despite the termination of the operations of either party to the initial industrial agreement. I think that is a logically desirable proposition. In order to enable conciliation efforts to be made sooner than is possible under the present relevant section, No. 63, a new proposal has been incorporated in this amending Bill, which provides that such proceedings may be taken "at any time after an industrial dispute has been referred into the court by any party." That is quite different from the existing provision to which I have just alluded. At present the Act stipulates that the court or its president, as the case may be, shall take proceedings to effect an amicable settlement "in the course of a hearing." I have already mentioned that some of the main provisions of this Bill seek the alteration of the present basis of grouping workers for the purposes of arbitration. Under the present Act industry rather than vocation is the guiding principle in the grouping of workers. The Act, however, has been found somewhat inadequate from this point of view. Thus, while the court might make an award governing plumbing which would bind all firms engaged in the plumbing industry, such an award would not provide for plumbers in the employ of firms engaged in other industries, since these employers could not be said to be engaged in the plumbing industry. No control whatever is provided, under the existing Act, over the wages, hours, and working conditions of the plumbers thus engaged. The same weakness applies to a number of other tradesmen, with the result that in recent years numerous employers have refused to pay award rates, or provide award conditions, when employing tradesmen to do work which is not part of the business of such employers. When this point was being dealt with on a previous occasion, I quoted more than one instance of how the provision operated. In order to make the point perhaps a little clearer, in dealing with the question of plumbing I may tell the House that there is existing at the present time an award obtained by the Plumbers' Union and governing the operations of workers engaged in that calling. So long as the employees are working for a plumbing establishment——

Hon. L. Craig: An establishment doing plumbing only?

The CHIEF SECRETARY: Yes. In that case they are entitled to award rates and conditions. But if they are working, for the sake of argument, for a large departmental business of the kind to be found in Perth, being engaged to do just the same work of plumbing and doing no other work for the firm, that firm would not be bound by the award governing the plumbing industry. I think hon. members will agree that that is not right and certainly not logical.

Hon. J. Nicholson: By what clause do you propose to amend it?

The CHIEF SECRETARY: I think it is Clause 10, but I cannot say at the moment

The DEPUTY PRESIDENT: It is Clause 10.

The CHIEF SECRETARY: No control whatever is provided, under the existing

Act, over the wages, hours and working conditions of plumbers thus engaged. The same weakness applies to a number of other tradesmen, with the result that in recent years numerous employers have refused to pay award rates, or provide award conditions, when employing tradesmen to do work which is not part of the business of such employers. In order to make the position clear, I wish to quote an extract from a decision of Mr. President Dwyer dealing with that situation. This is what Mr. President Dwyer said—

