

though much less than the amount required in the preceding financial year, represents significant support to the States' works programme.

The borrowing programmes for the current year were determined at a meeting of the Loan Council in June last. These were fixed at \$758,000,000 for governmental works and \$372,000,000 for semi-governmental and local authorities, raising amounts in excess of \$300,000. Western Australia's allocations from these programmes amounted to \$70,790,000 and \$14,720,000 respectively.

Under this Bill, authority is sought to raise loans amounting to \$65,861,000 for the purposes listed in the first schedule.

I should point out that the new authority provided for each item does not necessarily coincide with the estimated expenditure for that particular item during the current year.

Unused balances of previous authorisations have been taken into account and, in the case of works of a continuing nature, sufficient new borrowing authority has been provided to allow these works to be carried on for a period of approximately six months after the close of the financial year. This is usual practice and it ensures that there is continuity in the progress of works until the passing of next year's Loan Bill.

I would mention for the information of members that full details of the condition of various loan authorities are set out on pages 12 to 15 of the Loan Estimates, copies of which are available in the House, together with estimated balances to be carried forward at the 30th June, 1970. These pages also set out the appropriations of loan repayments received in 1968-69.

Provision for the payment of interest and sinking fund is another important authorisation in this Bill, which charges these payments to the Consolidated Revenue Fund and no further appropriation is required from Parliament.

Authority is also sought to reappropriate certain authorisations which are no longer required. The second schedule sets out the amounts to be reappropriated and the third schedule lists the items to which they are to be applied.

I commend the Bill to members.

Debate adjourned, on motion by The Hon. J. Dolan.

LOCAL GOVERNMENT ACT AMENDMENT BILL (No. 3)

Second Reading: Order Discharged

Order of the Day read for the resumption of the debate from the 9th October.

THE HON. R. H. C. STUBBS (South-East) [8.22 p.m.]: Owing to certain events which have taken place today, this Bill is now redundant, and I therefore move—

That the Order be discharged.

Motion put and passed.

Order discharged.

ADJOURNMENT OF THE HOUSE:

SPECIAL

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [8.23 p.m.]: I move—

That the House at its rising adjourn until 11 a.m. tomorrow (Friday).

Question put and passed.

House adjourned at 8.24 p.m.

Legislative Assembly

Thursday, the 6th November, 1969

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

LOAN BILL

Introduction and First Reading

Bill introduced, on motion by Sir David Brand (Treasurer), and read a first time.

QUESTIONS (27): ON NOTICE

1.

HOSPITAL

Fremantle

Mr. **FLETCHER** asked the Minister representing the Minister for Health:

Adverting to part 4 of my question of the 30th October, 1969, and his reply that more specialised surgical cases could be dealt with subject to availability of bed accommodation to be built in the future—

- (1) Would not the present partial use of the specialised equipment limit the training of junior staff?
- (2) Is any limitation put upon the admission of junior staff as a consequence of the situation outlined in (1)?

Mr. **ROSS HUTCHINSON** replied:

- (1) No.
- (2) No.

2.

POWER STATIONS

Production Percentage

Mr. **JONES** asked the Minister for Electricity:

What percentage of power was generated by the undermentioned power houses on a weekly basis since the week ending the 26th April, 1969—

- (a) Bunbury;
- (b) Muja;
- (c) South Fremantle;
- (d) East Perth;
- (e) Collie?

Mr. NALDER replied:

	Week Ending	East Perth	South Fremantle	Bunbury	Muja	Collie	Wellington Dam
		%	%	%	%	%	%
May	3rd	....	16.3	7.5	74.7	1.5	....
	10th	....	14.9	7.4	76.2	1.5	....
	17th	....	15.0	8.6	74.9	1.4	....
	24th	....	15.0	5.1	77.8	1.3	....
	31st	....	16.0	8.5	73.9	1.4	....
June	7th	....	14.5	8.1	75.2	1.4	....
	14th	....	18.1	8.8	70.7	1.4	....
	21st	....	18.7	9.3	69.0	1.3	....
	28th	....	18.1	9.6	69.1	1.3	....
July	5th	....	19.0	8.8	69.5	1.3	....
	12th	....	18.2	11.6	67.2	1.2	....
	19th	....	20.1	8.9	68.4	1.2	....
	26th	....	21.5	9.4	65.6	1.2	....
August	2nd	....	21.8	2.7	72.8	1.4	....
	9th	....	21.4	7.0	67.2	1.3	0.5
	16th	....	18.0	9.4	68.2	1.3	0.8
	23rd	....	19.9	5.1	70.2	1.4	0.9
	30th	....	19.4	6.8	69.2	1.3	0.8
September	6th	....	19.0	7.2	69.1	1.2	0.8
	13th	....	19.9	6.7	69.6	1.3	0.2
	20th	....	24.5	9.1	62.2	1.4	....
	27th	....	24.1	5.4	65.1	1.2	0.7
October	4th	....	23.3	5.7	65.5	1.1	0.4
	11th	....	16.6	0.9	80.0	0.8	0.3
	18th	....	17.6	2.0	76.8	0.9	0.5
	25th	....	16.6	1.0	79.5	0.9	0.3
November	1st	....	17.0	1.9	76.6	0.8	0.7

3. POWER STATIONS

Kwinana: Production

Mr. JONES asked the Minister for Electricity:

- (1) When is it anticipated that the Kwinana power house will be producing electricity?
- (2) What is the anticipated production costs per unit?

Mr. NALDER replied:

- (1) Approximately mid-1970.
- (2) It is too early to make a useful estimate of the cost per unit.

4. ROAD BUS SERVICE

Collie

Mr. JONES asked the Minister for Railways:

- (1) Is the commission considering the cancellation of any Collie road bus services?
- (2) If "Yes", will he advise of the cancellations contemplated and the reasons?

Mr. O'CONNOR replied:

- (1) A review of all road bus services is at present being undertaken.

(2) The Bunbury-Collie services are among those being considered, but no decision has yet been made as to which services will be altered.

5.

COLLIE COAL

Government Contracts

Mr. JONES asked the Minister representing the Minister for Mines:

Will he advise when the new Government coal contracts will be finalised?

Mr. NALDER replied:

It is hoped to make an announcement within the next few days.

6.

POWER STATIONS

Kwinana: Size

Mr. JONES asked the Minister for Electricity:

- (1) Will the matter of air pollution restrict the size of the Kwinana power station?
- (2) If "Yes", what is the maximum potential size of the station?

Mr. NALDER replied:

- (1) and (2) There is no indication of this at the present time.

7. STATE ELECTRICITY COMMISSION

Units Generated

Mr. JONES asked the Minister for Electricity:

What was the—

- (a) total number of units of electricity generated by the State Electricity Commission during 1968-69, and supplied to its inter-connected grid systems;
- (b) number of units generated by each power station;
- (c) cost of production at each power station;
- (d) quantity of electricity purchased by the S.E.C. from B.H.P. Kwinana and cost per unit;
- (e) number of units of electricity sold by the metropolitan system;
- (f) number of units of electricity sold by the south-west power scheme;
- (g) average price charged per unit in the metropolitan and south-west power scheme separately;
- (h) total cost of current supplied by the S.E.C. and the price per unit charged to the south-west power scheme;
- (i) price per unit necessary to introduce uniform tariff to all the commission's consumers and produce a similar revenue return as that achieved for 1968-69?

Mr. NALDER replied:

I must again point out to the House that the State Electricity Commission operates an interconnected system of power stations. The commission loads these power stations so as to get the most economical output of power consistent with giving security of supply. It is the overall generating cost of the system that is the important figure and not the cost of generation at any individual station.

For this reason, the commission's most economical stations are given the heaviest loading and the less efficient stations are used to a lesser extent with, however, the proviso that it is necessary at all times to keep some load on metropolitan stations to give security in case of breakdown of transmission lines from the south-west.

The answers to the specific questions are—

(a) 1,887,838,400 kWh.

Units

(b) East Perth	26,735,500
South Fremantle	327,941,000
Bunbury	253,374,000
Muja	1,240,892,000
Collie	28,968,600
Wellington Dam	9,927,300

Cents per unit

(c) East Perth	5.28
South Fremantle	0.97
Bunbury	1.35
Muja	0.61
Collie	1.06
Wellington Dam	0.33

These generating costs include capital charges but not administration costs.

(d) 62,265,000 units.
57c per unit.

(e) 1,337,702,770 units.

(f) 196,221,337 units.

(g) Metropolitan—2.116c per unit.

South-west—2.353c per unit.

(h) \$1,814,467.

.954c per unit.

(i) The overall average price per unit sold in the commission's interconnected system in 1968-69 was 2.154c but it is not feasible to introduce a uniform tariff by charging this price to all consumers.

8. This question was postponed.

9. POTATOES

Deliveries to Board

Mr. I. W. MANNING asked the Minister for Agriculture:

(1) During the past 12 months what quantity of potatoes has been delivered to the board in—

(a) growers' own vehicles;

(b) bulk containers by rail transport;

(c) bulk containers by road transport?

(2) What are the freight cost arrangements in these instances?

Mr. NALDER replied:

(1) (a) Three thousand tons approximately.

(b) Nil.

(c) A few experimental consignments.

(2) Growers carting from country areas are allowed the equivalent of rail freight.

Metropolitan growers are allowed a fixed amount per ton.

10. POTATOES

Rail Freight Charges

Mr. I. W. MANNING asked the Minister for Railways:

- (1) What is the rail freight charge on a truck of potatoes consigned to Perth from—

- (a) Albany;
(b) Pemberton;
(c) Busselton;
(d) Brunswick Junction;
(e) Waroona?

- (2) Who pays the freight and what are the payment arrangements?

Mr. O'CONNOR replied:

- (1) Wagon loads of potatoes are now delivered at Kewdale and subject to a minimum of six tons per 4-wheeled wagon the rates per ton are—

- (a) \$7.35.
(b) \$5.95.
(c) \$5.00.
(d) \$4.30.
(e) \$3.90.

- (2) Western Australian Potato Marketing Board through credit freight account. The board recovers the freight charges from the growers.

- (2) By what means were these funds distributed to the growers?

- (3) What was the price per ton received by the grower?

- (4) From which districts and from what number of growers were potatoes of varieties other than Delaware forwarded for the overseas market?

Mr. NALDER replied:

- (1)

Quantity	Variety	\$
2,000	Delaware (seed)	104-111
250	Greta (seed)	111
320	Sebago 1	111
8,662	Delaware (ware)	45
		(average f.o.b.)
247	Greta (ware)	45
		(average f.o.b.)

- (2) A first payment and a final payment; the latter yet to be determined.

- (3) \$ per ton

Seed	80	1st Advance.
Ware	54	1st Advance.

Final payments not yet determined.

- (4) District Number of Growers

Warren	22
Bunbury	9
Albany	4

11. POTATOES

State Consumption

Mr. I. W. MANNING asked the Minister for Agriculture:

- (1) What is the estimated State consumption of Western Australian grown potatoes for the year 1969-70?

- (2) How does this estimate compare with the per head of population consumption during each of the past three years?

Mr. NALDER replied:

- (1) 43,500 tons.

	Production (tons)	Consumption per Head (lbs.)
(2) Year		
1968-69	42,470	101
1967-68	42,692	105
1966-67	37,407	95

The above figures are based on the assumed population as at the 30th June, each year.

13.

TRAFFIC LIGHTS

Morley

Mr. CASH asked the Minister for Traffic:

- (1) Have the plans for the installation of traffic control signals at the intersection of Walter Road, Wellington Road, and Collier Road, Morley, been completed?

- (2) How soon can these traffic lights be installed?

- (3) Notwithstanding the present priority rating for the installation of traffic lights at this intersection, will he re-examine the need for traffic control signals in this area having regard for the heavy increase of traffic that will occur at this location on and from the 19th November when the already extensive retail facilities in Morley will be supplemented by the opening of a new shopping complex designed to serve all metropolitan area shoppers as well as local residents?

Mr. CRAIG replied:

- (1) The Main Roads Department is well forward with preparation of plans for the installation of traffic control signals at this intersection.

- (2) Present planning provides for the inclusion of these traffic lights in the 1970-71 programme of works.

12. POTATOES

Exports

Mr. I. W. MANNING asked the Minister for Agriculture:

- (1) What was the quantity sold and the price per ton received for the various varieties of potatoes sold to overseas markets during the period the 30th September, 1968 to the 30th October, 1969?

- (3) Yes, the Main Roads Department will continue to keep this inter-section under observation.

14.

WHEAT

Quotas

Mr. H. D. EVANS asked the Minister for Agriculture:

- (1) How many applicants for wheat quotas have received a quota assessed on a period of time less than five years?
- (2) What is the method or formula adopted to arrive at a quota in such cases?
- (3) How many objections to quotas allocated to farmers have been received by the Wheat Quotas Committee?
- (4) In general, what quantity of wheat does he consider must be produced each year to enable a wheat farmer to maintain his farm as a viable unit?
- (5) How many quotas below this level of viability have been issued to wheat farmers?

Mr. NALDER replied:

- (1) 1,267 quotas have been issued under new land farm conditions. 154 quotas have been issued under special consideration—some of these may have had five years delivery history of an indifferent nature.
- (2) In respect to new land farms, district average by the area cropped less 27½ per cent.—if applicant has other interests a further 5 per cent. reduction would be imposed. In respect to special consideration quotas, calculation was as above less 40-57½ per cent. depending on other than wheat growing activities of the applicant.
- (3) From the 27th October, 1969 to the 5th November, 1969, inclusive, the Wheat Quotas Committee received 479 inward telephone calls and 608 farmers called personally in respect to wheat quotas.

Of these, approximately 60 per cent. called to rectify errors made by themselves or to supply additional information. About 30 per cent. were new land farmers dissatisfied with the quota allocated. About 8 per cent called seeking special consideration for extreme hardship, and about 2 per cent. called to have office errors rectified.

- (4) and (5) It is not possible to assess a fixed quantity of wheat required by each farmer to maintain his

farm as a viable unit. In the great majority of cases quite extensive other agricultural activities are carried out by wheat growers and viability is often dependent on factors other than wheat growing. Of the total number of 9,171 quota certificates issued to date, 7,770 have been issued to traditional farmers and these have averaged 9,590 bushels per farm.

15.

FISHING

Barramundi

Mr. RIDGE asked the Minister representing the Minister for Fisheries and Fauna:

- (1) Is it a fact that the lack of permanently flowing rivers in the Kimberley region is considered to impede the upstream migration of young barramundi and so restrict the abundance of these highly-regarded fish in northern rivers?
- (2) As it has been established that man-made structures on the Fitzroy and Ord Rivers have an adverse influence on the migratory habits of the fish, is it reasonable to assume that "fish steps" would aid their upstream movement during the periods that the rivers are flowing?
- (3) Does the fact that consideration is being given to imposing restrictions on the taking of barramundi by nets imply that there is an awareness of the need to conserve the species and encourage its multiplication in the freshwater reaches of rivers?
- (4) As it is conceivable that additional dams and barrages could be constructed across Kimberley rivers in future years, will urgent consideration be given to the provision of fish steps on at least one existing structure so that studies can be made to determine the effectiveness of the device?

Mr. ROSS HUTCHINSON replied:

- (1) The movement of young barramundi upstream is impeded by the presence of barrages.
- (2) Yes, but no research has been undertaken to determine the type of fish-step most suitable.
- (3) Yes.
- (4) Consideration will be given by the Department of Fisheries and Fauna and the Department of Public Works to provide one structure to study the effectiveness of a fish-step for barramundi.

16. **FISHING***Prawn Survey*

Mr. RIDGE asked the Minister representing the Minister for Fisheries and Fauna:

- (1) Is the prawning survey which has been conducted off the north Kimberley coast sufficiently advanced to establish the potential of commercial prawn fishing in the area?
- (2) On results to date, what areas have the greatest potential as commercial trawling grounds?
- (3) Are any figures available on the catch rate of prawns in the area?
- (4) If so, what are the details?

Mr. ROSS HUTCHINSON replied:

- (1) Not at this stage, but it is anticipated that further investigations using improved fishing gear and fishing technique on the main species available (i.e. banana prawn) will improve catch rates to the point where commercial operations will move into the areas and establish the fishery.
- (2) The areas showing greatest potential are in order of importance, Montague Sound, Vansittart Bay, Napier Broome Bay, Port Nelson.
- (3) Yes.

(4) Catch (lb.)/hour.

Area	Vansittart Bay				Napier-Broome Bay				Montague Sound		Port Nelson	
Year	1968		1969		1968		1969		1969		1969	
Month	Day	Night	Day	Night	Day	Night	Day	Night	Day	Night	Day	Night
March	12.6	50.3	....	....	....	....	....	....	....	....	....	....
April	7.7	48.9	....	....	57.1	0.5	....	....	....	....	....	....
May	16.0	25.7	....	....	19.2	....	....	....	44.4	17.5	....	....
June	18.6	22.6	26.0	17.4	8.5	4.4	8.6	....	77.0	29.8	....	....
July	7.2	16.5	....	....	6.7	1.1	....	....	24.3	16.5	....	....
August	....	....	11.0	1.14	51.8	....	2.6	....	11.5	7.2	....	....
September	....	....	....	....	16.1	19.8	....	....	47.8	37.1	46.0	20.8
October	6.8	13.6	....	....	38.1	40.8	....	....	51.1	30.9	30.9	15.9

17. This question was postponed.

18. **EDUCATION***Auditoriums*

Mr. DAVIES asked the Minister for Education:

- (1) Which high schools, senior and/or junior, have auditoriums for use as gymnasiums or halls?
- (2) At which schools are auditoriums under construction?
- (3) Which schools are programmed to be provided with auditoriums in the foreseeable future?

Mr. LEWIS replied:

- (1) Armadale Senior High School, John Curtin Senior High School, Mt. Lawley Senior High School, Governor Stirling Senior High School, Hollywood Senior High School, Perth Modern School, Rossmoyne High School, Como High School, South Fremantle High School.
- (2) Applecross Senior High School.
- (3) The provision of future auditoriums will be dependent upon the availability of loan funds and the buildings required in the present period of rapid expansion.

19. **TRANSPORT**
Bus Fares

Mr. CASH asked the Minister for Transport:

- (1) Will he table the details of the recent changes in bus fares making special reference to the comparison between the old and new fares for adults, pensioners, and children?
- (2) Presuming that he in replying will detail the bus fares section by section, what is the approximate distance of a section?

Mr. O'CONNOR replied:

- (1) Yes.
- (2) One mile.

The details were tabled.

20. **RAILWAY LAND**
Sale

Mr. BURKE asked the Premier:

Is the Government—

- (a) considering any proposals for the sale of any part of the Perth railway land;
- (b) considering the possibility of the sale of part of the railway land to offset the cost of lowering the line?

Sir DAVID BRAND replied:

The whole question of the railway lowering is at present being reconsidered, including ways and

means of making this possible, and this will include matters relating to the use of railway land.

21. EDUCATION NEEDS COMMITTEE

Representation.

Mr. WILLIAMS asked the Minister for Education:

- (1) With reference to my question on the 2nd October, 1969, on the appointment of the Education Needs Committee, has the information asked for been received in part or whole?
- (2) Would he convey to the House the information he has received at this date?

Mr. LEWIS replied:

- (1) This information has been received.
- (2) The composition of such committees is—

South Australia:

The survey will be conducted internally by the Directors of Divisions under the chairmanship of the Deputy Director-General. The committee may consult the Institute of Teachers when the survey is completed.

Queensland:

The Director of Special Education Services—Chairman.

The directors of primary, secondary and teacher education.

The President of the Queensland Teachers' Union.

Senior Lecturer, University of Queensland (specialising in educational administration).

Staff inspector—special education services—executive officer.

Consultations have been held with the President of the Queensland Council of State School Organisations.

Victoria:

A working party rather than a committee has been established comprising the following:—

Assistant Director of secondary education (Director of Survey).

Officer-in-charge, survey and statistics branch.

Assistant Director of primary education.

Assistant Director of secondary education.

Finance Officer.

Officer of the educational

facilities research laboratory.

Officer-in-charge, buildings branch.

Representative of the teacher education branch.

Member of the board of inspectors of secondary schools.

From time to time the following bodies will be asked to participate on two or three occasions to hear reports of progress as well as being invited to make written submissions:—

- (i) Victorian Teachers' Union.
- (ii) Victorian Secondary Teachers' Association.
- (iii) Victorian High School Principals' Association.
- (iv) Victorian Council of School Organisations.
- (v) Association of Principals of Victorian Technical Institutions.
- (vi) Victorian Institute of Inspectors of Schools.

Tasmania:

Director-General of Education—Chairman.

Superintendent of Research.

Superintendent of Curriculum Research.

President of the Tasmanian Teachers' Federation.

Member of the Tasmanian Council of State School Parents and Friends Association.

The committee will act as a steering committee but most of the work will be done by the research branch.

New South Wales:

Departmental representatives include—

Assistant Director-General (Schools).

Director of secondary education.

Director of primary education.

Director of Education, St. George Area (Sydney).

New South Wales Institute of Inspectors of Schools.

Outside the department—

Senior Lecturer in education, University of Sydney.

President, Federation of 24.
Parents and Citizens'
Associations.

Two representatives from
the New South Wales
Teachers' Federation.

President, New South Wales
Federation of Infant
school clubs.

22. TRAFFIC

*Minister for the Prevention of Road
Accidents*

Mr. BERTRAM asked the Minister
for Traffic:

As to the petition presented to
the House by me on the 1st May,
1969, and sponsored by the Citi-
zens' Road Safety Association of
Western Australia, what action,
if any, has been taken and is
proposed to be taken by the Gov-
ernment relevant thereto?

Mr. CRAIG replied:

The petition having been tabled
by the honourable member, any
action by the House is the re-
sponsibility of the said member to
initiate if he so desires.

23. STAMP ACT

High Court Decision

Mr. BERTRAM asked the Premier:

Further to his answer on the 2nd
October, 1969—

- (1) Has the High Court decision
in respect of section 101A of
the Stamp Act yet been inter-
preted?
- (2) If "No", why?
- (3) If "Yes", by what sum of
money will the anticipated
revenue from stamp duty be
reduced annually?
- (4) Now that the State's applica-
tion to the High Court for
leave to appeal to the Privy
Council in respect of section
101A of the Stamp Act has
been rejected, will the Gov-
ernment refund the money
paid to it under section 101A?
- (5) If "Yes", when?
- (6) If "No", why?

Sir DAVID BRAND replied:

- (1) Yes.
- (2) Answered by (1).
- (3) \$110,000 being the estimated
amount of duty in dispute with
Hammersley Iron Pty. Limited.
- (4) No.
- (5) Answered by (4).
- (6) Because it is understood that the
decision of the High Court has
no application against anyone
but Hammersley Iron Pty. Limited.

STAMP ACT

Appeals against Assessments

Mr. BERTRAM asked the Premier:

Relative to the Bill for an Act
to amend the Stamp Act, in each
of the last five statistical years—

- (1) How many appeals were made
to the Supreme Court under
section 32?
- (2) How many assessments were
objected to but resolved be-
fore appeal made to the
Supreme Court?
- (3) How many assessments were
objected to and resolved
after appeal lodged in the
Supreme Court but before be-
ing finally determined by that
court?
- (4) How many appeals that were
finally determined by the
Supreme Court were success-
ful?

North Kalgurli (1912) Ltd.

- (5) What is the paid up capital
of North Kalgurli (1912)
Ltd.?
- (6) How many shareholders in
the said company are domi-
ciled in Western Australia
and how much of the paid up
capital is held by them?
- (7) How many shareholders in
the said company are not
domiciled in Australia and
what is the total sum paid up
of their total shareholding?
- (8) Are any of the shareholders
of the said company who are
domiciled in Western Aus-
tralia themselves companies
and, if so, what are their
names and respective share-
holdings and the total sum
paid up thereon?
- (9) How much is the "substantial
amount of duty" which the
said company will be required
to pay under the current
provisions of the Stamp Act
if it proceeds with its recon-
struction proposals?

Foreign Companies

- (10) In each of the next three
statistical years how many
other foreign companies are
likely to benefit by reason of
amendment to section 75B of
the Stamp Act and for what
total sum?

Section 76 (5)

- (11) In each of the last five
statistical years how many
charges have been laid and
how many convictions record-
ed under section 76(5)?

Sir DAVID BRAND replied:

- (1) 1965—10.
1966—18.
1967—14.
1968—16.
1969—15.
- (2) No records are kept but it is estimated that there would be an average of 30 cases per year over the five years concerned.
- (3) 59 in total over the five years. All dates of withdrawal are not recorded in Supreme Court records and therefore they cannot be allocated to particular years.
- (4) Nil to date. In 14 cases appeal procedures are still in progress.
- (5) \$716,685 as at the 30th June, 1968.
- (6) to (8). This information is not readily available and would take some time to obtain.
- (9) \$759,975.
- (10) Not known. There are no other applications under consideration at present.
- (11) Nil.

25.

WHEAT Quotas

Mr. NORTON asked the Minister for Agriculture:

- (1) What is the—
(a) largest;
(b) smallest;
quota of wheat to any one farmer in Western Australia?
- (2) Where a farmer has grown wheat for the first time this year, how is his quota assessed?

Mr. NALDER replied:

- (1) (a) Largest—250,331 bushels.
(b) Smallest—25 bushels.
- (2) If the farm has been held for many years by the present owner, no quota would be assessed. If the property has changed hands recently, the quota would be assessed by multiplying the crop area by district average and deducting 40-57½ per cent. depending on other than wheat farming activities of the applicant.

26.

TOWN PLANNING *Central Perth: Open Space*

Mr. BURKE asked the Minister representing the Minister for Town Planning:

- (1) Has he any information on the land area required in central Perth (i.e. within the ring road

system) to meet present and future needs for open space, civic, cultural, or Government purposes?

- (2) If not, will he in view of the vital nature of this information take steps to secure it and provide the House with the information?

Mr. LEWIS replied:

- (1) and (2) The metropolitan region planning scheme, 1963, approved by Parliament depicts sites for open space, civic, cultural, or Government purposes and these reservations are considered suitable from a regional planning viewpoint for the foreseeable needs in the central area. Furthermore, although the Perth City Council has not yet completed a town planning scheme detailing proposals for the area, there is reason to believe that the council intends to ensure that as much open area as is reasonably possible will be obtained as development and redevelopment occurs in the centre.

27. *This question was postponed.*

QUESTIONS (2): WITHOUT NOTICE

1. BUILDING BLOCKS *Forrestdale*

Mr. RUSHTON asked the Minister for Lands:

Relating to the release, by the department, of Forrestdale building blocks by auction at the Armadale Hall on Saturday, the 8th November—

- (1) What is the position of present block owners adjacent to blocks to be released who wish to retain rights-of-way which were shown on plans when they purchased their land?
- (2) Is it intended to request owners involved to voluntarily relinquish rights-of-way?
- (3) If owners decline does the department intend to take action to cancel rights-of-way?
- (4) What redress have the property owners if the department takes action to cancel the rights-of-way?
- (5) Does the department intend to adhere to Government policy for provisions of services to building blocks with building conditions to be released by the Crown in the metropolitan region to these blocks to be released at Forrestdale?

- (6) If the answer is "Yes", will these provisions be announced now?
- (7) If answer to (6) is "No", what arrangements have been made to have these blocks serviced which have two years' building conditions required of purchasers?
- (8) Will arrangements for the servicing of these blocks be determined and announced prior to sale?

Mr. BOVELL replied:

- (1) The owners concerned may object to the proposed closure of the rights-of-way or, if the rights-of-way are later closed, may elect to purchase the land in the abutting portion.
- (2) The owners, through the shire council, have been requested to agree to the closure of the rights-of-way.
- (3) Depending on the attitude of owners.
- (4) Any adjoining owner may elect to purchase the abutting portion of the closed rights-of-way.
- (5) and (6) The recent understanding to provide services applies only to urban land. Consideration is being given to areas not included in the urban zone.
- (7) and (8) Lands Department records show that in discussions with the shire clerk, roads would be constructed where necessary by the shire council. In view of this understanding it is necessary to proceed with sale conditions as advertised. Release of these blocks was arranged because of representations made by the honourable member, local shire, and progress association. Any application for extension of building conditions would be given favourable consideration.

2. TRAFFIC LIGHTS

Morley

Mr. CASH asked the Minister for Police:

With reference to question 13 on today's notice paper, dealing with the installation of traffic control signals at the central Morley Road intersection—

- (1) Will his department give consideration to providing traffic patrolmen in this area to

control the traffic when the main shopping complex opens on the 19th November?

- (2) Will his department also give consideration to the possibility of installing traffic-light controlled crosswalks in Collier Road and Walter Road, Morley?

Mr. CRAIG replied:

- (1) Yes; if need be the police will be provided. As I stated in my answer to the honourable member's previous question, this would be under observation by the Main Roads Department.
- (2) I can refer this to the traffic engineers to see what their opinion is, although I will say they are not completely enamoured of the idea of these pedestrian-controlled traffic lights working separately from normal traffic light installations.

CLOSING DAYS OF SESSION: FIRST PERIOD

Questions: Procedure

THE SPEAKER (Mr. Guthrie): I wish to make an announcement as to the procedure which will apply tomorrow regarding questions. As members know, the House will sit at 11 a.m. In consequence, I will not call for questions until shortly after the luncheon suspension. I hope the Premier will be able to arrange the programme so that it is possible to get a break in whatever debate is in progress in order to conduct question time immediately after lunch.

The situation is a little different from the situation last year. My recollection is that we then sat on Thursday and Friday mornings. However, this time the problem of questions for the notice paper really does not arise. I suggest we do not receive questions for the notice paper for Tuesday, which may or may not be printed; but I would suggest to members that if the House is going to sit on Tuesday, there is no reason why members should not give private notice to the Ministers concerned. Then, on Tuesday, I will call for questions without notice if I am assured that notice has already been given privately to the Ministers.

METROPOLITAN REGION TOWN PLANNING SCHEME ACT AMENDMENT BILL

Second Reading

MR. LEWIS (Moore—Minister for Education) [2.38 p.m.]: I move —

That the Bill be now read a second time.

Members will have noticed that this is a small Bill, and accordingly my speech will be short. Last year I introduced an amendment to the Metropolitan Region Town Planning Scheme Act which, among other things, attempted to define more clearly the meaning of "first sold" as it relates to the payment of compensation for injurious affection.

Under section 36 of the Metropolitan Region Town Planning Scheme Act the authority is responsible for the payment of compensation for injurious affection of land reserved under the provisions of the metropolitan region scheme.

Payment of this compensation is deferred, however, until either, firstly, the land is first sold after it has been reserved or, secondly, an application to develop it is refused by the authority or, alternatively, approved but with conditions attached which are unacceptable to the owner.

The compensation provisions are intended to protect the interest of the owner of land at the time it is reserved and are not intended to be transferable. It devolves upon subsequent owners to acquaint themselves of the details affecting the land before purchasing it.

The Crown Law Department is of the opinion that the provisions of the 1968 amendment are capable of a much wider interpretation than the one intended. It appears that as the Act now stands if a seller who is unaware of the provisions of the Act disposes of his property at less than the unaffected market value and fails to claim compensation for injurious affection, then this right passes to the new owner. The original owner is thus deprived of his right to be compensated for loss of value through the reservation. The purpose of this amendment is to ensure that compensation for injurious affection is received only by the person who owned the land at the time of the reservation. I commend the Bill to the House.

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

STAMP ACT AMENDMENT BILL

Second Reading

Debate resumed from the 4th November.

MR. TONKIN (Melville—Leader of the Opposition) [2.41 p.m.]: The purpose of the Bill is to extend the duty now levied on hire-purchase agreements to practically all other forms of commercial credit. The Opposition does not like this Bill at all and, with regard to certain specific provisions, we are very much opposed to them.

I appreciate the Bill has been brought down because the Government has found that it has been losing substantial amounts of revenue as a result of people—knowledgeable people or people who have been expertly advised—finding they can avoid

duty, which they would be required to pay on hire-purchase agreements, by utilising some other form of commercial credit. This has been the experience in all States and all other State Treasurers have taken the necessary action to try to block the loophole in order to ensure that the amount of revenue they set out to get would, indeed, be obtained. That is the purpose of this legislation.

Unfortunately, the legislation is directed at the most needy section of the community. The persons who have substantial assets or collateral security will not be affected by the legislation, because such persons do not buy goods under hire purchase; they pay cash. They have the advantage of a reduced price because they are able to pay cash and they save the cost of raising the money. Consequently, the purchase of necessary commodities by those people is greatly facilitated and it is much cheaper.

It is the needy section of the community—people who do not have cash resources or collateral security—who are obliged to go to financial houses of one sort or another in order to raise money to buy things which they require in the home. They are the persons who will suffer under the legislation.

Mr. Bickerton: Certainly it will not affect the Treasurer.

Mr. Craig: How does the member for Pilbara know the Premier does not buy on hire purchase?

Mr. Bovell: Does the member for Pilbara buy on hire purchase?

Mr. TONKIN: The idea of buying on hire purchase was to enable persons to obtain more quickly those goods and services which they desired to have, but which would be denied them if they had to wait until the cash became available.

As is to be expected, people who provide credit facilities are not philanthropists. They are not simply waiting to provide money for those who require it without any return to themselves. Indeed, experience shows that financial companies make very substantial profits because they charge high rates of interest for the services they render. The greater the risk they take, the greater the charge they make for the accommodation which becomes available.

Generally, the Opposition does not approve of this type of legislation because it has the effect of imposing upon the needier section of the community an additional financial burden when that section is already hard put to find the necessary finance to meet its requirements. However, hire-purchase instruments are subjected to 1½ per cent. duty already and the Bill before us will extend a similar duty to practically every other form of commercial credit. Some exemptions are provided for in the Bill.

One section which will be hard hit by the legislation will be the credit unions which have come into existence and which are spreading rapidly because of the excellent service they are rendering to the needy section of the community. These credit unions make it possible for people to commence saving in a small way in order to have money available when they require it for a special purpose. If, in the meantime, they need finance they can borrow back their own money at a much lower charge than they would be called upon to meet if they went to one of the other finance houses. Consequently, they benefit both ways, because they are receiving better than bank interest on money which they are saving and, should they need money, it becomes available to them at a lower rate of interest.

What surprises me is that the Government recognised the value of these organisations previously and amended the law in order to make a special exemption for them. However, there has been a change of attitude on the part of the Treasurer. Whereas, previously, the Treasurer recognised the merit of these organisations, he now finds there is no justification for including them amongst the organisations to be exempted. To refresh the Treasurer's mind on this question, I wish to quote to him what he said on the 7th November, 1967. I quote from page 1841 of *Hansard*, Volume 3 of 1967. The Treasurer said—

Representations have been made for exemption from stamp duty for receipts given by credit unions and receipts given by members to those unions. There is justification for granting this request for exemption as receipts given to or by friendly and building societies are exempt and no duty is imposed on receipts for deposits made to or withdrawals made from savings bank accounts.

It would be very difficult, if not impossible, to find a difference in principle between a savings bank account and an account with a credit union. In the first place, the account is opened to enable the person to save his money and obtain interest whilst he is saving it. That, too, is the basis of savings bank accounts. The only difference is that one cannot borrow from a savings bank on the basis of the amount of money standing to one's credit in that bank, although, of course, one can withdraw the amount. With a credit union, however, because a member has already established credit with the credit union, he is given a loan which may be comprised wholly of his own money and he is enabled to borrow back from the credit union as much money as he requires at the time or from time to time.

I submit that these organisations render a very special service to that section of the community which needs such a service, and which is not available to them at such

a cheap rate from any other source. I think it is wrong that a duty should be imposed upon them which will result in their activities being restricted or limited to the disadvantage of that section of the community for which they have been established to serve.

It can be said that credit unions make a very real contribution to the community welfare. They encourage thrift, which is very important among the needy section of the community, if not among all sections; and they provide information and knowledge to people who are otherwise not well served to enable them to make the best use of the money they have. They are co-operative organisations and the work they do is, in the main, rendered voluntarily.

I think there are inconsistencies in the list of exemptions provided for in the legislation. Why should the man who has substantial collateral, and who can go to his banker and raise a loan for \$1,000, or \$2,000, to enable him to buy mining shares, escape the duty, when a person from the needy section of the community who wants \$500 for some worth-while purchase is obliged to pay duty? It just does not make sense to me. I suppose practically every member of this Chamber, without exception, could obtain money on overdraft from his banker, and there is no duty on such a transaction. However, if people outside want only a fraction of that financial accommodation, and they go to a credit union to obtain it, then that transaction has to carry duty.

We are opposed to that. We think it is wrong in principle and completely without justification, even though the Treasurer feels he is short of money and is facing a substantial deficit. On other occasions we have pointed out some sources of revenue readily available to the Government where much more money could have been obtained, without hardship, but the Government has neglected to tap those sources. It prefers to place this burden on the needy section of the community.

There are thousands of people, particularly young people, who are being encouraged, as information about the credit unions spreads amongst them, to join these organisations and take advantage of the financial facilities provided. If the duty proposed in the Bill is imposed, then fewer people will know about the advantages to be derived from the credit unions, and they will not be able to get this wise counsel as to how they can husband their resources or make the best use of the money available to them, nor will they be aware of the source of this financial assistance.

We would be rendering that section of the community a disservice if, by imposing this extra expense upon the credit unions, we oblige them to curtail their activities so that the opportunities people have to become aware of the existence of the

unions are considerably reduced. Therefore, we appeal to the Government to give this question further consideration and to see whether there is a strong case to justify credit unions being included among those organisations which are to be exempt.

One of the big advantages of membership of a credit union is the readiness with which loans can be made available to members to meet financial emergencies. Who are the people most likely to come up against a financial emergency? It is those in the needy section on comparatively low incomes. Sometimes there is a doctor's bill which has to be met by somebody who has possibly not taken out the full entitlement under the hospital benefit fund; there is a need to provide for some special treatment; and so on. When these emergencies occur a member of a credit union can get the necessary accommodation which would not be available from a bank.

However, if a person with substantial collateral available to him wants the loan of \$1,000, or \$2,000, for some special purpose, he can go to his banker and, under this Bill, the transaction is not dutiable. That seems to us on this side of the House to be completely without justification and quite wrong.

Another aspect which appeals to me in this: it is a basic principle of credit unions that if the borrower dies before he has repaid his loan then the debt is wiped out. In order to enable that result to be achieved the loans are insured, and that is a cost to the credit union. However, if one borrows from some other source, the debt would still remain. This is a very worth-while service and one which ought to be encouraged, but if this extra duty is imposed then, without an extra charge upon the persons concerned, it will be extremely difficult to keep on rendering this special service.

Why should we load onto the needy section of the community more and more charges? They are the ones who, inevitably, are called upon to pay most of the taxes which we impose, whether it be sales tax, receipt duty, stamp tax, or road maintenance tax; in the ultimate these all come back on those who use the services or purchase the commodities.

Mr. Ross Hutchinson: Could not they reduce their rate of interest and so escape the tax?

Mr. Bertram: No.

Mr. TONKIN: I think I have already pointed out that if they reduce the rate then, to a large extent, they have to curtail the service which they render; because, in addition to lending money, they have a counselling service and they do some advertising to bring under the notice of the people who would benefit the fact that they can benefit. So, in the ultimate,

an increase in costs will inevitably result in a reduction of the service being rendered—the very thing we want to avoid.

I suggest to the Minister for Works that that is what is going to happen. If the Government insists on imposing this duty, it will not get the money, anyway, because then the credit unions will do what he suggested they ought to do.

Mr. Ross Hutchinson: That's the idea.

Mr. TONKIN: That is not the Government's idea, surely!

Mr. Ross Hutchinson: It is to give an advantage to those who give lower rates.

Mr. TONKIN: The Treasury's idea is not to effect a reduction in costs to those who borrow money. The Treasury's purpose is to ensure that it can collect the revenue which it has been losing.

Mr. Ross Hutchinson: By putting a mark on the interest rate.

Mr. TONKIN: It has selected 9 per cent.

Mr. Ross Hutchinson: Which is not bad.

Mr. TONKIN: It might not be bad, but it has been advised it would be extremely difficult for anyone to get under it.

Mr. Ross Hutchinson: That is a fair one.

Mr. TONKIN: To begin with, the money which the credit unions lend must first of all be borrowed by the credit unions, or obtained from the savings, on which they pay 6 per cent. interest.

Mr. W. A. Manning: At what rate would they be charged?

Mr. TONKIN: It would work out at about 12 per cent.; it is about 6 per cent. flat.

Mr. Ross Hutchinson: That is pretty high.

Mr. TONKIN: It might be, but it is a lot lower than 18 per cent.

Mr. Bertram: Who charges that?

Mr. TONKIN: Hire-purchase companies.

Mr. Fletcher: I will give an example presently.

Mr. TONKIN: They charge 18 per cent. and higher. The Minister who has been interjecting can go along to a bank and get ordinary overdraft rates on a loan without any duty, but if he were obliged to enter into a hire-purchase agreement to buy some of the shares he possesses he would have to pay the duty and substantial interest to a finance company. That is the point I am trying to make. The needy—those who do not have many available financial sources—who are obliged to seek the credit, are the ones upon whom the burden will be placed.

However, the transactions entered into by one who goes to a banker and obtains money on overdraft will not be subject to duty. Yet the transaction is the same in

principle. It is a loan; it is a transaction to borrow money. In one case it is duty free, and in the other case the loan incurs duty, and it is the needy section of the community which is least able to bear the duty that is called upon to pay it.

In returning to the proposition as to what will happen if the duty is imposed, I suggest that one of two things will happen. Either the credit unions will reduce their cost below 9 per cent., which they will be able to do if they cut out many of the ancillary services which are now beneficial and of which the people will be deprived, or they can load the cost onto the people who borrow the money. So in either case it will be the needy section of the community that will be the loser. We believe this is the section of the community that requires assistance and protection, and no further burden should be heaped upon it, because it is carrying enough already.

I doubt very much whether there is a member in the Chamber—certainly not a Labor member—who has not at some time or other had the experience of meeting a constituent who was in difficulty because he had been to a finance house and borrowed money in order to purchase some worth-while requisite; some article of furniture for the home, or something of the kind.

Mr. Ross Hutchinson: Who has not?

Mr. TONKIN: Hire-purchase agreements already carry 1½ per cent. duty. To avoid that, a way has been found to rely upon other forms of commercial credit. The Government is concerned about the loss of revenue which results because other than hire-purchase agreements are being entered into, and so it adopts the attitude, "You will not get away with that; we will go after you and get the money, anyhow," and in so doing it ropes in the credit unions.