> Section 40, together with its cognate section, that is Section 83 of the Act, has been under review and subject to discussion in the Arbitration Court from time to time for many years. In every instance the legal contest has centred around the meaning of the word "industry," and I do not think I am over-stating the fact when I say that the tendency of the court has been under its various Presidents to give effect in construing Section 40 or the corresponding section in the amended Acts, to the definition of "industry" from the workers' side as contained in the second paragraph of the definition in Clause 4 of the Act. "Industry" is therein defined as follows:—
>
> > If not inconsistent with the context, "Industry" includes—(a) Any business, trade, manufacture, handicraft, undertaking, or calling of employers on land or water; (b) any calling, service, employment, handicraft, or industrial occupation or vocation of workers, on land or water; and (c) a branch of an industry or a group of industries.
>
> Up to the present time the Court of Arbitration, as differently constituted from time to time, has been free to place its own interpretation upon the word "industry" in Section 40 or 83 as applicable to the various agreements or awards brought before it for interpretation from time to time. This position has now been completely changed. We have now the decision of the Full Court in the case of the Amalgamated Society of Engineers v. Parker & Son, and whatever may be the individual opinions of the members of the court, either now or as constituted previously from time to time, we are now bound by the reasons given by the Full Court in its judgment in that case unless and until the Legislature chooses to alter the law, or the reasons for the decision are overruled by a court of higher jurisdiction.
>
> That being the position, we desire to put the matter right so that there shall be no possibility of awards of the court being evaded simply because a tradesman happens to be employed by an employer who is not considered to be engaged in the industry to which the award applies. This proposal will automatically place each class of worker under his own vocational award, provided that no provision is made for him when working at his trade in any particular industry. A further proposal under the same clause also deals with the position of a man employed on two classes of work for the same employer at the same time. It is not uncommon for an employee to be actually engaged in work that involves the exercise of two or even more vocations. It is now stipulated therefore that a worker shall not be excluded from the provisions of an award or industrial agreement on this account, but that he shall be considered to be engaged in the vocation on which he spends the greater part of his time. Such a worker shall be deemed only to be employed at the class of work performed by him for which the highest rate of pay applies when no record is kept of the number of hours during which he is occupied at each of his separate vocational duties. Some of the awards do provide that where a man is engaged on different classes of work, certain provision shall be made for the rate he shall be paid for either the whole time or a part of the time. This particular amendment is designed to decide the position in those cases that come within the category I have referred to. The Bill contains a new amendment that seeks to bring industrial agreements within the purview of the boards of reference appointed by the court. Provision is also made for appeals to be heard by the court in regard to any decisions of such boards. The Bill also proposes to amend Section 90 of the Act, which provides that the court may review the provisions of an award, and make amendments, after the expiration of the first 12 months from the date of the granting of the award and, thereafter, at the expiration of any subsequent annual interval. Let me take a hypothetical case and assume that an application is made to the court in the eleventh month of the second year. Either party is then eligible to apply again to the court for a further alteration or rescission of any of its provisions two months later. An amendment in the Bill proposes to supersede the provision I have mentioned by making the interval between hearings for an alteration of an award or its amendments not less than 12 months, subject to the proviso that no hearing for the first amendment of an award can be made until after the expiry of the first 12 months of its currency. However, notwithstanding this provision the

court may grant leave to either party to an award to apply for an amendment before the actual termination of the 12-month period, but there must be an interval of 12 months before the actual hearing of a new claim can be commenced. That is very desirable, and when the Bill is in Committee I shall be able to give more than one instance which will support this proposal right to the hilt. With regard to penalties, although the maximum provided under the Act is £500, there is no provision for a minimum penalty for breaches of awards. It is now proposed to fix the minimum penalty for such an offence at £1. This measure seeks also to amend the provisions governing the enforcement of awards. Under Section 97 the court is empowered to impose a penalty for a breach of any award and, in the case of a penalty imposed on an employer, to add thereto any sum due to a worker because of short payment of wages due. While the penalty, plus wages due, is deemed to be a penalty for the purpose of recovery, it is not obligatory on the court to make an order for the payment of wages short paid. When, however an order is made in respect to the latter the worker concerned is forced to have recourse to another court to recover his wages. The amendment seeks to obviate the costly and roundabout process whereby the worker is forced to proceed from one court to another for the purpose of recovering his just dues: it makes it mandatory for the magistrate dealing with the breach of the award to make an order in respect of wages due. One tribunal, it is considered, should deal with the whole of a matter of this nature, for quite apart from the delay sometimes occasioned under the present system it seems more logical that the magistrate who adjudicates on a breach of an award should deal also with any action taken for recovery of wages due.

Hon. J. Nicholson: That would be taken in the local court, I suppose.

The CHIEF SECRETARY: Unless the Arbitration Court does make an order, further proceedings must be taken in the local court.

Hon. H. S. W. Parker: This will give special jurisdiction to the court where the hearing is taken.

The CHIEF SECRETARY: I do not think so.

Hon. H. S. W. Parker. He cannot go on to another court afterwards. It is a moot point.