I am aware that other States have acted somewhat similarly, but with some differences. In the State of New South Wales, the Government has gone out of its way to encourage the formation of credit unions. There is a Minister who makes it his special concern to encourage and assist them and, as is to be expected, no duty has been imposed upon credit unions in that State. I know the Premier will say, as he said to a deputation yesterday evening, that New South Wales has available to it a very lucrative source of revenue from the one-armed bandits, and so it can afford to exempt credit unions.

I do not know that it can, because in recent times I have been reading where Premier Askin has been very critical of the relationships between the Commonwealth and the States and pointing out that New South Wales is in a serious financial position, and therefore, he has budgeted for a financial deficit. Nevertheless, that State has not imposed a duty

upon credit unions. In Tasmania there is a duty, but the figure mentioned for exemption is 10 per cent., and not 9 per cent. Whilst that would not completely meet the requirements of the credit unions, it would ease the burden to some extent and would not result in complete curtailment of the ancillary services.

If the Government is not prepared to yield to the case which we put up on behalf of credit unions by granting them full exemption, we propose to move, when the Bill is in Committee, to increase the figure from 9 per cent. to 10 per cent. in order to afford some relief to the credit unions. However, I hope the Treasurer will see his way clear to include credit unions among those organisations which are to be exempt; because I cannot see, having regard to the services rendered and the section of the community to which these services are being rendered, that there are many organisations, if any, with a greater right to exemption than the credit unions.

As it would appear that, in the ultimate, the Treasurer would not obtain the revenue from this source, because the credit unions will reduce their expenditure by cutting out some of their services, the net result of the exercise will be to deprive the needy section of the community of the services it needs and which will be rendered to it if this duty is not imposed. We consider the case is a very strong one and that, in the circumstances, the Government should have another look at this proposal with a view to ascertaining if it is not possible to grant the exemption and thereby benefit a substantial number of people who at present are interested in credit unions and who eventually will have their numbers greatly increased.

I understand there are some 24 credit unions in existence in Western Australia comprising approximately 25,000 people, so this is not just a small organisation with a very limited sphere of influence or benefit.

Mr. O'Neil: Have you any idea of the amount of capital they control?

Mr. TONKIN: I stand to be corrected, but I think last year they advanced about \$1,500,000 by way of bridging finance for the purchase of land and houses. That is an aspect of the service which I did not mention previously; and it is one which I think should impress members.

With the high price that has to be paid for land, young couples, in particular, need all the financial assistance that can possibly be given to them to enable them to avoid going into high-cost second mortgages. If they can get assistance from the credit unions—and they do—then it is of great importance to them. I understand that last year an amount of

\$1,500,000 was made available by the credit unions to people who required this form of assistance.

If it were a case of asking for this section to be singled out above all others, then it would not be as strong as it is; but exemptions have been provided to junior sporting bodies. Certainly these bodies render an excellent service in providing for the youth to employ their leisure gainfully, but I cannot say that I believe that service transcends the services which are being rendered by credit unions. To us it appears that the people who avail themselves of the services of the credit unions are a most needy section of the community which should have available to it the various services that the credit unions provide.

Why is it that in New South Wales the Government has for years gone out of its way to encourage the formation of credit unions? I understand that the late Sir Harold Holt was one who strongly favoured the growth of these organisations, because of the importance of the services which they render to the needy section of the community. Why should we do anything at this stage to halt that development and make it more difficult for the credit unions to give the maximum amount of service for which they have been formed to give?

You will gather, Mr. Speaker, from the emphasis I have placed on this aspect that we on this side regard this particular provision in the Bill as the most objectionable of all the provisions; but I have pointed out that we do not like the Bill at all, because it is aimed at putting an impost upon a section of the community which is least able to bear it.

We should be looking elsewhere for the \$650,000-odd which the Treasurer expects to get from this source. There are many sources from which this could be obtained with much less hardship than will result from the imposition of the duty on a needy section of the community.

From this side of the House we implore that special consideration be given to the cases which have already been advanced by two deputations—one by the League of Credit Unions in Western Australia, and the other by the Trades and Labour Council which represents the trade unions. I want publicly to express my appreciation to the Premier for his agreement to receive those deputations, at some inconvenience to himself, and to listen to the case which they put up. I felt he was sympathetic to their point of view.

Having had the opportunity to give further thought to the points which have been made, and in view of the emphasis I have placed upon these points, I hope the Premier will give this matter further

consideration with a view to seeing whether it is possible to effect the amendments which we feel to be so desirable.

MR. FLETCHER (Fremantle) [3.15 p.m.]: This Bill has implications other than those mentioned by the Leader of the Opposition. I will get back to his final theme presently. Among other things, the Bill seeks to impose stamp duty on hire-purchase agreements and other forms of credit at the rate of 1½ per cent. in respect of the sale of goods and services involving a charge for the use of credit; but transactions of less than \$200, or involving a credit charge equivalent to less than a simple interest rate of 9 per cent. a year will be exempt. That is one aspect.

I draw the attention of members on the opposite side of the House, particularly those who represent the rural sections of the community, to the provision in the Bill which states that the hiring and the renting of goods like television sets, motor vehicles, office machines, and heavy equipment will be subject to duty. Bearing in mind the lastmentioned item—the heavy equipment—I am wondering whether farmers are concerned with this provision.

It is possible that at times members opposite would be required to hire heavy equipment to establish a dam, and I have in mind a piece of machinery popularly known as a "Cat" which can pick up loads of 30 tons at a time. People cannot hire these pieces of heavy machinery for peanuts, to use a colloquialism. These are very expensive pieces of equipment to hire, and on that basis alone the farming community should express opposition to the measure, and should join with us on this side of the House in the very desirable purpose of excluding such items from the ambit of the Bill.

People who carry on credit businesses will have to register with the Stamp Office and submit monthly returns of transactions. Are the farmers aware of this? In this current financial year, the tax from this source to be levied as from the 1st January, 1970, will yield an extra \$640,000 if the Bill is passed. That means that from the 1st January, 1970, to the end of the financial year the tax will return \$640,000 to the Treasury. Working it out in a full year of 12 months the tax comes to \$1,280,000. I know the Treasury is short of funds, but I do take exception to involving credit unions in this dragnet method of obtaining finance from this source.

To show the preferential treatment that exists I find that North Kalgurli (1912) Limited, a mining company now incorporated in Britain proposes to go into liquidation and to form a new company to be incorporated in Western Australia. The Government has agreed that this company will not have to pay stamp duty on this transaction, as it considers the money will

be better spent in mining development in Western Australia; and, unless the company is given exemption from this duty, the plan will be dropped.

Here is a position in which a huge mining company can intimidate the Government in the manner in which it has, for the purpose of obtaining preferential treatment. In this case we have a huge vested interest that can exert pressure on the Government with a view to obtaining exemption from the tax. Why should we on this side of the House, who predominantly represent the less fortunate sections of the community, not press for exemption for them also? I allude in particular to the credit union movement and to those who are in the lower income bracket. I regret the Premier is not in the Chamber—

Mr. Graham: He is in the Chamber but not in his seat.

Mr. Williams: He is listening to every word you are saying.

Mr. FLETCHER: I wish to refer to a gesture which the Premier made on a previous occasion, and which the credit union movement of Western Australia appreciated. I ask the Premier to repeat his generous act on this occasion.

At page 1841 of *Hansard*, 1967, the Treasurer is on record as having said the following:—

In recent years the activities of co-operative credit societies have increased.

I notice the Treasurer is returning to his seat to listen attentively to what he had to say in 1967. I hope he takes cognizance of what he said and repeats his performance. The Treasurer's remarks were made during the second reading debate on the Stamp Act Amendment Bill.

Sir David Brand: Is this the same as was read out by the Leader of the Opposition?

Mr. FLETCHER: I will first of all read out what the Treasurer said, and then he can comment. He stated as follows:—

In recent years the activities of co-operative credit societies have increased. These bodies are popularly known as credit unions. They are concerned mainly with assisting their members to regularly save sums of money and, when necessary, to provide them with low cost loans and financial advice.

Here is the Treasurer saying in 1967 precisely what the Leader of the Opposition has just said. To continue—

All earnings are returned to members in the form of interest on their savings. These societies are usually formed from persons working for the same employer, church groups, or similar organisations.

Another passage reads as follows:—

Provision is included in the Bill to provide the exemptions sought by local authorities and credit unions.

The Treasurer might remember that on that occasion, in 1967, the member for Fremantle also made a fuss with respect to certain groups. I read correspondence to the House and it is all in *Hansard*. On that occasion the Treasurer made concessions to those people on whose behalf the member for Fremantle spoke. On that occasion the Treasurer was magnanimous and he granted an exemption of the 1c in the \$10 to the credit unions, and to others on whose behalf I made representations. I hope the Treasurer will be similarly magnanimous on this occasion.

Sir David Brand: You have not made out a very strong case.

Mr. FLETCHER: A sum of \$640,000 is likely to be collected for the six months ending in June, 1970, as a result of this stamp duty. The Treasurer knows that the percentage of that amount which will come from credit unions could easily be waived. The only excuse which he can offer, as far as I can gather, is that the Treasurer of Victoria has brought down similar legislation which our Treasurer has to emulate. I do not know why the Treasurer of this State should not show some initiative, or whether he is subject to intimidation from some Federal source, which means that he must join with Mr. Bolte.

Sir David Brand: Cut it out!

Mr. FLETCHER: What other interpretation can I put on the Treasurer's action?

Sir David Brand: There are 100 others, but whatever I said would be wrong.

Mr. FLETCHER: I am glad the Minister for Works is busy talking to the Deputy Premier; he has left the Treasurer to protect himself.

Sir David Brand: I showed courtesy to you in answering your question.

Mr. Bovell: He is a most formidable character.

Mr. FLETCHER: I am grateful for the courtesy extended and I hope this courtesy will be extended in a practical way. I do not believe that the Government is so short of finance that the Prime Minister—that was or is—

Mr. Jamieson: Or would be, or should be.

Mr. FLETCHER: It is on record that the Prime Minister said that he would come to the assistance of the State in the event of financial difficulties occurring as a result of the recent court action. Having that promise in mind, I am sure the Treasurer will insist that the gentleman just mentioned lives up to his promises and his obligations without our Treasurer having to dip into the limited finance held by the credit unions.

I will refer to a little more history—just a brief reference to events casting their shadows. I will go back as far as 1963.

Sir David Brand: That is too far back.

Mr. FLETCHER: I will refer to what the member for Fremantle had to say in that year; and this, Mr. Acting Speaker (Mr. Mitchell), is relevant to this Bill. In *Hansard*, Volume 2, 1963, I referred to the Civil Service Association, which had just got its co-operative credit union off the ground. I referred to how the co-operative credit union came into existence and I pointed out that on Tuesday, the 6th August—presumably that was in 1963—there existed a certain financial statement relevant to Esanda—a subsidiary of the E.S. and A. Bank Ltd.—for the year ended the 30th June, 1963. That statement showed an increase in profit of £711,391 after tax of £409,370.

Outstandings due by customers increased from £28,380,505—including £639,642 on which no charges were added—to £34,679,293. I need not read any further with respect to those figures. I then went on as follows:—

I read that article to demonstrate the increased money that flows to Esanda as a consequence of hire purchase in Western Australia. I could go so far as to say that unfortunately hire purchase has the nation, including Western Australia by the throat. It is a very remunerative business; but I accept the fact that under our existing social order, or disorder, the ordinary wages and salaries men have no alternative but to resort to hire purchase.

That was the reason for the formation of credit unions in this State, and while they exist greater prosperity will accrue to the credit users.

If the Treasurer insists on this present provision it will have an impact on the credit unions already in existence. In fact, those credit unions which are operating in a small way could conceivably go to the wall if the Treasurer persists. Those unions not yet off the ground will never get off the ground, financially.

I have done some research and I have some further figures. For example, the place at which I previously worked—the South Fremantle Power Station—has launched a credit union. I do not think that more than 150 members would be involved, and I am concerned for their future. I know of other credit unions with 60 and 80 members, but they will not survive if this stamp duty is insisted on.

However, I want to show the figures which existed at the birth of the Civil Service Association Co-operative Credit Union Society Limited. The shareholders at the start of the year numbered 210, and at the end of the year they numbered 1,287. Loans at the start of the year,

amounted to £8,070, and had gone up to £100,202 at the end of the year. The loans skyrocketed. The members of the union could see the value and worth of this splendid organisation, and the benefits they could derive; and they would prefer that to paying excessive usury as they would have had to do if they borrowed money from another source.

In 1963 I quoted other figures concerning the history of the Civil Service Association Credit Union, but I do not want to weary the House with those figures at this stage. I can give further detail in committee. Another paragraph from my speech made in 1963 refers to South Australia, and I think the Treasurer also referred to this—

Whilst on this subject, I would mention that the South Australian Public Service Association has been going for 13 years and now lends money at 3½ per cent., which is very different from hire-purchase companies that charge far in excess of that amount in order to put thousands of pounds into the pockets of their shareholders at the expense of the public, as indicated in the article which I read from *The West Australian* of the 6th August.

The next paragraph is the one to which I particularly want the House to listen. The Premier interjected and said—

Would they have any hire-purchase companies in South Australia?

My response to the Premier in 1963 was—

I know they have, and to the detriment of the public. I have demonstrated what can be done by unions and other associations. They can create credit unions. However, what concerns me is this:

And if I may interpolate here, it still concerns me—

If the unions and associations in doing this make inroads into the realm of private enterprise, then this Government might prevent that from happening by introducing legislation. I know the Government does consider the freedom of private enterprise and condones its making the profits which I quoted from the Esanda report.

I draw the attention of the House to what I said in 1963: that legislation might be brought down to curtail the activities of credit unions. It would appear that I was clairvoyant at that time because what I said has inevitably come to pass in the form of this legislation. I do not say that the Treasurer is doing this deliberately or vindictively; I know his economic problems.

Sir David Brand: You are dead right!

Mr. FLETCHER: However, there are other areas which could be explored with regard to obtaining finance instead of

taking if from the ordinary people—the man in the street. Let me quote a case relevant to that which the Leader of the Opposition quoted a short time ago involving \$2,000. I regret having to quote family history; however, my son is a member of the Civil Service Association and he needed \$2,000 for a housing loan. When he obtained the loan he was fortunate in having to pay only \$2.50 for stamp duty. However, if he needed that \$2,000 now, what would he pay? Instead of \$2.50 stamp duty he would have to pay \$30. What more graphical illustration can I give?

Mr. O'Neil: Housing loans are exempted.

Mr. FLETCHER: Unfortunately the Minister has rushed in to his detriment. The point is that I was fortunate in being able to help my son. He wanted the money, not for the purpose suggested by the Minister when he jumped in, but to furnish his house; to install a stove and ancillary equipment such as carpets, laundry equipment, and so on. That is why he wanted the money and that is why the Civil Service Association lent it to him. When my son wished to purchase a precut building he went to the Wesfarmers Co-operative in Wellington Street—I have no objection to using the name. He was asked if he had financial accommodation, and they offered him money at 15 per cent. Does not that alarm the members opposite?

Sir David Brand: It was not a co-operative.

Mr. FLETCHER: If, as the Premier says, it was not a co-operative why did the firm allude to itself as being a co-operative? Unfortunately the member for Roe is absent, but his colleague, the member for Mt. Marshall, is taking notes and, presumably, taking notice of what I am saying. I wonder whether somebody will jump in and say that there will be a special exemption for Co-operative Bulk Handling. That firm is a co-operative, but I do not know whether it comes within the ambit of this legislation or not.

Let me give another personal illustration. I wished to purchase an electric stove. I priced the particular stove I wanted at Sandovers and Boans. Fortunately, being a parliamentarian and having an income adequate to enable me to pay cash, I visited the Civil Service Association and the people there suggested that I try a certain address. I was able to purchase a stove for considerably less than the price I was quoted at the other two places. I had the stove installed just prior to the currency changeover at a cost of £89. That included the installation fees and the electrician's charge, and the price was £40 cheaper than the other two firms wanted to charge for the purchase alone. That is what happened to me simply because I could afford to pay cash; and the purpose of credit unions is to make cash

available to their members so that they do not have to pay exorbitant interest rates.

Let me give a further illustration concerning a lady who lives two doors from me. She sought my advice recently after receiving from a lawyer a letter accompanied by a summons. I investigated the matter because the firm concerned—John Allen—had gone out of business. This lady searched far and wide in an effort to find the source to keep up her hire-purchase commitments, but not being successful she had not been able to pay for a period of something like two years. Unfortunately the Statute of limitations did not apply to her case. She was caught up with a debt of \$300-odd because a certain company had purchased the debts which existed subsequent to the liquidation of the John Allen firm. I inquired at the legal firm concerned and was told that it was a legitimate debt.

The equipment concerned had been purchased some years before, and it was worn out. However, the unfortunate lady, who was a widow was still paying principal and interest on an amount of \$300-odd for equipment which was no good to her, simply because she did not have the cash at the time to pay for the equipment in the first place. What better illustration can I give? Why should there be preferential treatment for me and not for others like members of credit unions who have the opportunity to enjoy the privilege I enjoyed? That is why we on this side of the House take exception to what is perpetrated through the medium of this Bill. That is all I have to say at this stage, but we will probably submit suitable arguments during the Committee stage to support the worth-while amendment suggested from this side of the House.

Perhaps I should keep going for another five minutes to prevent the speaker who is to follow me from being short-circuited, as it were, after speaking for only that time.

Mr. O'Neil: You might not get 20 minutes for afternoon tea.

Mr. FLETCHER: I hope the Treasurer has listened to the case I have submitted. The legislation before us is discriminatory and will undoubtedly and inevitably affect those whom I represent. The Minister for Works is looking at me. He interjected and asked why the interest rate could not be advanced. That is a reasonable and logical question.

Mr. Graham: Sometimes he is a reasonable Minister—sometimes.

Mr. FLETCHER: I feel the Leader of the Opposition answered this in part by saying that the benefits that would otherwise accrue to the membership of these co-operative credit unions would have to be curtailed. I think he made the point that, for example, if I as a member of a C.S.A. Co-operative Credit Union borrowed

\$200 and fell dead before the ink was dry on the transaction—and God forbid that this should happen—the rate of interest charged by the credit union and the debt would be waived to my widow, as it could in the case of the debt of any other widow belonging to the C.S.A. Co-operative Credit Union. I have already mentioned that there are also other benefits which accrue to these members.

For instance a member can be up to his ears in debt and the credit union will say to him, "You are in safe employment in the public service, and, as a consequence, it is safe for us to advance you money to get you out of the clutches of, for example, these landsharks." I use that only as an example.

While I am on that question, I wonder why the Treasurer cannot get from the people who make exorbitant profits out of land and other transactions, the revenue he is seeking from the ordinary working man by imposing this taxation.

In my 1963 speech I indicated to the farmers opposite that if they required a part for their tractor or for any other piece of agricultural equipment they would be charged an exorbitant price by the people in St. George's Terrace; people who have never farmed a farm but who certainly do farm the farmers.

I suggested to the farmers that they form their own co-operative credit union so that they may have ready finance available to enable them to pay cash for the parts they may require for their tractors or other agricultural equipment.

Mr. W. A. Manning: They have no cash.

Mr. FLETCHER: They may not have the cash for the purchase of these parts but they certainly have sufficient cash to enable them to join a credit union. During the Committee stage I shall deal with the aspect of the usage and hiring of heavy equipment on which duty is charged.

I hope there will be other speakers from this side of the House who will take up the cudgels on behalf of the people whom we exclusively appear to represent at the moment. I do hope, however, that somebody on the other side of the House will also demonstrate support for the arguments submitted by the members of the Opposition.

Sitting suspended from 3.45 to 4.5 p.m.

MR. LAPHAM (Karrinyup) [4.5 p.m.]: It is regrettable indeed that we find it necessary to speak on a Bill which imposes a tax on the little people in our community. It is rather ironical that the tax is being imposed as a consequence of the failure of the Western Australian Government to compel a very influential iron ore company to pay stamp duty. On the one hand, we have the Hamersley Iron Ore Company, a very influential company,

which has succeeded in defeating the Government's desires concerning stamp tax, while, on the other hand, we have the little people from whom the Treasurer is now endeavouring to make good his losses. He has gone from one end of the scale to the other, and is now seeking to make good the losses from the pockets of the little people who are in real need.

I am not only concerned because of the position of credit unions, but also because I do not believe that hire-purchase transactions at any time should be the subject of taxation.

If a person is wealthy and does not require money, he has no necessity to avail himself of hire-purchase arrangements. Therefore the mere fact that a person makes use of the facility of hire purchase is indicative of the fact that he is in poor financial circumstances. As he is in poor financial circumstances, why should we make him poorer? For the life of me I cannot see the reason for taxing people because they do not have money; and this is what the Bill proposes.

Let us go back to the early history of trade unions. Members from both sides of the House agree that trade unions have, since their formation, done a splendid job. Perhaps on odd occasions during a strike members opposite might have felt that it was not justified; but with my knowledge of trade unions I have not yet known of a strike which was not justified. If the circumstances are studied it is always found that every justification exists for the industrial dispute which has arisen.

Let me get back to the point. Over the years trade unions have rendered a very satisfactory service. They have usually endeavoured to deal with the industrial side of their activities because they were created for this purpose, and as a consequence a reasonable remuneration for the services of trade unionists has been established. However trade unions have found that latterly the money which they have won in industrial and arbitration courts has been taken from the workers by the usurers; that is, the hire-purchase finance companies. As a result the trade unions have, in many instances, combined to establish their own hire-purchase authorities, and these are known as credit unions.

This has not been done because the trade unions are interested in finance, but because hire-purchase companies, by their ever-increasing rates and hidden charges—and do not forget those hidden charges—are depreciating the value of the wages earned by unionists. In this way the unions have done their best to help their members. They do not have the money themselves, because most unions are almost penniless. Their secretaries are employed on very small wages, and their staff receive the absolute minimum allowable. The unions cannot afford to pay more.

Contributions to trade unions are down to the basic minimum because it is realised that members of unions have very little money and, as a consequence, they can pay little. There is just sufficient income for the unions to continue, and that is all. No money was available for hire-purchase arrangements, so the unions went to sympathetic people outside and obtained finance at the rate of, say, 6 per cent., although it has varied at times. They then use that money to make available to their members a facility which is far preferable in every way to the facilities provided by the hire-purchase organisations. The credit unions admit that their rate of interest could be 6 per cent. flat which is 10.8 per cent. simple interest. They find it difficult to get below that and make ends meet.

They utilise the honorary clerical services of many of their members, and a terrific amount of voluntary effort goes into the running of these credit facilities. Since they have been operating, these credit unions have grown and they are giving a good service to the community; and, what is more, they are providing an opportunity to those who are earning an industrial wage to ensure the wage goes a little further than it would do if the facilities of hire-purchase companies had to be utilised.

If the tax under this Bill is imposed, we will be taxing the people who have very little. They are not seeking the luxuries of life. They merely want to furnish their homes and have the use of motor vehicles. For instance, a worker's motor vehicle may be worn out and, unfortunately, he needs a vehicle to get to and from work. As members know, we have no real transport system.

Mr. Brady: You can say that again!

Several members interjected.

Mr. Cash: Midland is pretty well served.

Mr. LAPHAM: As there is no real transport system, everyone needs a vehicle to get to work. In those circumstances a unionist must ask for financial assistance, and it is then that the credit union comes good with the necessary finance. The worker then pays a little per month to return the borrowed money. In this way he is able to keep his home together and his wage structure intact.

By the facilities which the credit unions have extended they have given their members something which has been necessary for years. If the facilities are taken from them or additional charges are imposed upon them, it will mean, of course, that their members will need higher wages. Arbitration courts will be oppressed by the demands for additional wages on the grounds that the cost of living has gone up. As a consequence, although the

Treasurer will receive money on the one hand, he will lose it in many ways on the other.

I sympathise with the Treasurer, because I know he cannot operate the State of Western Australia without money. However, he should not impose this burden upon the little people. Why could he not look to some of the luxury activities which are carried on within Western Australia? I am thinking of the racing clubs. These clubs appear to have an abundance of money today and do not know how to spend it. They build additional grandstands and facilities and I wonder, sometimes, whether they deserve the amount of money that is poured into this field.

Mr. O'Connor: Does the honourable member know where they got the money from for the grandstand?

Mr. LAPHAM: I know they sold some property. However, their assets have also been increased because the Government has been very generous towards racing clubs. I am not altogether suggesting that there should be a tax imposed upon racing clubs, but I do say that it is a luxury activity. I go to the races myself and I often see other members there. One goes to the races expecting to lose money, and if one wins so much the better. By going to the races with this attitude it does not matter if one loses a little more if one is having a good day and some of it goes to the Treasurer of the State.

Sir David Brand: What if one has a bad day?

Mr. LAPHAM: However, this is a different matter at the home level and, especially, when the income is very small. Do members realise that those who will be taxed most will be people who receive between \$40 and \$50 a week? These are the people who have to make use of hire-purchase finance.

Mr. Cash: What facts do you have to prove that argument?

Mr. LAPHAM: They are the ones, as I said, who use hire-purchase finance and credit facilities. The facts I offer are that they do not earn sufficient money to live and to be able to buy the little extras in life at the same time. They are always running into financial problems. Something will crop up and they find they need money for an immediate settlement but they cannot get it from anywhere except a credit union. The credit union will always give them cash so that they may settle a particular bill. Without the credit union, they would not have the money to pay that bill. Nevertheless, it is now proposed that they shall pay an additional amount as a tax on the money borrowed. This is not good. All members must realise that this is no proposition; namely, to tax little people because they do not have the money.

If the Treasurer was proposing to tax a luxury item, I would be at one with him. However, to tax people because they do not have money is not a sensible proposition at all.

Hire purchase is something which I consider has got out of hand to some extent in our community. I have wondered whether the measure we are debating today has been brought about to some degree through dissatisfaction with hire purchase which has resulted in a consequent reduction in that activity since credit unions have come into operation. Credit unions are growing fast, because they give a service to the people who created them. They were created purely as a co-operative movement. One can say they are similar in every way to friendly societies which, of course, are exempt under this measure. It would be easy for the Treasurer to place credit unions in the same category as friendly societies and offer them the same protection that is offered to friendly societies under existing legislation. By this means, of course, the credit unions could continue to give help to those who need help.

I said earlier that hire purchase seems to have got a little out of hand over the years and this is one of the reasons why credit unions have to be formed. It has been a simple process over the last six or seven years for anybody who is interested in land deals to arrange short-term credit with hire-purchase finance houses.

I know one man who is in the millionaire bracket today but who had very little money only a few years ago. He made arrangements with a finance company to borrow money at 1 per cent. per month and, in consequence of that short-term loan, he was able to purchase land and to develop it. He started in this way and made fabulous profits from the sale of that land. This has not only had the effect of putting him on the road to becoming a millionaire but also of forcing up land prices. As a matter of fact, it has had the effect of forcing up all prices. When there is an over-abundance of hire-purchase finance available, it forces up everything, with the result that there is a reduction in the value of the wage structure. The people who are most affected are those who, on every occasion, have to go to the arbitration court to obtain small rises, and the rises are usually of the order of 50c or 75c.

Sir David Brand: Would not the finance available from the credit unions have the same effect?

Mr. LAPHAM: No. As I have said, credit unions operate only because the interest rate on money available from other finance houses is so shockingly high. The interest rate varies from 18 per cent. to 30 per cent. and, in addition, there are a number

of hidden charges. It is quite a common thing—

Sir David Brand: I am speaking about the availability of money.

Mr. LAPHAM: —to find that a finance house charges \$30, or even more, simply for arranging finance. These are the things which credit unions have been able to avoid. Consequently, credit unions have been able to give a better service to their members and to the community.

Again, I wonder whether hire-purchase companies are a little concerned with the growth of credit unions, because if credit unions continue to grow as they have up to date they will ultimately oust finance houses. This is the point of view of those who are connected with credit facilities and credit unions.

Mr. Rushton: What interest rate do credit unions charge?

Mr. LAPHAM: They keep it to the absolute minimum at all times. Credit unions utilise the voluntary service of members of the union and, in this way, rates can be kept to an absolute minimum. A credit union is not an organisation which seeks gain; it is purely a co-operative body. Unionists pool their money and, if this is insufficient, the credit union may borrow from outside. Interest rates and charges are kept to an absolute minimum and, in this way, credit unions give facilities for people to help union members. Should Parliament impose a tax on those who form themselves into bodies for the purpose of giving help to one another? Surely that is not right.

Mr. Rushton: Was it said earlier that they pay 6 per cent. interest on savings but charge 12 per cent. on money lent?

Mr. LAPHAM: The figure is 10.8 per cent., but quite a number of other services are given and there are other costs. If the legislation is proceeded with, the credit unions will have to charge below 9 per cent.

Mr. Bertram: With no security.

Mr. LAPHAM: The credit unions will do this, but they will have to adopt different procedures; namely, they will have to minimise the service which they now give to their members.

The amount of money which the Treasurer will receive will not be affected at all, because the credit unions could not operate by paying \$1.50 in the \$100. As I say, they will go below the 9 per cent., but in doing so they will give a lesser service to the people whom they help. I do not think this is good. We should be giving credit unions every latitude to help them assist the people who need help and for whom they were formed to assist.

I appeal to the Treasurer to have second thoughts on this matter. There are many reasons why he should. As I said before, he has already given consideration to friendly societies and, if a trade union

is not a friendly society, I do not know how it would be classified. As I mentioned, unions were formed for the purpose of assisting the wage earner. They have created quite an impact in the political world and it is surprising how a number of little people can create a force in that political world. Members opposite will realise this well, because they went through the political wringer only a little over a week ago. If the Government continues to force the issue with little people and to create hardships for them, the Government will go through the wringer again. Next time, perhaps, it may be a different story and the Government may find itself out of office. I am not endeavouring to threaten the Government; I am only pointing out what could happen and that little people deserve consideration.

Sir David Brand: I do not believe the honourable member is worried.

Mr. LAPHAM: If the Treasurer liked to hold an election tomorrow, I would be most happy as would every other member on this side of the House.

Mr. Tonkin: There is no danger of that.

Sir David Brand: There is no danger of that, because I am thinking of everybody. People do not like elections.

Mr. Bertram: It is not what is liked but what would be good for them.

Sir David Brand: I think the member for Mt. Hawthorn is thinking of something different.

Mr. LAPHAM: If the Treasurer is thinking of retiring, may I suggest that he recommends that a certain member of the Cabinet who is overseas and who is doing some indiscreet speaking should take over the leadership; because I know very well what would happen at the next election if he did. However, I did not mean to talk on elections.

I want to persuade the Treasurer to have another look at the position which will be created by putting an impost on the little people in our community. This is what will be done, because the tax will be imposed on credit unions which were formed primarily for the purpose of assisting those in need. Candidly, they are in need. In many respects credit unions are voluntary organisations and they go out of their way to help one another as I have said. They have not been formed for the purpose of gain, but purely on a philanthropic principle whereby they give their time to help one another. That is the principle involved.

I hope the Treasurer will have second thoughts and I suggest that he should perhaps increase the amount in clause 10 of the Bill from 9 per cent. to 12 per cent. or, alternatively, place credit unions in the same position as friendly societies.

MR. BERTRAM (Mt. Hawthorn) [4.30 p.m.]: This Bill has some likeness to the ill-fated Alfred Cove reclamation motion in that it is being pushed through. It arrived before the House about this time on Tuesday and we sat until about midnight on Tuesday and Wednesday. Now we are being called upon to debate this very important measure—and it is important because, as has been said, it hits at the hip pocket nerve.

Certain things can be rushed through, but important legislation should not. Everybody in this House knows that there are odd exceptions, but it is a solid rule and therefore one is entitled to ask the Government why with undue and almost obscene haste, this Bill, which was foreshadowed on the 2nd October, should be rushed through when it did not arrive until about the middle of November? Everybody is weary and time is short; but in the meantime, the House has been busy dealing with some monumental legislation. There was the Forests Act Amendment Bill, for example, which dealt with something the Solicitor-General recommended in 1919. There was the Associations Incorporation Act Amendment Bill, which dealt with some matter of virtually no importance at all. We changed the name of the crayfish to rock lobster so that we could deceive people in another country, as well as those in this State.

Mr. Ross Hutchinson: What a lot of nonsense.

Mr. BERTRAM: Is not that what we have done? The member for Wembley assured us on that point, as I understood his speech. Do not let us kid ourselves; that was wilful deception! Then, of course, we had a Bill to impose parking fees in the Metropolitan Markets. That was a very important measure, too!

Mr. Ross Hutchinson: Get on with the Bill.

Mr. BERTRAM: I propose to do so. I go along with the Minister's proposition that 18 per cent. interest is red hot. It could be called shameful, and people who charge that sort of interest should not be subject to the same rate of tax as those who are in existence for a meritorious purpose—for the purpose of mutual benefit where people, and particularly young people, are benefited.

We are told that this Bill is before us for four reasons. Firstly, it is to extend the duty now levied on hire-purchase agreements to other forms of credit to protect the revenue. We are doing more than protect it; we are waxing fat. We are not taking the position back to where it was when the hire-purchase duty was first imposed; we are going beyond that. We are not protecting it; make no mistake about that; we are going into a completely new realm.

The second object of the Bill is said to be to provide an exemption from certain stamp duties for local authorities, and junior sporting and youth organisations—and we are told that these are included because of a motion passed in another place in comparatively recent times. I go along with that.

The third object of the Bill is to extend the discretionary power of the Treasurer to exempt from stamp duty instruments concerned with company reconstructions. That particular proposal is here because of one company only, and that company is not domiciled in Australia; it is domiciled in the United Kingdom but all its assets and wealth are derived from this State. Those assets cannot be removed; they are here.

Finally, the fourth proposition is to make a number of machinery amendments relating to the definition of money, to objections, and to exchange of information to facilitate the administration of the Stamp Act. Following an excellent precedent, I propose to deal with the last proposal first and I will attend to the proposition of the Minister for Works in due course.

Let us see what is meant by "an exchange of information." If we look at clause 9 of the Bill we see that this is to allow the Commissioner of Stamps to give certain information to commissioners in other places—including other States and the Commonwealth—information which comes within his knowledge and control as a result of his operation and administration of this Act. We are told that similar provisions already exist in the Stamp Duty Acts of Victoria and New South Wales. We could also have been told, if we were to get the whole story, that a similar provision exists in the Income Tax and Social Services Contribution Assessment Act of the Commonwealth.

It seems to me that what is going to happen is that the commissioner in this State can give information to the commissioner in New South Wales, Queensland, Victoria, or any one of the other States, but we are not given any knowledge as to whether there is any secrecy provision included in the relevant Acts of those States. While there is a secrecy requirement against the commissioner and his officers in this State, we do not know that any information—which may come from any member here—which is transmitted to Brisbane, for example, can be disclosed there, or whether such information must be kept secret. While it is alleged that only New South Wales and Victoria have the same provision as is proposed to be included in our Act, we are not told whether any of the other States will introduce similar legislation. Section 16 of the Income Tax and Social Services Contribution Assessment Act to

the Commonwealth imposes a need for secrecy upon officers of the Commonwealth Taxation Department, and it goes on to state—

Nothing in this section shall be deemed to prohibit the Commissioner, Second Commissioner, or a Deputy Commissioner, or any person thereto authorized by him, from communicating any information to—

Then paragraph (c), which follows, reads—

The Commissioner of Income Tax for any State, or the authority administering any Act of a State relating to Land Tax, Stamp Duties or Succession Duties if that authority is authorized by law to afford similar information to the Commissioner, the Second Commissioner or a Deputy Commissioner;

In other words, the income tax people say, "If you are going to get information from us then it is a condition precedent that we can get information from you." That is not a bad arrangement. To me it appears to be quite reasonable but I do not think it is included in the provision we are seeking to put in our Act, and it is absolutely essential. The need for secrecy by the recipient State should be included in the legislation if the people of this State are to be protected, and I do not think these points are covered by the Bill. I say, "I do not think they are" because the Bill arrived here only two days ago and one is entitled to have some sleep. However, it is something that could be cleared up as we go along.

It is also interesting to observe that under the Commonwealth Act the penalty for people who breach the secrecy provision is \$500 and imprisonment for 12 months. By the Bill before us, for a breach of the secrecy provision, a penalty of \$200 is proposed, which seems to me to be a little odd. I should imagine there is really no incentive for anybody to maintain secrecy if, in fact, anybody needs an incentive in this direction.

Mr. Bovell: The need for secrecy, as it applies to the Commonwealth Taxation Department and the State Taxation Department, is totally different.

Mr. BERTRAM: The interjector will have ample opportunity to explain his outburst in due course.

Mr. Bovell: I am putting you on the right track.

Mr. Jamieson: You could not do that.

Mr. BERTRAM: I am on the right track and I intend to remain there, notwithstanding what seems to me to have been a baseless interjection.

Another point is the intention to amend the existing section 75B. It happens that from time to time a company may, for various reasons, desire to reconstruct itself, and those reasons could be quite

numerous. One reason could be, for instance, to create a new company to take over the assets, the liabilities, and everything else of the existing company. The shareholders of the old company would come into the new company and their rights and privileges would be the same as under the old company. In such a case, as the law is at the moment, the Treasurer may, in his discretion, grant some remission of the duty payable because, although the companies are two separate entities, the transfer of assets and so on is more notional than real.

This is a State which is alleged to be progressing, a term which I have never been able to work out. I do not know what it means, no matter which way I look at it. However, all it seems to me is that the rich get richer and the poor just bounce along. When we look down the Terrace we see big buildings being constructed with concrete and brick, and yet, for the first time in years, the State happens to be in deficit. The people are spending more this year than they will be getting in. So there is some evidence of progress! The people are going backwards whilst this very small segment of the society is going ahead, from strength to strength.

In the process of all this, what we are proposing to do by the Bill is to make a donation to a foreign company which means, of course, a company not domiciled in this State. In this instance it happens to be domiciled in the United Kingdom. I have no animus against this company but, when one is poor, one cannot make donations to people who are fairly wealthy and who are not even resident in the State. I do not, surely, have to argue that point any further.

It is said that 75 per cent. of the shareholders of this company are Australian and, in the circumstances, the company is of the opinion that Australia is the proper location for its domicile. Heaven only knows who the other 25 per cent. of the shareholders are, or where they live. I asked questions arising out of the information I was given in this regard but the answers I received have not yet placed us in the position where we can debate this Bill with any success. Part (6) of the question I asked reads as follows:—

How many shareholders in the said company are domiciled in Western Australia and how much of the paid up capital is held by them?

The answer I received reads as follows:—

This information is not readily available and would take some time to obtain.

The next question I asked reads—

How many shareholders in the said company are not domiciled in Australia and what is the total sum paid up of their total shareholding?

To which the answer was—

This information is not readily available and would take some time to obtain.

I then asked—

Are any of the shareholders of the said company who are domiciled in Western Australia themselves companies, if so, what are their names and respective shareholdings and the total sum paid up thereon?

And the answer was—

This information is not readily available and would take some time to obtain.

So, really, we are not in a position to say whom we are helping or what company we are doing a good turn. Also, not only are we unaware of where some of the shareholders are domiciled, and who they are, but we are unaware of the percentage of paid-up capital and the number of shares held by people living outside Australia. Yet the Government is seeking—but it will not do it with my concurrence on the information before us—to wipe off a substantial sum which, according to information received, happens to be \$759,000.

It will write this amount off and so enable this company to do what it seeks to do. Some reason is given. It is said that the company takes the view that this amount would have been better spent on mining development in this State, and that if it is unable to gain relief from stamp duty it will consider abandoning the reconstruction.

That is the view of the company, but what else would one expect the company to think? I do not know the amount the company put up for the proposition. It is perfectly lawful for it to be done, but this does not necessarily mean we should allow it to go on. If we had money to spare, it would be different, but in view of the situation in which we are placed we certainly cannot concede it. I do not know what the company is worth. It may be worth millions, and there is nothing to indicate what inconvenience the company is suffering. Is it said to be suffering \$750,000 worth of inconvenience? I am all for assisting the company, or any other person in the State who will keep things going in the right direction, but there are limitations and degrees. On the evidence before us, I do not know what category this comes into but, in any event, it certainly does not seem to be reasonable.

If we wish to show some generosity in imposing our stamp duty, there are far more deserving cases upon which we can shower such generosity, and credit unions could be included among them. Before I commence to deal with credit unions, and if the Minister for Works will bear with me for a moment, there seems to be a classic provision here which I suggest should be removed from the Bill, because

it is an insult to the intelligence of anyone who reads it. That provision is contained in clause 21 which comes under part IVC relating to instalment purchase agreements. Although not in exactly the same form, there is a similar provision in the Act. This provision refers to hire-purchase agreements and provides that the owner of goods shall not impose on the hirer the stamp duty that is attracted by hire-purchase agreements. If he does he will be convicted and fined.

I should imagine that provision has been in the Act for some years. Today I asked a question about a similar section in the Act—section 76(5). That question reads as follows:—

In each of the last five statistical years how many charges have been laid and how many convictions recorded under section 76(5)?

Members need to ponder for only a moment to guess the answer. I received the same answer as I did when, a few months ago, I asked a question in respect of hire-purchase agreements. That question was—

How many charges under respective sections have been laid and how many convictions have resulted under the Hire Purchase Agreement Act in each of the last five years?

To that question I received the same answer as I did today. I was hoping the Minister could give it to me, but seeing he has not, the answer is nil.

What is the use of having a section in the Act if we cannot put it to work? As very few people know about it and as it is not put to any use, would it not be better to delete it? The more important question is: Would it not be far better to do something about it and put the section to work?

Last but not least, in the few moments I have to spare, I would turn to speak of organisations called credit unions which are set up by different organisations, including trade unions. What this Bill seeks to do is to put trade unions and other bodies on the same level as finance companies. As the name suggests, mutual organisations are formed to help one another, but finance companies are formed only to help themselves. I can understand the reason for the Bill being introduced. In a way it is because the Government would be all for the process known as competition. However, it does not appeal to me; it is an infantile concept.

Credit unions operate to help one another, and not to fleece one another. The finance house makes a charge of about 18 per cent. on its loans, and the credit union charges about 11 per cent., but under this Bill each one will pay the same duty. That is the proposal put forward by the Minister for Works. Judging by his interjection, this is utterly obnoxious to him, and later he will have an opportunity to manifest this state of affairs. At present

a credit union, on a loan of \$2,000, is paying \$2.50 stamp duty, but if the Bill becomes law it will pay \$27.50 stamp duty. I do not know how many multiplications that represents, but it is not a bad start. It is clearly an impost and a frontal assault on credit unions that is not justified. It will bring credit unions into the same category as finance companies which, I think, are money lenders by occupation.

I do not mind the finance companies being in business; that is their affair. However, it does not mean that we should place them in the same category as credit unions which are completely opposite in character.