The CHIEF SECRETARY: With regard to orders for the payment of union dues, fines and penalties payable by a person under union rules, it is proposed to extend the jurisdiction of industrial magistrates to enable them to deal with this type of application. At present applications of this sort have to go before a court. Section 105 prescribes a certain procedure to be followed by a union before referring any industrial matter or dispute to the court. It is not considered desirable that these rather lengthy formalities should apply to any counter proposals or counter claims made by the respondents to a dispute, and an amendment is proposed accordingly. The present method certainly is a bit cumbersome. Provision is made in this measure for appeal to the full bench of the Arbitration Court on all cases decided by industrial magistrates, irrespective of the penalty inflicted. It is considered that, as the Arbitration Court is the final arbiter regarding awards and industrial agreement, it is better placed than any other court to decide questions arising from these matters. At present, under Section 106 of the Act, the right of appeal to the Court of Criminal Appeal is given to any person who is ordered either by the court or by an industrial magistrate to serve a term of imprisonment without the option of a fine, or who has been fined more than £20 for a breach of an industrial agreement or award. It is not deemed necessary, however, that such an appeal should be allowed where only a fine is inflicted. The Bill before the House proposes, therefore, to abolish the right of appeal to the Criminal Appeal Court except in cases where an industrial offender has been sentenced to a term of imprisonment. Under Section 107 of the present Act it is provided inter alia that an industrial board may make an industrial award in any dispute remitted to it by the court. It is now proposed to add to the function of such board the power to alter, vary or amend an award when an application has been remitted by the court for such purpose. A further amendment to this section provides that local boards may be constituted by the court for the purpose of operating in a defined portion of the State. I think that is a very desirable measure and will assist to a great extent to do away with the congestion that from time to time occurs in that court. Two proposals which should be of benefit to all parties doing business with the court are embodied in this measure.

While the Act provides for the publication of all awards and industrial agreements in the "Government Gazette," it is now proposed that these shall be published in the "Western Australian Industrial Gazette," and that the production of the "Industrial Gazette" shall be sufficient to prove the contents of any award or agreement set out therein.

Hon. J. Nicholson: How many people get the "Industrial Gazette"?

The CHIEF SECRETARY: Quite a large number, employers particularly.

Hon. H. S. W. Parker: It is a more convenient publication than the "Government Gazette."

The CHIEF SECRETARY: A long way more convenient. The "Industrial Gazette" is compiled, I think, by the Registrar of the Arbitration Court, and contains information relative to the working of the court. It is a valuable publication, and is sought after by other tribunals in the Eastern States. The production of the "Statistical Register" shall be prima facie evidence of the correctness of any of its statistical information relevant to the consideration of any matter before the Court. Power already exists whereby the President of the Conciliation Commissioners may deal with matters in dispute after a conference has been held. It is now proposed to provide machinery for settling differences and preventing disputes before any conference is held under the relevant sections Nos. 168 and 169. The Bill further provides that the President or Commissioners may cancel or amend an existing award or agreement, whenever authorised to deal with matters in dispute. Under another provision it is proposed to give the officer of any industrial organisation the right of entry to any place where members of his union are employed, for the purpose of interviewing them. It is provided that this right shall apply only during lunch hour or non-working periods. Such an officer shall also have the right to enter and examine any place or premises at all reasonable hours, day and night, if he has reason to believe that any person is at any time performing work in connection with the vocation being operated within such place.

Hon. G. B. Wood: Is not that done now?

The CHIEF SECRETARY: The provision will enable officers to take action when they consider that work is being carried on outside the hours set down in the appropriate award. Sometimes objections are raised by some employers and obstacles are placed in the way, and it is desired to make provision whereby such officers shall be able to enter any place at all reasonable hours. Under the Act in cases where the relationship of master and servant is alleged to exist, it is necessary to prove that the work done by the servant alleged is performed for reward. When a man is working for an employer and the ordinary relationship of master and servant obviously exists, it should not be necessary to prove that the man is working for a reward. Common sense suggests that such a person does not work without reward. It is proposed therefore to place upon the employer in such cases the onus of proving that no reward is paid. There have been numerous cases where awards have been evaded by subterfuge. With regard to premiums the Act at present provides that no premium shall be paid in respect of an apprentice. This measure now seeks to extend the scope of the prohibition by a provision that stipulates that no premium shall be received in respect of the employment of any worker. Hon. members will see the reason for that. The Act at present provides that no premium shall be paid, and we now seek to make it an offence for a premium to be received. I have covered the main points of the Bill, and if past experience is any guide, quite a number of members will challenge the necessity for some of the amendments to which I have briefly referred. In my opinion all the amendments are necessary; there may be room for disagreement with regard to one or two, but I submit that the time has arrived when the Arbitration Act should be amended. I hope therefore that the measure will be permitted to reach the Committee stage where we shall be able to discuss amendments on their merits and arrive at something which will be an improvement on the present state of affairs. I have been supplied with a lot of detailed information which I am hopeful of being able to submit to members when the Bill reaches the Committee stage. I trust the Bill will meet a different fate from that which befell a similar measure on a previous occasion. I move—

That the Bill be now read a second time.

On motion by Hon. C. F. Baxter, debate adjourned.

BILL—FEDERAL AID ROADS (NEW AGREEMENT AUTHORISATION) ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [5.23] in moving the second reading said: This Bill proposes to effect certain amendments to the measure enacted last year ratifying the new Federal-Aid Roads Agreement. That agreement, it will be recalled, extended certain provisions of the previous agreement for a term of 10 years as from the 1st July last. Here I might mention that the basis of allocating the Federal aid road moneys was re-affirmed under the new agreement, namely, 3/5ths according to population, and 2/5ths according to area. However, in lieu of the 2½d. and 1½d. per gallon allotted to the States in respect of cutoms and excise collections on petrol under the old agreement, the new agreement provides that distributions shall be based on rates of 3d. and 2d. per gallon, respectively. Of the 3d. and 2d. per gallon, it is stipulated that 2½d. and 1½d. shall be specifically spent on roads. Under the original agreement drafted by the Commonwealth, the remaining amounts—½d. per gallon in each instance—were to be earmarked for "Construction, reconstruction, maintenance or repair of roads, or other works, or upon Forestry as the State may think fit." Subsequent amendments were made to the wording of this clause in the Federal Parliament modifying the purposes to which this money could be applied, namely—"Construction, re-construction, maintenance or repair of roads or other works connected with transport as the State may think fit." The Bill now before the House proposes, therefore, to bring our Act into line with the agreement ratified by the Federal Houses, by similarly substituting the words "or other works connected with transport" for the words "or other works or upon forestry." Clause 5 of the Agreement deals with the provision of proper maintenance and repair of roads adjoining or approaching Commonwealth properties. When the original draft of the agreement was received from the Commonwealth, a lot of telegraphed correspondence passed seeking variations that would more clearly define the limitations of the Commonwealth in the matter I have just mentioned. It was ultimately found that Queensland and South Australia had accepted the original draft. In order, therefore, to secure the necessary ratification last session, enabling the Commonwealth to continue payments to the States without interruption, the Government tentatively accepted the draft and introduced the required ratification legislation. It will be remembered that we had that Bill before us last session. We considered that the draft favoured the States.

Hon. L. Craig: We have got a very good deal.

The CHIEF SECRETARY: The Government took the view that even the original draft offered such a good deal to the States, and to this State in particular, that splitting hairs on more or less immaterial minor features was inexpedient. However, the larger States continued the argument with the Commonwealth, with the result that the Agreement, as now submitted, contains variations of the original which are included in the Bill now before the House. Thus, in Section 5, Subsection 1—The words "during the period of 10 years commencing on 1st July, 1937, and not thereafter" are inserted after the word "State" in line 1. This will have the effect of definitely limiting the period during which the Commonwealth may require the State to render the specified service, that is, in regard to work to be done by the State on roads which are in the vicinity of Commonwealth property. The Government are of the opinion that the period is implied in the original draft but there can be no objection to the insertion of the words sought to be inserted, so as to make the position clear.