I recall, shortly after the last election, the Premier on television explaining it was not only necessary that justice be done, but that justice should manifestly appear to be done. At that time the Premier was pointing out that all we had to do at that stage was to let people know that things were good. The people say they are not good, but the Premier now wants to get over to them, before the next election, that things are good. However, that is digressing.

In my opinion there is no justice manifestly shown by the provisions in this Bill, and I would therefore urge the Government to give consideration to limiting the interest rate. Obviously the Government should take steps to exempt credit unions from the provisions of this legislation. The Treasurer has said that we must protect our revenue, but instead of doing that he is entering a new area of taxation. I do not know what free enterprise, private enterprise, or commercial enterprise is. They are expressions that are allowed free rein around the place, but I do not know what they really mean. Sometimes members opposite, when they seek to give a clean meaning to the expression, prefer to use the expression "commercial enterprise" instead of "private enterprise."

Mr. Davies: Guided enterprise.

Mr. BERTRAM: Yes. It is worth while for the credit unions to know that they are coping it fair and square in the neck because of the activities of private enterprise, commercial enterprise, or free enterprise. I do not know, but it may be a bit of each, or the lot. What has happened? A short time ago Parliament said, "We want to impose duties on certain hire-purchase agreement transactions at 1½ per cent." So the segment of society to which I have referred did the obvious thing. Acting within the law, it decided, "This is easy. We will defeat the will of the people as expressed through Parliament. We will not enter into hire-purchase agreement transactions, but credit and other types of transactions, and so frustrate the will of the people." That is what they have done in this State.

As a consequence, the Treasurer has received less money in revenue than was expected. Instead of taking steps to rectify this weakness and catching the very people who have done this to the Government, we intend to catch many others who were not involved in the first place; in particular, the credit unions. I am not making a particular attack upon the finance companies, but merely attempting to make some comparison between the credit unions and those finance houses that do not have to get their hire-purchase interest rates fixed by anyone. If they so desire, they can charge like a bull, as the saying goes.

In the first instance, unless a trade union can go to the court to have the wages of its members fixed, those members do not receive any increase in remuneration whatsoever. That is one imposition, for a start. What a real and sizeable handicap those union members are suffering! There is no need for me to prove that; that is an accepted fact. Therefore one simply cannot bring these two types or organisations, fairly and properly, into the one category or situation. In the circumstances, the duty, so far as it affects credit unions, should not be imposed; the credit unions should be exempt from duty.

On page 97 of the Stamp Duties Act it would appear that the credit unions were made exempt from the payment of receipt duty, but only by the skin of their teeth. Apparently they were a little fortunate on that occasion. I can imagine that pressure has been placed on the Government from some source or another, and the parties interested have said, "Let there be no repetition of this, let us get the credit unions in." It could be the position that the finance companies are themselves being subjected to fairly sizeable competition from the credit unions.

Returning to this aspect of justice, I mentioned earlier it does not seem that we are manifesting justice if, through the imposition of stamp duty, we can kill off a competitor to the advantage of an organisation which has so much money that it does not know what to do with it. It is interesting to know that at least one credit union during 1968-69 produced figures to show that its operating costs for the year were only 13.2 per cent. of its income. From that information one can realise just how easy it is to conduct a finance organisation. One can also readily recognise the kind of profits that can be gained by a company that is charging something like 18 per cent. interest on loans.

It will be seen in clause 7 of the Bill that a provision is to be inserted into the Act to give bodies which are established to provide sporting or other recreational or social activities certain immunity from the impact of stamp duty. This provision

deals with persons who are under 21 years of age. In effect, they are being given some peanuts to satisfy the motion which was brought down in another place. This provision gives a little more than what that motion wanted.

On the other hand, young people under 21 years of age will find themselves in the position where the crippling imposition of 30 or 1½ per cent. will be passed on to them, because whilst under the provisions relating to hire-purchase agreements this humbug of not being able to pass on the duty to the hirer exists, it does not exist in the earlier provision of the Bill—the one which catches credit unions; that is, in part IVB relating to credit and rental businesses. Subject to correction, I say there is no provision in that part which precludes a finance company from passing the duty on to the borrower.

Under hire purchase there is such a provision. How on earth can those provisions be pursued? The stamp duty is not passed on; all that is done is to increase the interest rate. It is therefore hardly surprising that nobody has been charged under the existing sections of the Act to which I have referred. I hope I have met the requirements of the Minister for Works in respect of this particular matter.

In the few minutes that are left to me I think it is worth while mentioning something of the history of credit unions. Apparently they came into existence in the 1840s in Germany, because of the economic vicissitudes which were being experienced by a particular community as a result of crop failures at the time. They banded together to help one another. The enterprise was not operated for profit or charity but to give a service. The same principle obtains today. We should encourage this, and we should not do anything to place a curb on it. We should take every step possible to enable moneys to be made available at the cheapest rate of interest.

Later on, apparently the credit union movement extended to the North American continent, and there it was said to be the breeding ground of the new credit unions. The unions there were well organised and soundly managed, but they still retained the human aspect of dealing with people in financial difficulties and with associated problems. This is the same spirit which prevails in the credit union movement today. They should not be mentioned in the one breath with, or treated in the same legislation as, the finance companies.

If enough has not been thus far said in this debate to justify the total exemption of credit unions from this stamp duty, or to justify an amelioration of it for them, then I suggest they could be charged a duty of ¼ or ½ per cent. Personally, I would prefer this rate of duty to an

approach where the interest rate is lifted from 9 per cent. to 11 per cent. or 12 per cent., or something of that nature.

Why cannot something in this direction be done to give an incentive to a worthwhile cause? Why, as was said recently elsewhere, kick them in the teeth, and place obstacles for the credit unions to overcome in their endeavours to do the right thing by the people? We should not do this.

The members who represent rural interests cannot be enthusiastic about this measure. While the time that has been given to us to study the measure has been insufficient to enable us to understand all the difficulties that will be created, and to get down to tinctures, it may be that when the people comprising the rural section of the community receive their stock accounts—which for some years they might have been able to avoid because of inflation—they will find they are affected. It may be that the people whom some members opposite are supposed to represent in this House will be hurt by this measure.

We on this side look forward to hearing their voices raised in protest also. We on this side cannot see why we should be the only ones to speak up for the rural interests. As I resume my seat I look forward to contributions from members of the Country Party to this debate.

MR. CASH (Mirrabooka) [5.6 p.m.]: I would like to join in this debate and say a few words about the subject matter which is before the House. We have to realise that each year, particularly this year, the Treasurer has had to face certain difficulties with regard to framing the Budget. A loss of State revenue has eventuated from the High Court decision in regard to some aspects of the receipts stamp tax.

We should bear in mind the provisions which the State has had to make in extending drought relief. There has been a loss in railway revenue due to the slow moving of wheat stocks. There has been an increase in the wages and salaries of the employees within the Public Service and within the community generally. The recent increase in the salaries of the teachers has placed an extra \$3,000,000 expense on the Treasury.

In the Budget for this year the Treasurer has put forward certain proposals for the exemption or reduction of land tax, and the exemptions alone benefit 120,000 people. These proposals have resulted in the loss of revenue, and the Treasurer has had to look in other directions to find where the equivalent amount of money can be obtained. The proposals for land tax reduction affect many more thousands of people in the community.

Despite the problems created by the loss of revenue, and the need to look at the stamp duty as one possible source of raising additional finance, the Treasurer has been very resolute in his determination to help the people in this community who might be affected by this legislation, in the sense that, despite the problems he faced in framing the Budget and the necessity to bring forward legislation of this type, he has not swayed from his decision to exempt or reduce land tax to the benefit of two-thirds of the people in the community. Certainly two-thirds of the people, if not more, are affected by the land tax legislation recently before the House.

The Leader of the Opposition has said that this measure is directed against the people who can least afford it; the member for Karrinyup has constantly mentioned the little people of the community who will be affected; and the member for Mt. Hawthorn has spoken on similar lines on many occasions. Yet when a Bill containing proposals to benefit those people was introduced recently, the Opposition gave grudging support to the amendments; I refer to the measure to reduce or to exempt land tax.

When members opposite talk about this Government and the little people in the community, it is of interest to delve into the history of their record in this regard. If we look at the Budgets for the period 1956-1958, a period of just over two years, we find that the present Opposition which was then in Government increased many of the taxes at an alarming rate. It increased the fees under the Bills of Sales Act by 100 per cent.; the fees payable to the police courts by 100 per cent.; the fees payable to local courts by 100 per cent.; the fees payable to the Titles Office by 75 per cent.; the liquor tax by 40 per cent.; and the Lands and Surveys fees by 60 per cent. In those days when a person wanted to install a septic tank he had to submit plans for approval, and the Government at that time increased the fee by 100 per cent.

In regard to technical school fees, which concerns many people in the lower income bracket, particularly the sons of tradesmen who do some of the more technical jobs in the community, the Opposition, which was then in Government, increased them by 125 per cent. It also increased firearms license fees by 200 per cent.; the general fees for forestry transactions by 200 per cent.; tram, bus, and rail fares by 25 to 50 per cent. It even increased probate to gain an extra 10 per cent. from this source; and it increased the stamp duty on cheques by 50 per cent. I would remind the House that in respect of the taxes which I have just mentioned—and these affect everybody in the community, as does the legislation before us—the Opposition which was then in Government was not reluctant to levy high taxes on every section of the community.

Mr. Graham: What is this high tax business? Is it not enough that your Government has skyrocketed the taxes since then?

Mr. CASH: The Deputy Leader of the Opposition is sensitive about the history of his Government.

Mr. Graham: We were very practical. You are only telling half of the story, and you are half a man.

Mr. CASH: The Bill retains the existing duty of 1½ per cent. on hire-purchase agreements. An attempt has been made to point out that only people in a special category within the community use hire-purchase agreements. That is not so. People from almost all strata of the community have been involved in hire-purchase agreements in one form or another. So, to say that this applies to certain necessitous people in the community who have to use this form of purchase is not correct. The Bill applies the present rate of duty of 1½ per cent. on hire-purchase agreements to other forms of credit. It seems logical that if credit transactions are taking place in one direction with one section of the community, the duty which they should pay should be equated to the duty that is paid by other sections that are, perhaps, using the present type of hire-purchase agreements to acquire goods.

It is worth noting, and I do not think the Opposition has brought forward this point, that the provisions of the Bill exempt transactions which do not exceed \$200. This would cover many of the normal transactions which the people of the community in the lower-income bracket enter into.

The Bill also exempts monthly charge or budget accounts which are used by people in all strata of the community, whatever their income might be—whether it be more or less than \$50 a week. It is amazing to see the number of people who have budget accounts with the stores. These transactions which do not exceed \$200 will be exempt under the legislation.

In respect of large budget accounts, these are only dutiable if a charge is made for keeping the accounts. If no charge is made on such transactions then they are not dutiable.

Loans for housing are also to be exempt. Certainly these transactions involve many of the people in various income groups. The maximum duty-free rate of 9 per cent. will exclude most lending transactions of banks, insurance companies, etc. Surely everyone will agree that a large number of the people in our community have many such transactions with these institutions. Again, these people will not be affected in most of the transactions of this type.

Among other things, the Bill covers the leasing of goods. This is one form of commercial activity that has replaced hire purchase. It has many more advantages

from the taxation point of view than hire purchase, the renting of goods, and in many cases the outright purchase of goods. It is only right that this type of activity should come within the scope of the legislation.

The Premier has said that this year \$640,000 will be yielded from this source; that is from the 1st January next to the end of the financial year. Whilst many people will be affected by this legislation, I am certain that most, if not all, have benefited in some way from the provisions which have been made in the Budget, particularly those in relation to the exemption or reduction of land tax, and those in relation to the expenditure of funds on education, social services, and other facilities which are the responsibility of the Government of this State.

I believe that this House and the community should appreciate the problems that confront the Treasury in this Budget year. I am certain that the Treasurer was reluctant to introduce this type of measure. The Treasurers of the Commonwealth and the States are not out to extract every dollar they can from the community; they look at the needs for the ensuing 12 months, and they endeavour to ensure that the revenue to be raised is comparable with the amount that is required to be expended.

I would say again that the Treasurer could have been reluctant to introduce this measure with the many aspects it involves. I hope that once the future of our Commonwealth-State relationship is established next year, the State Treasurers and the Prime Minister—whoever he may be—will study these matters. I hope an opportunity will arise for the Commonwealth to realise our position and perhaps increase the allocation of money to this State by the provision of a better financial arrangement. If that occurs perhaps the Treasurer will have an opportunity to have another look at the legislation which is now before the House to see if some of the provisions introduced today could not be looked at again. In that event, amending legislation could be introduced at some future date.

MR. HARMAN (Maylands) [5.16 p.m.]: I wish to round off this debate on behalf of the Opposition, and to state that I strongly oppose the measure. I oppose it particularly with respect to credit unions and the arrangement to add a duty to those people who purchase items over a period of 12 months free of interest. That particular arrangement is used by a number of business people in Perth to the benefit of the prudent housewife who budgets the family income. Such budgeting allows the housewife to buy several items well over \$200 in value, and permits her to pay them off over a period of 12 months.

Under the present measure, by one means or another, the cost of those items will be increased. It is quite obvious the business concerns will not carry the impost of this added duty. The duty will be passed on. Even though it has been stated that the impost cannot be passed on, it will be passed on by some other means.

This is an occasion where the Opposition has the arguments, but not the numbers. It is quite obvious that the Bill will be carried, but it is interesting to note that Country Party members have not come into the debate in any way. A number of people in the electorates represented by the Country Party members will be affected and, indeed, farmers themselves will be affected. However, I notice that there is an allowance for farmers who lease machinery with a farm. That is probably the way in which the Country Party members were bought off.

All in all, this is a Bill which we do not like. The credit societies have all spoken in opposition to the Bill, and I believe they have taken deputations to the Treasurer. The Treasurer has given them a hearing, but they failed to justify to him that the impost should not be placed on them.

As has been pointed out a loan of \$2,000 from a credit union will carry an impost of \$28. This could mean that some credit unions will have to bear an additional cost of some \$70,000 to \$80,000 a year. Otherwise, that extra cost will have to be passed on to the members of the credit unions. Perhaps some of the smaller credit unions will find that they can reduce the interest below 9 per cent. However, I do not know that that will be to their advantage, because once the Treasurer discovers that the unions have reduced the interest, another Bill will probably be introduced next year to lower the impost to the 8 per cent. rate of interest. The Treasurer has made up his mind to get the money from the credit unions and that is that. The people will know this action is being directed against them and they will have an opportunity in the near future to demonstrate their attitude towards this move which imposes such an impost.

The rentals on mining lease tenements have not been increased for 65 years and it would not be any trouble to the Treasurer to increase the rental on mineral claims from 25c per acre per annum to 50c per acre per annum. That would give the Treasurer an additional \$500,000. The mining claim rental has not been adjusted for 65 years. That form of taxation would be a charge which the Treasurer could justify to anybody. However, he is not prepared to do that.

The Government has not reviewed royalties since 1958. A committee was set up and it sat for three and a half

years and finally brought down a report to the Government last month. We have not heard any more about that report.

So there are sources from which revenue can be gained, but of course, they are sources which this Government does not wish to touch. The Government prefers to tax the man in the street and get the money from him. It will not touch the money invested in this country, and money which comes from the other States. In conclusion, I strongly oppose this Bill.

SIR DAVID BRAND (Greenough—Treasurer) [5.21 p.m.]: I have listened with interest to the speakers who have raised various points of view. In the main their comment has been such that it is clear that their case is based on the fact that credit unions are coming under this proposed taxation and, indeed, that the ordinary people—if members like to put it this way, or the rank and file of people—are being required to meet this taxation through their various transactions or hire-purchase agreements with credit unions.

No-one likes to introduce taxation. I assume that any Treasurer or Premier finds it a difficult matter to make up his mind to impose any tax and, indeed, his whole hope is that he will be able to keep it down. However, the Treasurer has certain responsibilities. In a State like ours, and in a country like Australia, the Treasurer or the Premier—or the Government—which fails to face up to the unpopular move of imposing a tax which is necessary, will find he is short of the necessary finance to do those things which must be done. Otherwise, the Treasurer must accept the inevitable deficit which, as is known, means that the loan funds which are made available to the State, especially with respect to the State's financial position, are caught up and used and spent in funding the deficit.

We get back to the simple fact that the Government has failed to balance its Budget. A Government may have very good reasons—as we have this year—for not balancing its Budget. We have made every endeavour over the last seven or eight years to balance the Budget, and this has meant increased taxation. However, it has meant a taxation level which is no higher than that which applies in any other State of Australia.

When we reached the decision that we should introduce the measure which is before the House at the present time and extend the tax from hire-purchase agreements to other credit agreements, we did so some years later than any other State in Australia. All Governments—and they have not always been Liberal Governments—found that they had to close the gap through which people were evading the tax of 1½ per cent, which was applied to hire-purchase agreements.

Nothing new has been expressed here today. Nothing new was said, but there was a lot of soapbox oratory. There is nothing new in coming here and talking about the little people and the ordinary people. The Leader of the Opposition made a very reasonable speech. After all is said and done, he has a job to do. However, there were others who seemed to think they had a monopoly of thinking about ordinary people. In fact, some of the statements which were made were blatantly untrue and, in fact, insincere.

Whether we be Liberal, Country Party, or Labor, we all feel the impact of a measure such as this, and we would very much like to avoid it. This State and this Government have avoided it until now. As I have said to some of the deputations which came to me, it was the intention of the Government to try to avoid the hire-purchase tax because we felt that our finance was such that we could afford to reduce it along with the proposals we introduced in connection with land tax exemptions. This clearly indicates that it was not our desire to enter into this field of taxation, but we had to.

The member for Maylands said there is a field of taxation available with respect to mining leases. He asked why we should not increase the rental from 25c per acre per annum to 50c per acre per annum. Perhaps we are looking at this particular field of taxation, but it has not been altered for 50 years, as was stated by the member for Maylands. The member for Mirrabooka outlined what the Labor Government did, in its wisdom, in the way of increasing taxes, and what other Governments have done in the meantime.

If it were a simple exercise of doubling the fees of mining leases, why did not the Labor Government take that action? The Labor Government did not take that action, because it felt it ought not to be done.

Mr. Davies: From your argument, why did you not do it 10 years ago?

Sir DAVID BRAND: The principle is there. I am not arguing, but simply stating that the principle is there. There are always fields available to the Government as alternatives to what it is doing, and evidently the Government of the day decided that it would not double the mining lease rentals.

Mr. Davies: What we did in government 10 years ago is no argument for your actions now.

Mr. Williams: You are in Opposition now.

Mr. Graham: Not for long; we have had pretty good evidence of that.

Sir DAVID BRAND: We still have a little time, and then perhaps we will see how the problem will be dealt with in 18 months' time.

The State of Western Australia is now almost in line with the other States as far as stamp duty taxation measures are concerned. The percentage which has been applied—9 per cent.—was decided upon as the result of an examination of all the legislation which exists in the other States. It was found that Queensland and New South Wales both have taxation legislation which does not embrace credit unions. Their rate of interest is 9 per cent. South Australia uses the figure of 9 per cent., and Tasmania uses 10 per cent. Tasmania is the only State which did not decide on the 9 per cent. level.

There must have been some good and equitable reason as to why 9 per cent. was decided upon. It seemed to me that it must have been considered that the figure of 9 per cent. would allow certain exemptions and, at the same time, would tax those people who could afford to contribute in this way to the revenue of the State.

The measure before the House was drawn up along the lines of the Victorian legislation which, I think, has now been in existence for three years.

The member for Mt. Hawthorn raised a query regarding the secrecy of the exchange of information. I have been advised that the New South Wales and Victorian legislation contains provisions binding the officers to secrecy, as is proposed in this Bill. It must have been obvious to everyone that such a provision would be made. The penalty for an offence in New South Wales is \$200 and in Victoria \$500. The penalty under our Act has always been \$200, and we are carrying that amount forward in this Bill.

Therefore I do not think members have anything to worry about on this question. Obviously we need to have safeguards; but this provision simply provides for the exchange of information between the States without any bargaining as to whether such information is to be passed from one State to another. It seems a logical provision to include in the measure, simply because the information must be of value to the respective commissioners of stamp duty in each State.

I do not want to argue at any length the question of the North Kalbarri company. This company is in a singular position; I do not think there is any other example in the history of this State. The company wishes to transfer to Western Australia because it is a Western Australian company, and it has requested that it be relieved from paying stamp duty, so that it may be reconstructed in Western Australia. If we will not permit this exemption, the company will not come here—that is all there is to it. The \$700,000 involved will simply not be paid to the Treasury, because the company does not think it is worth while.

I must say that in making this decision I had regard to what would be said in this House about big companies. But it

seemed common sense to me to allow the company to transfer to Western Australia and, as has been said, the money is likely to be spent on exploration and the development of the company's mining interests in this State.

I want to point out that I understand the reaction of those who were represented in the deputations I received regarding the taxation which is to be imposed on credit unions. No-one in this House will accept very well any measure which imposes taxes or charges upon them. So it is natural that the Leader of the Opposition and those who followed him were reluctant to support the Bill and indicated their direct opposition to certain major parts of it. This was to be expected. The Leader of the Opposition suggested that he would move an amendment to increase the percentage from 9 per cent. to 10 per cent. in order that credit unions may be exempted from the tax.

However, I want to say that the Government did not bring this measure here lightly. We did not decide upon the 9 per cent. just because it was something we plucked out of the air. We did not neglect to give consideration to applying a lesser penalty, and we certainly did not overlook the issue regarding credit unions. I had the officers in the department get in touch with each of the other States, and they are clearly standing firm in Queensland, Victoria, and South Australia. Those States are standing firm on the 9 per cent. issue because they believe, firstly, that their revenue must be protected; and, secondly, they say that credit unions are in open competition with the other reputable companies in loan and finance business of this nature, and so they should pay the tax. That was the answer from each of those States.

I repeat that in Tasmania the impact on credit unions is not so great because the tax there is 10 per cent.; and, having regard to the figures which we have heard quoted here today, the credit unions in that State do not get off scot-free. In the case of New South Wales, as the Leader of the Opposition pointed out, the one-armed bandits are bringing in \$6,000,000, and maybe more, and New South Wales has been in that position right from the beginning when the late Harold Holt and many other people encouraged the establishment of credit unions.

The credit union system seems to me to be desirable, and it has been proved to be a good thing, because in countries such as Canada the growth of credit unions is phenomenal. The story in the United States is hard to believe; and the growth of credit unions in our own State and, indeed, in the rest of Australia, has been most rapid. They will go from strength to strength simply as a result of the principles for which they stand and the services they offer.

Ultimately, hundreds of millions of people will be involved in credit unions and it would seem to me, as it seems to other Governments in Australia, that they should carry at least some of the burden which the other reputable firms in the same line of business are expected to carry.

If the credit unions desire to escape this penalty they will simply have to make a decision to reduce their percentages to below 9 per cent. This will have the effect of making cheaper money available to the people who borrow from them. It would certainly mean that they may not grow quite so rapidly, but they will certainly continue to grow; and to those who indicate that credit unions will cease to exist or will not be able to get off the ground, let me point to the experience in other States where the credit unions are paying the penalty at the level of 9 per cent.

This seems to me to be a simple solution to the problem with which the credit unions are faced. If they reduced their charges it would be all to the benefit of the people using the facilities. A lot has been said about the very cheap rate which is being charged, but it does not seem so cheap to me.

I have received information in the form of a letter from the Co-operative Federation of W.A., and I will read just one paragraph—

To encourage members' savings, to finance their fellow members' borrowings, a reasonable rate of interest must be provided. In addition stamp costs, insurance costs and other essential items of administration must be covered to ensure a sound operation for the protection of members' interests is maintained. To provide the necessary revenue to cover these administrative and legal expenses the current rate of interest on loans is set at 6% flat or 11.4% simple, which takes them outside the figure of 9% currently exempted in the Bill.

I think it is fair enough to point out that this is not such a low rate, and it is certainly not an attractive rate when one looks at those figures. Nevertheless, I hasten to add that I support the principle of credit unions and I think we should have more of them administered in the way they have been. I think they should be available not only to the person on the basic wage but to all other people who desire to be members.

Because of the number of matters which will be raised when the Bill is in Committee I do not propose to add much more but simply to deal with matters as they arise during the Committee stage. It has been pointed out that money for housing purposes is exempt from duty and there are a number of other exemptions

as pointed out by the member for Mirrabooka, which do have regard for the smaller man with little accounts who is finding it difficult to get along on the wage he receives.

One other thing: I have been charged with not considering the claim which was made by credit unions and others that they need some encouragement and help and so they should be exempted from receipt duty. I have been taken to task about this. People have said, "Well you acknowledged the principle: you should acknowledge it again." What lesson does one learn from this; that one should not show any sympathy at all in the first place because later on someone will hold a gun at one's head? We in this State showed more consideration than any other State, and it involved a reasonable amount of money; but at least we showed that we were sympathetic towards the credit unions in the early stages and tried to help them.

However this does not mean that we can go on exempting them from this tax. If we carried this to its logical conclusion we would end up exempting the credit unions from car license fees and everything else. I feel satisfied that I am the only Treasurer who has given them any consideration so far. It meant, and will continue to mean, a worth-while relief to credit unions.

I thank members for their contributions—both those who made reasonable, practical contributions, and those who did not.

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

Ayes—22

Mr. Bovell	Mr. Mitchell
Sir David Brand	Mr. Nalder
Mr. Cash	Mr. O'Neill
Mr. Cragg	Mr. Ridge
Mr. Dunn	Mr. Runciman
Mr. Grayden	Mr. Rushton
Dr. Henn	Mr. Stewart
Mr. Kitchney	Mr. Williams
Mr. Lewis	Mr. Young
Mr. W. A. Manning	Mr. I. W. Manning
Mr. McPharlin	(Teller)
Mr. Mensaros	

Noes—18

Mr. Bateman	Mr. Jones
Mr. Bertram	Mr. Lapham
Mr. Bickerton	Mr. McIver
Mr. Brady	Mr. Norton
Mr. Burke	Mr. Taylor
Mr. H. D. Evans	Mr. Toms
Mr. Fletcher	Mr. Tonkin
Mr. Graham	Mr. Davies
Mr. Harman	
Mr. Jamieson	(Teller)

Pair

Ayes	Noes
Mr. Burt	Mr. Hall
Mr. Court	Mr. May
Mr. Hutchinson	Mr. T. D. Evans
Mr. O'Connor	Mr. Molr
Mr. Gayfer	Mr. Sewell

Question thus passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr. W. A. Manning) in the Chair; Sir David Brand (Treasurer) in charge of the Bill

Clause 1 put and passed.

Clause 2: Commencement—

Mr. TONKIN: This clause provides that the Act will not operate until a date which is to be fixed by proclamation. This means, of course, that the provisions which have been agreed to on the second reading will then start to operate.

The Treasurer endeavoured to make the point that other States had taken steps to give effect to this legislation in their Stamp Acts, but that he had refrained from doing so. I take it that the Treasurer was claiming some virtue for having delayed his action.

Was it not the position that whilst we were under the Grants Commission any deficiency in respect of this aspect was made up by the Grants Commission? Accordingly it cost us nothing, and that is why the Treasurer was not disposed to take the action he has now taken.

Sir David Brand: That is not so.

Mr. TONKIN: I think it is; that it is only since we have been on our own and have had to meet our own requirements, because the Grants Commission no longer makes up the deficiency, that the Treasurer has decided to take this action.

I do not think there is any virtue in his action at all. It is true that the Treasurer delayed taking action until after the other Treasurers had done so, but it did not cost him anything to delay taking action, and immediately he found himself short of money because the Grants Commission would not make it up he lost no time in bringing down a Bill to do what the other Treasurers had done. I emphasise that fact.

While I am prepared to grant to the Treasurer any satisfaction to which he is entitled in regard to what he does or does not do, I do not think he is entitled to claim credit for something that cost him nothing while he was doing it. That is the position as I see it.

Sir DAVID BRAND: I do not want to claim any credit so far as this matter is concerned. We introduced legislation to impose 1½ per cent. tax on hire-purchase agreements for the purpose, I presume, of raising more money. The Leader of the Opposition might say, "You had to do it because it was being done in the other States and you did not receive any favourable adjustment from the Grants Commission."

Victoria has had this extension of the tax to other forms of credit arrangement for some three years and during that time we were a member of the Grants Commission. So it would seem to me the position set out by the Leader of the Opposition is not correct at all.

We did not extend this tax to other forms of credit, because we felt we could not get along without it. It had nothing to do with the Grants Commission not making it up. It is possible that we even suffered some unfavourable adjustment.

Mr. Tonkin: I do not think so.

Sir DAVID BRAND: I am sure this is the position; and I would ask members to look at the date on which Victoria introduced its legislation. We did not impose the level of other taxation and we did not receive the money which has been raised through the agency of the Grants Commission.

We simply did not extend the taxation because at that time we could carry the amount of money and stand the deficiency which operated. Had we wanted the money we would have imposed the tax and we would have suffered from the Grants Commission none of the adjustments which were in existence at that time.

Clause put and passed.

Clauses 3 to 9 put and passed.

Clause 10: Part IVB and section 112I added—

Mr. TONKIN: On page 7 of this clause there is a definition of credit arrangements which sets out in part that "if the arrangements required the payment of interest at a simple annual rate of nine per centum per annum on the amount of the credit provided under the arrangement and from time to time outstanding."

The Treasurer pointed out that this 9 per cent. was not a figure plucked out of the air; it was decided upon by the various States, with the exception of Tasmania which provides for 10 per cent. while it will not provide as much margin as the credit unions will require on the present basis of their operations, it will enable them to continue to render some of the services they now render, one of which I hope will be the insuring of borrowers so that in the event of the death of the borrower the debt would be wiped out.

That is something which does not apply to hire purchase or to loans from finance companies, but it is a most desirable feature. To enable that still to be done—that is in relation to part of the expenses which are met by the difference between the 6 per cent. which the credit unions pay to those who save money with them and the amount they charge those who borrow money—and to leave a reasonable margin as well, I would like to go higher, but the vote of the House has indicated I would not succeed with that proposal. Accordingly, I move an amendment—

Page 7, line 20—Delete the word "nine" with a view to inserting the word "ten."

Sir DAVID BRAND: I cannot agree to this amendment. In bringing the legislation to the Chamber this particular figure of 9 per cent. was considered to be a basic and fundamental principle in the Bill. It was given real consideration and it would be almost irresponsible—simply on a move of this kind—to say, "We have made a mistake; we will make it 10 per cent." The case was set out by all the reasoned arguments which were put up by the deputations which I received. Surely it must be appreciated that the issues contained in the Bill were thoroughly considered by the Government, because it was obvious that these arguments and points would be raised by the deputations, the Leader of the Opposition, and those who sit with him. It must be appreciated that if the exemption to the credit union was raised to 10 per cent. this would apply to others which would mean a real loss of revenue.

We feel we are not stepping out of line; indeed we are very much in line with the decisions that have been arrived at in the other States—decisions which have been challenged by deputations which have been received from time to time. In each case, however, the Government has stood firm. Having previously considered this measure in the light of what the Opposition would say, I must oppose the amendment.

Mr. FLETCHER: I support the amendment. It is better to save something from the wreck. Despite the fact that 10 per cent. would inflict a penalty on the co-operative credit unions we on this side would be prepared to make that concession. I regret the need to have to admit this. I previously pointed out to the Treasurer that if this legislation were successful it would destroy the smaller people, and I think the Treasurer concedes that point.

Sir David Brand: I do not.

Mr. FLETCHER: Very well. Will the Treasurer admit that it will slow their progress? The Treasurer shakes his head. The chance of the smaller credit unions getting off the ground is very remote particularly when they have a membership as low as 60 or 80.

As the Leader of the Opposition said, and as I also mentioned, in the event of the death of a person who had received a loan from the credit union the debt would be wiped off—in one case it was written off. Some credit unions take out insurance against such a contingency. By increasing the amount to 10 per cent., while we will save something from the wreck it is conceivable that the credit unions will not be able to ensure the service to their membership in regard to the contingency to which I have referred.

Another aspect which might be mentioned is that at present the credit unions meet stamp duty requirements from the

earnings of the society. If the Bill is passed either as it is, or with this amendment, the increase would have to be passed back, and I think that would be a tragic state of affairs in this already high-cost State.

According to the paper, Mercantile Credits Ltd., Cambridge Credit Corporation Ltd., and General Credits Ltd., are offering money at 8 per cent. and 8½ per cent.; and, if this is possible, just how much are those companies getting in return? They must be at least doubling the 8½ per cent. Therefore the 10 per cent. suggested by our leader would not be unreasonable when we take into account the alternative. I have pleasure in supporting the amendment.

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

Ayes—18

Mr. Bateman	Mr. Lapham
Mr. Bertram	Mr. McIver
Mr. Bickerton	Mr. Norton
Mr. Brady	Mr. Sewell
Mr. Burke	Mr. Taylor
Mr. H. D. Evans	Mr. Toms
Mr. Fletcher	Mr. Tonkin
Mr. Graham	Mr. Davies
Mr. Harman	
Mr. Jones	

(Teller)

Noes—21

Mr. Bovell	Mr. Mensaros
Sir David Brand	Mr. Mitchell
Mr. Cash	Mr. Nalder
Mr. Craig	Mr. O'Neill
Mr. Dunn	Mr. Ridge
Mr. Gayfer	Mr. Runciman
Mr. Grayden	Mr. Rushton
Dr. Henn	Mr. Stewart
Mr. Kitney	Mr. Young
Mr. Lewis	Mr. I. W. Manning
Mr. McPharlin	

(Teller)

Pairs

Ayes	Noes
Mr. Hall	Mr. Burt
Mr. May	Mr. Court
Mr. T. D. Evans	Mr. Hutchinson
Mr. Moir	Mr. O'Connor
Mr. Jamieson	Mr. Williams

Amendment thus negatived.

Clause put and passed.

Clauses 11 to 26 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

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

LOAN BILL

Second Reading

SIR DAVID BRAND (Greenough—Treasurer) [6.8 p.m.]: I move—

That the Bill be now read a second time.

This is usually a formal Bill, but I have information I would like to pass on to members. I would remind the House that this Bill is to authorise the raising of

loans to provide finance for the works and services detailed in the estimates of expenditure from the General Loan Fund.

As I have already outlined the capital works programme for the current year when speaking to the Appropriation Bill (General Loan Fund), I propose to confine my remarks to certain aspects of loan raisings.

The Loan Council determines the annual borrowing programmes of the Commonwealth and the States, together with the terms and conditions under which loans to finance these programmes are raised. Subject to the decisions of the Loan Council, the Commonwealth arranges new borrowings, conversions, renewals, redemptions of existing loans, and consolidation of the public debts of the Commonwealth and State Governments.

The Loan Council also determines the aggregate borrowing programme of semi-governmental and local authorities borrowing more than \$300,000 in a year, under what is known as the "Gentlemen's Agreement," originally entered into in 1936. Individual loans raised by each of these authorities are subject to Loan Council approval.

Since 1962-63, the Loan Council has placed no overall limit on the borrowings of smaller authorities for which State Governments can approve individual loan raisings. This group is confined to authorities raising \$300,000 or less. Last financial year, the Loan Council decided upon a borrowing programme of \$710,000,000 for Commonwealth and State works. The amount was raised from the following sources:—

Cash loans in Aus-	\$
tralia	444,000,000
Special bonds in Aus-	
tralia	16,000,000
State domestic raisings ..	13,000,000
Overseas loans	126,000,000
Commonwealth subscrip-	
tions to a special loan ..	111,000,000

The special loan of \$111,000,000 subscribed by the Commonwealth was provided to enable the authorised works programme of the States to be undertaken.

Commonwealth assistance on this occasion represented 16 per cent. of the total works and housing programmes. While this assistance is much less than the amount required in the preceding financial year, it represents very significant support to the State's works programme. We still need a lot more support in our loan money problems.

At a meeting of the Loan Council in June last, the borrowing programmes for the current year were determined. These were fixed at \$758,000,000 for Governmental works and \$372,000,000 for semi-governmental and local authorities raising amounts in excess of \$300,000. Western Australia's allocations from these programmes amounted to \$70,790,000 and

\$14,720,000 respectively. Under this Bill, authority is sought to raise loans amounting to \$65,861,000 for the purposes listed in the first schedule.

I should point out that the new authority provided for each item does not necessarily coincide with the estimated expenditure for that particular item during the current year. Unused balances of previous authorisations have been taken into account, and, in the case of works of a continuing nature, sufficient new borrowing authority has been provided to allow these works to be carried on for a period of approximately six months after the close of the financial year. This is usual practice and it ensures that there is continuity in the progress of works, pending the passing of next year's Loan Bill.

Full details of the condition of various loan authorities are set out in pages 12 to 15 of the Loan Estimates, together with the estimated balances to be carried forward at the 30th June, 1970. These pages also set out the appropriation of loan repayments received in 1968-69.

Provision for the payment of interest and sinking fund is another important authorisation in this Bill. It changes these payments to the Consolidated Revenue Fund and no further appropriation is required from Parliament.

Authority is also sought to reappropriate certain authorisations which are no longer required. The second schedule sets out the amounts to be reappropriated and the third schedule lists the items to which they are to be applied.

I commend the Bill to members.

MR. TONKIN (Melville—Leader of the Opposition) [6.13 p.m.]: As the Treasurer has said, details of the works covered by this appropriation have already been given and therefore it is not necessary to deal with the various items.

However, I take advantage of this opportunity to ask the Treasurer whether any special consideration is now being given to the very serious situation in certain districts of the State because of drought conditions. I know that, generally, the department adheres to a routine expenditure with regard to the comprehensive water scheme, and it hesitates to spend money on schemes outside the comprehensive scheme. However certain instances crop up from time to time, and more particularly this season, which justify a Government in finding extra money to enable some special schemes to be put in.

I make a special plea on this occasion for the districts of Beacon and South Burracoppin. Representations have been made to me from those districts, and it should be well known to the Government that the situation is most serious indeed. It would just not do at all to say to these

people, "You are outside the comprehensive scheme so nothing can be done for you." I think some of this loan money might very well be set aside to meet these special cases, and I hope that will be done. *Sitting suspended from 6.15 to 7.30 p.m.*

Mr. TONKIN: I was about to say that consideration will be given to the amount of loan money to be made available to the States. The Premier will have an opportunity, again, of putting forward the claims of this State for an additional amount of loan money.

I notice in this evening's paper that the Premier is reported as having drawn attention to our lack of loan money and to the fact that, although this question has been raised by him from time to time, he has not seemed able to get through to Prime Minister Gorton sufficiently on this question to ensure the Prime Minister's doing anything to correct the imbalance.

I have said a number of times—and I repeat now—that Western Australia has a special case for an alteration in the formula upon which loan allocations are based. When the financial agreement was drawn up, the amount of loan funds decided upon for the various States was arrived at on a basis which seems to be the one generally accepted, for some reason or other. In both State and Commonwealth spheres for determining what allocations ought to be made.

We have a great habit of taking the average of expenditure, or the average of deliveries, or the average of something or other in order to determine the figure upon which we ought to work in each instance. Averages can be very much astray. One has to have regard to a number of other factors which have a decided bearing on the situation.

Prior to the decision which was made with regard to the allocations for the various States, the Commonwealth Government had made a special appeal to the States to curtail their loan expenditure in order that a maximum amount of money should be available to the Commonwealth to augment its resources and to enable it to meet the very big expenditure in which it was involved.

As is our custom when any appeals are made to us, we respond much more readily than does any other State. If it was a case of "grow more wheat"—and that appeal went out on one occasion—we would do our best to meet the requirement. In the instance to which I refer it was "curtail loan expenditure," and so, we reduced almost to a minimum expenditure on hospitals, schools, and other public works. However, the other States went on building schools. The result was when we were called upon to show the average loan expenditure in this State, we showed a figure which was an abnormal figure and which would have been quite different

had there been no appeal made to us to curtail our loan expenditure. The final decision was made on the assumption that all States had responded to the Commonwealth appeal in like manner, but that was not the position.

Any investigation of the situation at the time will show that Western Australia deliberately curtailed its loan expenditure more than any other State in the Commonwealth. We have been suffering a disadvantage ever since because of that. Each time the question is raised, instead of the Commonwealth appreciating that we are entitled to some special allocation, we are up against a situation that we cannot obtain an improvement in our loan allocation except at the expense of some other State or States.

I ask you, Mr. Speaker: What chance have we in getting the Premier of any State to agree to reduce his loan allocation in order that Western Australia might get more? Consequently we are in a hopeless situation if that is to be the only solution.

I consider we are entitled to ask for a special allocation outside of the general formula to compensate for the way in which we responded to the request of the Commonwealth, and also in consideration of the fact that we are undergoing an unprecedented development growth which places upon the State an abnormal burden for loan expenditure.

I hope that the Premier will look up the debates of the time and also the papers in the Treasury. If he does, he will find that what I am saying can be substantiated. The case he ought to put forward is this: because we responded to the request of the Commonwealth at the time far better than any other State, we are entitled now to receive special consideration because we need money so urgently. I hope when the new Prime Minister is elected—whether it be the present incumbent of the office or whether it be a new one makes no difference—a case will be presented to him in this way. Western Australia should go all out for some additional assistance for the reasons I have outlined.

We support the Bill. It is a formal Bill which is required at this stage and the detail has already been supplied to the House.

SIR DAVID BRAND (Greenough—Treasurer) (7.38 p.m.): I thank the Leader of the Opposition for his co-operation in proceeding forthwith with the Loan Bill. With regard to the comment he has just made, I must say that we are all very conscious of the problem of the shortage of loan funds. It seems that under the present arrangement it is very difficult to have our percentage increased because, as has been pointed out, there can be an alteration for the better only if one or

more of the other State Governments or the Commonwealth Government is willing to take less of the total amount which is voted for the works of both the Commonwealth and the States.

I believe the priority work in this State is concerned with water and, indeed, this has always been the case. The very nature of the works required to serve the vast area of Western Australia involves millions of dollars. I must say that I listened attentively to both leaders during the Federal election campaign but there did not seem to be any great improvement in the amount proposed to be allocated for water. I think the Prime Minister promised \$100,000,000 over five years. If members work that out amongst the States they will see that it does not amount to very much at all when one has regard to the cost of 24-inch and 36-inch pipelines, which must be laid for hundreds of miles if we are to extend water to areas where we want to extend it.

It is my intention to ensure that we prepare another case, even if it is on the basis of asking the Commonwealth to provide extra money to enable us to finish the approved comprehensive scheme. Members are aware that, because of rising costs, the original estimates are quite a long way out at the present time and there is a shortfall in the availability of money to extend the scheme and to complete the internal system.