Hon. L. Craig: Does that mean that the Commonwealth can insist on the States carrying out road work adjoining Commonwealth property at any time?

The CHIEF SECRETARY: The proposed amendment of Sub-section 2 of Section 5, will have the effect of limiting the extent to which the Commonwealth may require the States to appropriate funds for the repair, etc., of roads leading to Commonwealth property as specified in the preceding sub-clause. Thus, if the amount receivable from the extra ½d. per gallon should, as expected, realise say, £100,000, the call on the States by the Commonwealth in any one year would be limited to slightly over £8,000. This amendment is all to the good so far as the State is concerned, and should not meet.

with any objection from hon. members. I move—

That the Bill be now read a second time.

On motion by Hon. W. J. Mann, debate adjourned.

BILL—MAIN ROADS ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [5.30] in moving the second reading said: This short amending Bill has been brought down to provide for the reception into the Main Roads Trust Account of moneys received under the proposed Federal Aid Roads (New Agreement Authorisation) Act Amendment Act, 1937, the provisions of which have just been explained. Were it not for the fact that the new Federal-Aid Roads Agreement provides that part of the moneys allotted to the State (namely, the extra ½d. per gallon referred to in the previous measure) may be applied to purposes other than "construction, reconstruction, or maintenance," Section 30, as it at present stands, would be sufficient to cover the reception of such moneys. Since, however, the extra ½d. per gallon may be devoted to "works connected with transport," it has been found necessary to amend the relevant section of the Main Roads Act accordingly. I move—

That the Bill be now read a second time.

On motion by Hon. H. S. W. Parker, debate adjourned.

BILL—MAIN ROADS ACT AMENDMENT ACT, 1932, AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [5.32] in moving the second reading said: This is another amending Bill brought down as a result of the new Federal Aid Roads Agreement. The purpose of this measure is to amend Section 2 (1) of the Main Roads Act Amendment Act, 1932. Under the provisions set forth in the Bill, the principal Act will be brought into line with the Federal-Aid Roads Act, 1936, and the proposed Act varying that measure now before this Chamber. It will be recalled that the original Federal-Aid Roads Agreement of 1926 provided for the distribution of £2,000,000 per annum to the States. The currency of that agreement was for ten years, while allocations thereunder were made on the basis of three-fifths population and two-fifths area. Inter alia, the agreement set forth that the States should expend from their own funds an amount equivalent to 15s. for every £1 provided by the Commonwealth. Under that arrangement, Western Australia's contribution amounted to £288,000 per annum. However, with the advent of the depression, the States were naturally embarrassed by the necessity to meet their contributions under the agreement, and, as a result, an amended agreement was formulated and approved to operate as from 1st July, 1931. The 1931 agreement provided that the method of allocating the Federal Aid road moneys should remain on the former basis, but that the amount distributed to the States should be equivalent to the sum yielded by a tax of 2½d. per gallon on petrol imported, and 1½d. per gallon on petrol distilled within the Commonwealth. Grants were received on this basis until the 30th June last, after which the new agreement, ratified by Parliament last session, became operative for ten years. An amendment to that section of the 1932 amendment which relieves local authorities of their obligation to contribute towards the cost of construction and reconstruction of main roads has, therefore, becomes necessary, as the principal Act provides that such relief shall be limited to the period during which the State was receiving funds from the Commonwealth under the original agreement of 1926, and its variations as embodied in the further agreement of 1931. That limitation was laid down, of course, because it was considered that the local authorities should only be relieved from their obligations over the period during which the State was receiving funds from the Commonwealth under the then existing Federal Aid Roads Agreement. Now, however, that the agreement is being extended for a further ten years under terms favourable to a continuance of the relief, it is proposed to extend that relief to cover the currency of the new agreement, and also the six months' extension (as to 30th June, 1937) of the old agreement. I move—

That the Bill be now read a second time.

On motion by Hon. H. S. W. Parker, debate adjourned.

House adjourned at 5.36 p.m.