The Leader of the Opposition mentioned Beacon and Burracoppin. In respect of Beacon, I am sure special efforts are being made to relieve the situation. However, Beacon is outside the already approved scheme. To my mind Burracoppin presents greater problems. Nevertheless, I am assured by the Minister for Works that he is making a desperate attempt to act there, but I cannot say what action he has in mind. Whatever it is it will involve money and it is the sort of money which the State does not have at the present time.

In respect of places which are outside the already approved scheme, I think it must be acknowledged that the priority lies within the approved scheme area. The sooner the scheme is completed the sooner we will be able to give attention to those who are in approved farming areas outside the region which it is proposed will be served by the comprehensive scheme.

It has to be recognised that if we are to have a secure water supply in this State water must come from the coast in order to avoid the position where dams, rock catchment areas, and the like simply fail us during a dry year at a critical and important time.

I assure the House I am in agreement with the points raised by the Leader of the Opposition, and the Government will miss no opportunity to press the case and to argue on whatever basis seems to be

reasonable and realistic to obtain a special grant or an increased grant for Western Australia for loan works. Accepting that we will not be able to alter the formula, I believe the solution is to be found immediately in special grants for particular works. I am bound to say that because of the publicity which has been given to the State with regard to booming situations and increased production there is an attitude adopted in Federal circles that we are doing so well we do not need this sort of assistance. It has to be recognised that the growth which we read about and see on every side means that more and more loan moneys are required and a greater amount of capital work has to be undertaken each year, including water schemes, sewerage schemes, and the like.

Mr. Davies: Who do you think is the best bet in the Prime Minister stakes?

Sir DAVID BRAND: Whoever proves to be the best Prime Minister. I support the Bill.

Question put and passed.

Bill read a second time.

Message: Appropriations

Message from the Governor received and read recommending appropriations for the purposes of the Bill.

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 Sir David Brand (Treasurer), and transmitted to the Council.

BILLS (4): RETURNED

1. Local Government Act Amendment Bill (No. 5).
 2. Reserves Bill.
 3. Wheat Industry Stabilization Act Amendment Bill.
 4. Constitution Acts Amendment Bill.
- Bills returned from the Council without amendment.

WHEAT DELIVERY QUOTAS BILL

Second Reading

Debate resumed from the 4th November.

MR. TONKIN (Melville—Leader of the Opposition) [7.48 p.m.]: We recognise that this Bill must be passed in order to comply with the agreement already reached between the States and the Commonwealth, and so that the farmers may be able to dispose of their wheat and receive the advance payment of \$1.10 for each bushel delivered.

The cause of the change which we are now contemplating is the accumulation of stocks of wheat owing to the inability of the Australian Wheat Board to dispose of wheat which has already been received and is in store. Under the arrangements already made the Commonwealth makes available to the Australian Wheat Board sufficient money to pay, in the ultimate, \$1.45 per bushel up to 200,000,000 bushels, for export wheat. It has been the custom generally to advance sufficient money to enable a first advance payment of \$1.10 to be made.

There are large stocks of unsold wheat throughout the world. It is a commodity which varies from season to season, obviously, because the harvest depends upon weather conditions, and weather conditions cannot be relied upon to be the same in every year in every country. It has been the world experience that from time to time one large wheat producing country experiences drought whereas another may have a bumper season. The fortunes of the wheat-producing countries vary according to the experiences that those countries have when the wheat is grown.

Some countries are fortunate enough to be able to grow three crops of wheat a year; India is such a country. In Australia we grow one crop a year, but it is a fairly big crop and, because of it, under ordinary conditions, we have a bumper harvest.

As a result of the accumulation of stocks of unsold wheat the Commonwealth was obliged to take a serious look at the position and to intimate that it proposed to limit the advance which it was able to make. The announcement made to the States, and to the farmers' organisations, was that the maximum would be \$440,000,000; and worked out on the basis of an advance payment of \$1.10, this means that the total amount of quota wheat which will be received for the whole of Australia is 347,000,000 bushels. Any excess wheat which is grown above that figure and delivered will be known as non-quota wheat and will not be the subject of any advance.

Mr. Nalder: It is 357,000,000 bushels. I think you said 347,000,000 bushels.

Mr. TONKIN: I understood that was the figure.

Mr. Nalder: No, it is 357,000,000 bushels.

Mr. TONKIN: That is so. The Minister informed me that there was a typographical error in the notes. The position is that because this is the maximum allocation it is necessary for the amount to be received from each State to be related in proper ratio to the total figure, and that works out at an allocation of 86,000,000 bushels for the State of Western Australia. There is some doubt, of course, owing to

the drought conditions which have prevailed this season, that we will be able to supply that figure. It looks almost certain that we will not be able to do so. That, of course, will raise some other problems with which I will deal a little later.

From my reading of the Bill before us, in the ultimate the State Government is responsible for the quotas which have been fixed for individual farms and, therefore, if there is any validity in the criticism which I propose to offer, then that criticism must be directed towards the Government and nobody else. We on this side believe that the method adopted is not fair; in a number of respects it is most inequitable; and we think that more consideration should have been given to some aspects which, apparently, have been completely overlooked.

One point upon which I would have liked some further information—we were given very little beyond a statement of the position—is in connection with what happened when attempts were made to achieve uniformity between the States as regards the methods to be adopted to determine the quotas. When introducing the Bill the Minister said the Government had made every effort to fulfil the wishes and requirements of the Farmers' Union, and that conferences had been held to ensure reasonable uniformity between the States. He then went on to say, or to imply, that these efforts were not successful and therefore the State, in conjunction with the Farmers' Union, had to make its own arrangements.

Why was it not possible to achieve between the States agreement as to the method of allocating the quota to be given to each farm? I would like some explanation of the difficulties and, if possible, I would like to be told what principles were utilised in other States in determining the quota for each farm. We were given no information on that point.

For the purpose of enabling the Government to discharge the obligation which it accepted, a Wheat Quotas Committee has been set up and one of the purposes of this Bill is to give legislative authority and power for the establishment of that committee which, up to now, has been operating only under the authority of the Minister. It has no legislative authority, but I am not complaining about that. I cannot see how that situation could have been avoided unless it had been possible to introduce legislation before the Wheat Quotas Committee started to give attention to the necessary allocation of quotas. That could have led to serious difficulties, and there are enough of them already. So it is understandable that the Government would want to proceed and get the quotas allocated as soon as possible, relying upon the fact that legislative authority would subsequently be given without any difficulty.

This committee which has been set up—and I do not criticise it in any way because I think it has done its job well in the face of serious problems and difficulties—has determined quotas which have given rise to very considerable dissatisfaction, as is evidenced by the number of telegrams and letters that I, personally, have received from various parts of the wheatgrowing areas. I propose to read extracts from some of this correspondence as I proceed.

In one instance I have been informed that a wheatgrower will have no wheat at all this year, because he did not grow any, but he has a quota; and it looks as though, under the Bill, he will be able to add this quota to whatever quota is allotted next season. That is happening at a time when farmers not far away are trying to exist on ridiculously low quotas. Surely a situation like that could quite easily be corrected if proper instructions were given by the Government to the committee.

If members want to check this, I am informed that a farm which has been given a quota and which has grown some wheat in the past but none this season is situated in Victoria Location No. 10176, and the quota given is 2,800 bushels.

Mr. Gayfer: How many acres are there in that farm?

Mr. TONKIN: In the information given to me the acreage is not mentioned, but this farm produced wheat in previous years but not this year. However, the farmer is to be given a quota of 2,800 bushels, but he has no wheat to supply, so he is building up a credit for the next year. Presumably under the terms of the Bill he will be given an allocation next year, and there will be an aggregation of this year's quota with whatever quota is decided upon next year.

Whilst this is likely to happen we have a situation where farmers have substantial financial commitments to meet, but are on ridiculously low quotas—so low that it will be impossible for them, without very substantial assistance from outside, to remain afloat. I am further informed that the conditional purchase land in this area has been given an average production of 10 bushels, regardless altogether of what the production of wheat was in the best five years of the previous seven years; and that an arbitrary determination has been made of an average production for the district of 10 bushels.

One further point which has to be given consideration at this stage—and this affects all farmers who will have over-quota wheat—is that the Taxation Department will regard that as stock, even though no money is forthcoming to pay for it. The wheat will be in storage without any advance, but it will be held against the farmer as stock, and this will affect his taxation returns.

Mr. Nalder: Of course, that is not likely to happen this year, because it is anticipated that all wheat produced in Western Australia this year will be able to qualify for a wheat quota and will be paid for at \$1.10 per bushel.

Mr. TONKIN: I will have something to say about that, too, because it is full of inequities under certain circumstances. Until we received replies to some questions which were asked by the member for Gascoyne we had no information as to what principles were followed by the Wheat Quotas Committee in determining the quota to be allotted to people who did not have a history of seven years of wheat-growing. Or, to put it another way: If a person has been growing wheat for two or three years, what principles were adopted to determine the quota which should be allotted? As a result of the answers given to questions asked we have some idea of the principles which have been applied.

It seems to me that little or no cognisance has been taken of the fact that some farmers may have been in districts where there has been a succession of bad seasons, and therefore they will be penalised more than once. They have already suffered, in comparison with other farmers, because due to the bad seasons their production has been down. That has meant that in order to meet their financial commitments, they have had a harder struggle than have the farmers in those districts where the previous seasons have been good. Because they have had bad seasons the average production of their farms has been lower than the average production of farms of a similar size in districts which have been more favoured by the seasons. Therefore the quota for these farmers will be a small one, when what they need is a larger quota because they are in greater need of the money than are the farmers in the more favoured districts.

It seems to me that no consideration has been given to that aspect, and all that has been done is to take the best five years of the last seven years, and reduce it by 17½ per cent., in order to determine the quota; when, in our view, some provision should have to be made to take other factors into consideration.

Then there is the question of shortfalls, and that comes back to what the Minister said a short time ago, that he thought there would be no wheat held in store, because it would take all the wheat that is produced to meet the State's quota. Some farmers, because of the drought conditions, probably will not be able to deliver sufficient wheat to meet their quotas; and it is my interpretation of the legislation that there will be an aggregation of the shortfalls with whatever quota is determined next season. So, over the two seasons the farmer will not lose.

Let us take the case of growers like Sir Eric Smart or Caratti who are in the wheatgrowing business in a very big way. These farmers, no doubt, will be given substantial quotas, probably in the vicinity of 250,000 bushels. Against that we have farmers who are trying to make headway on less than 100 bushels. It would appear to be logical enough that the wheat farmer who is growing wheat in a very big way will, despite a poor season, produce more wheat than his quota will enable him to deliver, and for it he will receive an advance. He is the farmer who will be allotted an additional quota upon which he will receive an advance. But the farmer in a very small way and on a small quota will meet his quota in many instances, because the quota is so small; he will not be in a position to get any further advance at all this season.

The position would not be so inequitable if we could be certain that next season the same, or a greater, quota would be available to all farmers; but the possibility is that the quota to be determined next season could be substantially less than the quota that has been allotted this season. One ultimate result of this could be that the small man would go out of business, and his property would be acquired by the man farming in a much bigger way; and the quota belonging to the small man would be aggregated with the quota of the large farmer. We would then have the situation where wheatgrowing in Western Australia would be carried on by a small number of very big farmers. That would not be a good thing for the economy of the State, or for the stability of country towns.

I think some consideration should have been given to this aspect by the Government when it gave instructions to the Wheat Quotas Committee as to the principles which were to be adopted when the quotas were determined. I think that to rely too much upon averages and deliveries over a period, and to disregard other factors, is to adopt the wrong method of dealing with this serious situation; and this is one of the reasons why there are so many protests coming forward from people who expect to find themselves in serious difficulties.

With regard to what will actually be done in connection with the shortfalls, the Bill provides that the Minister will decide these questions in consultation with the Farmers' Union after the end of the season. So we are in no position to know precisely what principles will ultimately be adopted. I think we ought to be given some idea so that the farmers, generally, will be able to do their planning on some sort of basis. Now, the situation is left in the air completely.

Whatever will happen with regard to the shortfalls and the aggregation of them is to be determined at the end of the season

on some principles which will result from consultations between the Minister and the Farmers' Union. That is not satisfactory. I think we ought to have given to us—even if we cannot have the precise information—some general idea as to what is likely to be the scheme to be adopted.

The Bill provides for the allocation of supplementary quotas, to which the Minister referred by interjection. That means that if the deliveries of quota wheat in this State this year fall short of the 86,000,000 bushels, then some growers will be given a supplementary quota. All we are told about this is that it will probably be on the basis of a percentage of the deliveries or on the original quotas. So, we are back again to this idea of averages and percentages, without any regard at all to other factors.

I think that is where this whole plan is unsatisfactory, because this State is in a special situation; and the basic principle ought to be, not to ensure that those persons who are growing wheat in a big way shall continue to make big profits, but to ensure equality of sacrifice, and to have regard to the situation of every grower. In those cases where the quota is ridiculously low there ought to be sufficient of the total wheat to be delivered kept back in order to provide room to manoeuvre.

I would like to know whether in these allocations a substantial amount of wheat has been left in order to even up these inequalities and to meet the very special cases of people who require assistance. A person with a quota of 250,000 bushels will not require any great assistance to enable him to keep afloat. He will not be able to make the same amount of profit he made previously, but he is not likely to be submerged. However, there will be a number of wheatgrowers who will find it difficult to remain on their farms, despite the fact that the Government may, through its various committees—and I believe and hope it will—give substantial assistance in various ways, despite that there will be a number of farmers, as I shall illustrate in a moment or two, who will be up against it. Those are the farmers who, I believe, should have been given an extra amount in order to help them out of their difficulties.

Mr. Gayfer: You mentioned, a while ago, that over-quota wheat, if it became a supplementary quota, might be worked out as a calculated percentage of the growers' original quotas.

Mr. TONKIN: Yes.

Mr. Gayfer: Where did you get that information?

Mr. Bickerton: I thought he got it from the member for Avon.

Mr. TONKIN: The Minister, when speaking, said that the Bill also makes provision for conditions which result in

the quantity of wheat delivered in accordance with delivery quotas being below the wheat quota allocation to the State—in this season 86,000,000 bushels. In such cases the Minister may agree to the issue to the growers of supplementary quotas. These would be additional to the original wheat delivery quotas and could well be a calculated percentage of the growers' original quotas.

Mr. Gayfer: Thank you.

Mr. TONKIN: The Bill makes no provision for appeals to be made outside of the Wheat Quotas Committee, to which the second reference must be made if a farmer is dissatisfied with the original allocation. We believe this is not fair. It is too much like an appeal from Caesar to Caesar. We already know what will happen: the Wheat Quotas Committee will simply compare the complaint which is made with the principles upon which the committee made its allocations to see there were no errors on the part of the committee or office staff in working out the allocations. The committee would also check that there were no errors in connection with the original application by the farmer. It would then correct any errors—if they existed—and that would be the determination.

There should be a right of appeal on other factors which could be taken into consideration. So far as I can see there is no provision which will ensure that the Wheat Quotas Committee will take other factors into consideration.

I believe that some sort of tribunal or committee could be set up comprising, for example, the Minister or his representative, the Chairman of the Drought Relief Advisory Committee, perhaps a representative of the Rural and Industries Bank, and a representative of the farmers' organisation. To such a committee any farmer who felt that his second reference to the Wheat Quotas Committee had not brought forward results to which he was entitled could make application for his case to be further considered. I do not know that that would cause any great hardship to anybody. It would be no skin off the nose of the Wheat Quotas Committee, because the committee would be acting on the basic principles handed down by the Government.

An aggrieved person would feel happier if there were a body to which he could appeal if he still felt dissatisfied after achieving no result from his second reference to the Wheat Quotas Committee.

As I said, Mr. Speaker, I would like to quote from some of the correspondence in order to indicate the nature of the complaints which we have received. I received a telegram from a branch of the Farmers' Union which asked me to oppose the legislation because it did not incorporate the individual right of appeal.

I had a letter from a farmer at Esperance who told me he had attended a very large meeting of wheatgrowers which had been held at Grass Patch. He said the hall was packed and the whole of the farming community was represented. It included new settlers in the mallee, and it was the opinion of the farmer who wrote to me that the meeting did not achieve anything. He said it was obvious there was general dissatisfaction among the farmers because of the wheat allocations.

I suppose it is quite natural that in the situation which exists the small farmers would, to a man, be dissatisfied with their quotas. Human nature, being what it is, they would believe they were entitled to larger quotas than were determined. What gives rise to considerable dissatisfaction is the comparison which takes place. It could be expected that the farmers would talk amongst themselves and ask each other what quotas they had been allocated. When there is an obvious discrepancy, which in the minds of the farmers should not exist because the acreage under wheat is comparable and the average production has been comparable, then dissatisfaction starts to spread.

We have had examples sent to us, but we have had no opportunity of checking them. We have to accept the information supplied as being correct. If it is correct it indicates that there are considerable discrepancies in the allocation of the quotas. One criticism is that the basic principle which is adopted is too much in favour of the big speculators and syndicates.

A complicating factor is that a lot of new farmers are on conditional purchase land in the mallee and lakes districts, and they have been cropping for less than five years. Most of those farmers started in a very small way and, therefore, they have a very low average. This is cut back further by up to 50 per cent. on the figures supplied to the committee. The member for Gascoyne, from the answer to a question he asked today, can support that statement.

I have another letter which comes from the Wickepin district. The farmer concerned stated that he is one of the many new farmers whose small quotas, in relation to commitments, makes it impossible for them to carry on. This man's complaint is not against the committee members. In his opinion the committee members had done a good job in implementing the system laid down for them. He concedes that anomalies must arise when there is insufficient time to examine the individual cases of all the applicants for quotas.

The farmer to whom I am referring had an interview with the Wheat Quotas Committee and he received a sympathetic hearing. However, he was told that on

the principles laid down the quota allocated was correct. That just emphasises what I said a short time ago with regard to making an appeal: that if a person refers the question of his quota back to the committee the figures will be examined, the percentages will be examined, and the averages will be examined. However, that will be the end of the appeal. No other factor will be taken into consideration.

Mr. W. A. Manning: Did the farmer give you any figures

Mr. TONKIN: I would like to hear from the Minister to what extent the Wheat Quotas Committee can—if at all—depart from the principles laid down for the calculation of quotas, and make an allocation which will increase the quota already given. I would like to know whether the increase could be 500 bushels additional, or whether it could be 1,000 bushels additional, or whether it could be any bushels additional. I would like to know what provision exists to meet special cases where it can be shown that the quotas determined are so low as to place the farmers in extreme difficulties.

It might give a better idea of the nature of the complaint of the farmer to whom I have referred if I were to quote from a letter which he sent to the Chairman of the Wheat Quotas Committee. His quota was worked out at 1,189 bushels. He asked the chairman to consider whether he had a good cause for complaint. His letter went on as follows:—

My covering letter with my quota application form seems to have been completely ignored. I am enclosing a duplicate copy of that letter.

The letter continued—

By reading the enclosed duplicate you will understand that an income derived from 500 ewes and lambs, and 1,189 bushels of wheat cannot meet even committed annual repayment, leave alone continued development of the property.

Another paragraph reads—

To illustrate the absurdity of this quota, an 18 bushel crop on 66 acres will fill the quota.

He then supplied details of his commitments and the return he is likely to get from the quota allotted to him.

Mr. Nalder: Did he give you the figures of his production for the last seven years?

Mr. TONKIN: I do not think he did.

He says—

I have filled in only the years from 1966 to 1969, the reason being that up until the time that I purchased

the property no wheat had been grown on it. The previous owner took the property up as a Conditional Purchase block in 1956. I acquired the property from him in 1966. He assures me that only a small acreage of oats had been grown on the cleared acres, this being 300 acres cleared prior to 1962-63. 400 acres cleared 1963 was standing oat stubble at time of purchase (first crop) with another approximately 300 cleared and fallowed at time of purchase.

You will see that this property is still in stages of development and that my deliveries of wheat have not been good considering the acreage planted. However I am hopeful of better yields due to the building up of the land over the past 3 years. This has involved acquiring a loan from the Bank and other means so that I am committed to meet a repayment of \$3,200 per year for the next six years.

My sheep carrying capacity while increasing steadily does not enable me to diversify by carrying a greater number of sheep so that I hope when considering my case you will take into consideration my involvement in annual repayments and allocate me a quota that will suitably meet this cost and a small margin for future development. I would suggest a quota based on the Wickepin district average for 250-300 acres of wheat. A quota of less than 4,000 bushels would force me into financial difficulties.

That is typical of the cases which have come before me of farmers who have indicated their individual difficulties because of special circumstances and where an average of production over a number of years does not meet the position at all.

One farmer suggests there ought to be a basic quota for everybody and then that could be built on having regard to averages of production and delivery. He says that a basic quota should be consistent with the type of cleared land that will allow a farmer to earn a livable income whilst the crisis is being tackled. He also says that there are farmers who have been multiple cropping and have increased their wheat deliveries and, to some extent, have reduced the f.a.q. standards. He blames these farmers who have been multiple cropping for laying the foundation of many of the problems of soil erosion. He says these farmers are favoured by the method which has been adopted in determining the quotas to be allotted.

I have another letter from a farmer in Bindi Bindi who writes as follows:—

May I please draw your attention to the serious problem of wheat quotas!

I farm this property of approximately 2,200 with the help of my two sons aged 20 and 17. We have cleared the farm and built it up to almost fully improved. This has entailed a great deal of hard work and going without on the part of us all. My wife still does not enjoy many of the everyday comforts and in fact for three and a half years we lived in a tent and a kitchen made of railway sleepers at one end. We did this while we re-cleared the land which had grown wild again during my absence at the war. Our oldest son was born at this time and spent his first twelve months in a tent.

We have been given a quota of 7,724 bushels because we have not flogged our land over the last few years and overproduced wheat but have been building up our soil. This year we reduced our acreage by 18% because of overproduction, but as a result of an excellent season here on our light country our crops are better than ever. It seems we will have more than 12,000 bushels. Had we known of the quotas earlier as promised we could have cut a lot for hay as this will no doubt be needed.

Not far from me one farmer with twice the land I have, almost (about 3,900 acres) received a quota four times ours. Is this justice?

I do not propose to keep on quoting from these letters, but they are all written in much the same vein; the individual is putting forward his particular difficulty and it is rather evident that some system which gave more careful consideration to special circumstances confronting different farmers would have given much more satisfactory results.

We need to emphasise that in order that proper financial arrangements may be made for next season's crop—arrangements with regard to fertiliser and so on—a determination of the quotas should be made as early as possible. I know that the circumstances which existed this year militated against a much earlier decision and farmers, of course, were in doubt right up until a very short time ago. However, the earlier the quotas can be determined the better it will be and the less cause will exist for dissatisfaction.

I do not think there is enough certainty in some of the provisions. I do not like provisions in Bills to the effect that what is going to happen will be determined by the Minister in consultation with somebody else. I consider it is far better for some basic principles to be laid down so that we know precisely what we are voting for, allowing, of course, for some variation.

As it is, we have to guess and our guess might be so wide of the mark as to be completely useless as a guide to what is going to happen.

I know it is not easy to determine this, because much will depend on how much wheat is sold in the interim, the all-over Australia quota which is likely to be decided upon, and the amount available for Western Australia. These are all factors which will have to be taken into consideration, and because the data available is so inadequate and insufficient it is extremely difficult to make a reasonable determination. However, every effort ought to be made to let farmers know as early as possible the general principle upon which allocations will be made. That is not done in this Bill.

As I have said, it is essential that the Bill be passed. Nothing will be gained by holding it up. If this were done, the whole plan would break down and we would have a chaotic set of circumstances. However, the Opposition is not happy with the arrangements which have been made and we think that far greater consideration should have been given to meeting the very special cases which are to be found in almost every district in the State.

MR. GAYFER (Avon) [8.40 p.m.]: At the outset I should say that I have not very much quarrel with anything which the Leader of the Opposition has said with respect to the Bill before us. Like him, I agree that there is a definite need for the passing of this wheat delivery quotas legislation, even though some of the obvious shortcomings as outlined by the Leader of the Opposition in respect of the allocation of quotas could be deemed to be read into the Bill itself.

First I would like to deal with the reason and the need for quotas. The Leader of the Opposition has already outlined some of the facts, but we must realise that at the end of July, 1969, the United States had 811,000,000 bushels of wheat; Canada, 830,000,000 bushels; Argentina, 25,000,000 bushels; Australia, 260,000,000 bushels; and France, 40,000,000 bushels; which provides a total of 1,966,000,000 bushels. There was the possibility of the world selling some 1,150,000,000 to 1,200,000,000 bushels in the next 12 months, and during this 12 months receipts from the United States harvest will be approximately 1,457,000,000 bushels; from Canada, 680,000,000 bushels; from Argentina, 220,000,000 bushels; from Australia, 430,000,000 bushels; and from France 550,000,000 bushels; making a total of 3,337,000,000 bushels. If one takes 1,150,000,000 bushels from the figure mentioned one will see that there is a 3,500,000-bushel carry-over of wheat likely next year depending on sales.

This sort of thing is rather frightening. There are many aspects one could consider and indeed the Leader of the Opposition told me what could happen. He said that this turn of events has indeed been predominant among the wheatgrowing countries from time immemorial.

I agree to a certain extent that the grain producers are reliant on weather conditions obtaining in other parts of the world. I would, however, like members to cast their minds back some three years when this Parliament sent me overseas to have a look at the question of overproduction of grain throughout the world. I returned and submitted a report to Parliament and in this report I stated from my position in this Chamber that I thought the future indeed looked a bit precarious so far as grain production was concerned.

I said I thought the International Grains Agreement was more or less a slip of paper that we hoped would be honoured, but it certainly would not be as binding an agreement as the law of supply and demand as it relates to getting rid of our grain.

I explained the tremendous upsurge of production that had been reached throughout the countries of England, Canada, Israel, United States, and even India, where, I suggested two years ago, they would be exporting wheat in 1971. I was laughed at in Western Australia when I came back and said this. It is, however, a very real fact, because that country supplied 95 per cent. of its needs last year—as did Pakistan and Turkey—from the growing of its new forms of dwarf wheat and other hybrid grains which it is very capable of producing under irrigation.

I recall that afternoon tea time arrived and I sat down. I had not finished my speech, but one of my colleagues on this side of the House—he is in this Chamber at the present time—came to me and said, "That is the most pessimistic and dismal speech I have ever heard anybody make."

I had been sent overseas to do a job which I felt I conscientiously carried out, and I returned with a warning and a plea on that occasion, and the members who were present will recall my warnings.

I explained what was being done in other countries by way of building up their self-sufficiency, and I was accused of being pessimistic. So I continued my remarks and said I did not wish to appear pessimistic about the future of the State. I then went into the possibility of what could happen through diversification, and said I considered that for the next five or 10 years graingrowing in Western Australia, and indeed in the whole of Australia, would pass through a crisis.

It is all very well to be wise after the event, or to shut the stable door after the horse has left—though I must admit

the door is still open—but nevertheless one feels a little hurt, perhaps, after being sent away and being asked to carry out a mission; after being provided with \$3,000 towards one's expenses; after endeavouring to find out explicitly everything in connection with food production; and after doing some 50 plane trips in 49 days, to come back here and have no cognisance taken at all of one's report. No heed was paid to one line of my warning to the farmers.

I had 5,000 copies of my speech printed and I felt that at least I could circulate these through my electorate and tell my electors what I saw and how I felt. I was, however, talked out of doing this and was told that I should not worry anybody while everything looked so good.

Mr. Graham: When you say that you should look at the Government rather than the Opposition.

Mr. GAYFER: I was looking at the Deputy Leader of the Opposition, because I have some sympathy for him as he happened to precede me on a previous excursion and I recognise the difficulties with which he was faced.

I must impress on the Government that if it sends a member overseas to examine these things—and after all it was a study tour—some heed should be taken of the report he submits. Not once have I been asked a question as to what I think about the position; whether I think that India will export wheat this year, or anything of that nature. The whole thing seems to be just a closed book, and, so far as the State is concerned, my trip seems to have been a waste of time and money.

Mr. Graham: If it is any consolation to you, I got just about as much consideration.

Mr. GAYFER: I have been wanting to get that off my chest, and having said what I have, I will leave the matter there. I will now get back to the wheat situation overseas. It was only a few short years ago, by time, that Malthus said that if birth control were not introduced the production of grain would not be able to counter the population expansion that would take place within the world today.

We know that from the birth of Christ to the end of the seventeenth century the population on the earth increased by something like 3 per cent. At the present time the population is increasing by 3 per cent. every 10 years; so much so that it will reach 650,000,000 by the end of this century. It does not matter what the exact figure is, but I assure members it is astronomical. Malthus said it would not be possible to grow enough grain to satisfy this population.

Mr. Davies: Who was that?

Mr. GAYFER: Malthus. This could be reasonably true, though he was not aware of a couple of other contingencies. First of all, a lot more countries in the world are available for the growing of grain than he originally thought; and, secondly, the upsurge of scientific development and knowledge which has gone into the grain industry today in order to make the various countries self-sufficient and the wheat lands more productive, has indeed lifted the equation beyond anything that he imagined, and has lifted it into a far greater degree of perspective for a case of overproduction than the good gentlemen himself envisaged.

However, with the upsurge of self-sufficiency in those countries, the desires and needs of the undernourished for greater quantities of food will become manifest, and a level will have to be reached in order that the foodstuffs of the people concerned will have a greater nutritional value; that is, the protein, calorie, and mineral content of the foodstuffs will be increased, and, in fact, the whole diet will be improved as the economy of the people improves and as their bellies get used to the foodstuffs.

Hand in hand with such progress there comes the need for greater diversification of the products that are grown from the soil. Hence it is possible that following the increased needs of people who are no longer starving, the need for diversification of markets could follow. Therefore the International Grains Agreement was first constituted in an endeavour to regulate grains in those countries at a price that was agreed upon by the major exporting countries—excluding the countries within the Communist block—so that a minimum price could be obtained, without any adverse effect, by the producing countries.

Indeed, it looked as though things would be fairly rosy until about two years ago when everybody who was not particularly in favour of orderly marketing said, "Let us get rid of the International Grains Agreement. Let us go out and try to undercut Russia and the United States of America. Let us dump the wheat overseas and get rid of it." This was the opinion of a few people. However, the general opinion was that, under the principles of orderly marketing, if we held to the concept of the International Grains Agreement and so reduced the price of wheat but not to the flat price that other countries had fixed, eventually they would tire of the idea of giving away their grain after they had depleted their stocks, and the International Grains Agreement would then come into its own.

Consequently it became apparent that there had to be a degree of common thought in the marketing of grain between the great wheatgrowing countries. Many

accusations have been levelled against Canada, Australia, and other countries, even within the terms of the International Grains Agreement, each country telling the other that it is undermining the conditions of the agreement.

Despite this, each country knows full well that the agreement exists and that it has to comply with the conditions. Indeed, in the last two months the agreement has proved itself, and sales, if anything, have slightly increased. Nevertheless, we could still be faced with the great overproduction of wheat, which I mentioned earlier, and consequently we are now faced with a need to preserve our farmers within the Australian system by imposing wheat quotas which, first of all, have been agreed to by the States. It is now necessary to reach some form of agreement within the State itself.

For the information of the House I will now quote from a statement that was made by the Senior Vice-president of the Australian Wheat Growers' Federation, Mr. Price of Queensland. This extract reads as follows:—

My organisation accepts full responsibility in originally assessing the need for wheat quotas; and it was at our request that the Federal and States Governments recognised the correctness of our attitude in endeavouring to come to grips with the current situation involving a surplus to sales potential of at least 250 million bushels of wheat.

With your permission, Mr. Speaker, I would now like to read the next paragraph because it tells a fair story. It reads as follows:—

Should any politician or political party endeavour to make adverse capital out of the introduction of wheat quotas, they will be responsible for the greatest disservice ever to the wheat industry of Australia.

To a degree, I believe this is right. I believe the industry must be in control of its own destiny, but I also believe that we, the legislators, must help the industry, because it must also be borne in mind that we also represent the people of Australia.

The Leader of the Opposition mentioned that he wondered what types of quota systems were in use in other parts of Australia, but no mention has been made of them. At this juncture I would like to say that in July I paid a visit to the Eastern States. I journeyed through several of them, keeping my ear to the ground as it were listening to the opinions expressed in respect of wheat quotas. I found that wheatgrowers in those States experienced the same troubles and made the same

complaints as farmers in this State have, especially in recent weeks.

I will not say that those complaints were not justified but I will say they were brought very much to the forefront, and I took the opportunity as I proceeded to travel through the States to write an article on the subject of what was intended by the introduction of wheat quotas in those States. I explained who was introducing them, what committees were being appointed, and so on. Finally, agreement was reached among the States that they would accept a system of wheat quotas which was thoroughly recommended for acceptance by State Parliaments, and this system has now become an established fact.

New South Wales had a system made up of three groups, which are outlined as follows:—

Group 1

Growers who delivered wheat in 5 years, 4 years or the 3 years 1964/65, 1966/67 and 1968/69—85% of this 5 year average or 50% of their 1968/69 delivery, whichever is the greater.

Group 2

1, 2 and 3 year growers (except those in Group 1)—50% of their 1968/69 delivery.

Members will recall that the Leader of the Opposition said that some growers in this State were getting 50 per cent. of their production for the previous year. This became standard practice in New South Wales. The last group of the three-group system in New South Wales is as follows:—

New Growers—40% of the declared average multiplied by 20 (State's average yield for last 10 years) equivalent to 8 bushels per acre.

At present there are 3,200 appeals before the appeals board in New South Wales.

In Victoria the formula to be applied to a grower or landowner is 61.75 divided by 69.2 of the average delivery of wheat during the last six years. This 61.75 represents the State's quota of 65,000,000 bushels, less 3,250,000 bushels reserved for special quotas in exceptional cases. No specific provision has been made for new growers.

Of course, when it was announced that 3,250,000 bushels were to be set aside in Victoria for special cases there was a clamour for extra quotas, and the hard-ship cases poured into the appeals board. I am afraid I have not the exact number but I understand it is quite considerable. It is interesting to note that in Victoria 66 per cent. of the growers produced less than 5,000 bushels per farm. In fact, there are only three growers in that State who produced in excess of 40,000 bushels.

In South Australia the committee sent out application forms for quotas—and the forms are here for anyone who is interested to see—to the farmers to indicate their production in the last five years. At the same time forms of appeal against the quota were sent out, to enable those who wished to appeal to set out their cases of hardship, and the rest. Some 11,000 forms were sent out to be filled in, and 8,000 appeals were returned with the 11,000 forms. So the difficulties of rationing the quotas are, indeed, real in this State; but they are also experienced in the other States.

New growers in South Australia were given one-third of their sown acreage, multiplied by the district average, with a maximum of 4,000 bushels. This information is available to any member who desires to see it. The purpose of raising these matters at the present time is to point out that every State is, in fact, in a different position; because the industry, the leaders of the handling authorities, and others concerned recognise the anomalies that are created by bringing in one set form under the quota system.

Of course, we get back again to the legislation that is before us. The legislation before the Parliament of New South Wales has a term of one year. I suppose that State considers the anomalies that will arise will be rectified at the end of the year, when a new Bill will be introduced. The purpose of the New South Wales Bill is, "To provide for the allocation of quotas in respect of wheat of the 1969-1970 season . . ." and so on.

The South Australians really simplified their legislation for the delivery of wheat. They amended the Bulk Handling Act to provide as follows:—

That the following section is enacted and inserted in the principal Act after section 19 thereof—

19a. The company may in the discretion of the directors and subject to any Act—

- (a) from time to time as occasion requires, establish a scheme for the rationalization of the delivery of grain of any kind offered to it whether as a licensed receiver or otherwise;
- (b) amend or vary any such scheme; and
- (c) except in such special circumstances as the directors may approve, accept delivery only of such grain as is offered to it in accordance with any scheme applicable to grain of that kind and for the time being in operation.

This is a very simple provision, and much simpler than the Bill before us. Nevertheless, I daresay there is a reason why the Bill before us needs to be as comprehensive as it is. As far as the growers are concerned, the Bill before us is elastic enough within its provisions to enable the Minister, after consultation with the industry, to confer with the Wheat Quotas Committee in order to bring about a more equitable distribution of the State's wheat quota.

I am not saying that the present method of determining the quota on the best five years out of the seven years is altogether wrong, but I do believe that the provisions of the Bill will enable the committee to examine all kinds of plans that may be forthcoming; to examine all cases of hardship that may be presented; and, in fact, to permit quotas to be altered from year to year.

The question of over-quota wheat has been of concern to me personally, because I feel that the provisions of the Bill do, in fact, tie over-quota wheat down to the quotas that have been allotted this year; and if the quota next year should be altered, and a greater quota is allotted, the over-quota wheat will not be permitted to be altered, under the terms of the Bill, to take up the slack of the increased quota under a different type of scheme. However, after consultation with other people and after studying the matter, I think the Bill is elastic enough to enable the Minister to recognise special cases of hardship.

Regarding the clauses which deal with over-quota wheat and with shortfalls, as I have said these matters can be rectified in the light of the knowledge that has been gained by the Wheat Quotas Committee from the exercise it has completed, at the end of which it struck a quota to satisfy the terms of the Commonwealth legislation. In the light of the knowledge that has been gained the Bill will enable the whole set-up to be altered, under the direction of the Minister, to bring about, perhaps, a more equitable distribution.

I understand that part III of the Bill is based on the legislation that is to be introduced in the Commonwealth Parliament. The Bill before us is in conformity with what is proposed in the Commonwealth legislation; and it has to be proceeded with in order that wheat, as it is delivered into the installations, can be paid. Wheat is being received at present in the northern part of the State.

I finish up by saying that I believe a great number of anomalies have arisen in the allocation of quotas to farmers.

I believe that the areas which have suffered most are those which have experienced wet seasons for five of the last seven years. A large part of our State has, unfortunately, been flooded for most of those five years. I agree with the Leader of the Opposition that in a number of these places the quota issued at the present time would indeed be anywhere from 33 per cent. to 50 per cent. below the figure obtained by taking the average of the last two years.

Therefore, I can only urge the Minister to confer with the Farmers' Union on a complete reinvestigation of the present quota system, with a bearing directly on the economic aspects and effects of the wheat quota as it will apply to individual farmers who have received it. I am only endorsing the sentiments of others, including the Chairman of the Wheat Quotas Committee himself, who said—and there is no need for me to quote from the papers because everyone knows what was reported—that the present scheme is full of inadequacies.

We have only a short time in which to rectify the situation—a short time before, as the Leader of the Opposition said, the farmers must buy and plan for the future.

Mr. Brady: Are you giving any consideration to the equity of the tax-dodger farmer being given the same quota as the genuine wheat producer?

Mr. GAYFER: The member for Swan should realise that I believe we should cater for the complete equity of all people who are genuinely engaged in the pursuit of wheat farming in this State and not for the dodger or anyone else if he is getting an unduly large stake by perhaps over-farming his land and having large acreages at his beck and call which are completely sown to grain year in and year out, as a lot of these so-called farmers are doing, but I would remind—

Mr. Norton: Do you think—

Mr. GAYFER: Would the member for Gascoyne mind if I answer the member for Swan first? I would remind the member for Swan that a lot of these tax dodgers—and I know the one to whom the honourable member is alluding—are in this game fairly legitimately and there is nothing to prevent them going into farming. This is one of the difficulties we face. Believe me, we do not like it; nor do we like the large combines from England and other places buying large tracts of land and putting in wheat factories. They are not wheat farms; they are wheat factories, and they do not fit in with our concept of farming which was taught to us genuinely by our fathers; but many engaged in this game seem to

have lost the high principles which were always involved with our type of farming. But, unfortunately, there is no law under which we can stop anyone from entering this field, any more than we can stop the wealthy grazier, farmer, or pastoralist investing in land in the city. There is nothing to stop these people or anyone from the city investing in the country.

Mr. Norton: Do you think the quota of 250,000 bushels for one farmer is ridiculous?

Mr. GAYFER: It depends on the farmer. If he has 750,000 acres of land which he has bought genuinely, and he genuinely employs, say, 750 families, I would say that he could possibly produce 250,000 bushels. Without knowing the facts, neither the honourable member nor I can decide. This is why the Wheat Quotas Committee, in the light of the knowledge it gains, should decide who is right and who is wrong when it comes to a rehash or reappraisal of the quotas.

Knowing the need for the introduction of this system, knowing that great alterations must take place to the quotas of some individual farmers, and knowing that possibly a complete reappraisal of the whole system will have to be made, and because I feel the Bill will allow for this reappraisal to take place, I support it.

Mr. Bickerton: Your last statement certainly eased the mind of the Minister.

MR. H. D. EVANS (Warren) [9.17 p.m.]: Like the Leader of the Opposition, I realise this measure must be passed, but I have quite a number of doubts and a few reservations about it, although I must support it.

When introducing the Bill the Minister attributed the present situation to the state of the world market and to overproduction. The member for Avon clarified the issue and indicated that by the end of this year there would be a surplus of something like 4,000,000,000 bushels of wheat in the world, and so the prospect of sales from this country are diminishing with each passing month.

The point I would like to make is that this situation has been recognised for some considerable time now. We have witnessed the spectacle in Canada and the United States and, indeed, we have taken scant heed of the tremendous storage problems which have faced the prairie provinces of Canada. I might add that if it had not been for the advent of mainland China becoming a surprise customer, the situation in which we now find ourselves would have confronted us several years ago. Members should not forget that China was an unexpected customer.

I believe that the position could and should have been anticipated. We have institutions like the Bureau of Agricultural Economics. This bureau undertakes projects which would enable situations to be determined in advance. If it does not undertake such projects, this rather reflects on the dubious value of its existence. On the other hand, if it does undertake such projects, it is a reflection upon Governments that they take scant heed of the results of such reports.

Another contributing factor to the present situation is the investor, or the tax dodger, which was the expression used by the member for Gascoyne when he interjected, and by the member for Avon when he made observations on the interjection. However, disregarding the rights and wrongs of the situation within our system, this has been a contributing factor to the position we face at the moment; that is, overproduction.

I believe that another factor operative in Western Australia has accentuated this problem; that is, the tremendous development of land in recent years. Something of the order of 1,000,000 acres have been opened up annually, and, in addition to this, active encouragement has been given to C.P. farmers.

This involves various concessions and readily available finance. The point I make is not one of recrimination, but to establish that it is not altogether the farmer's fault that the present position has arisen. Unfortunately, he is caught up in a situation over which he has not had a great deal of control.

From that point I would like it to be inferred that the Government has a very real obligation and responsibility to alleviate the problems to the best of its ability. In the process of so doing it should minimise the effect upon each and every person in the industry, and in particular the small farmer.

The principle of industry control is one that has been a major precept of the rural policy of this side of the House. So the possibility of seeking political capital from this situation does not arise. That should mollify the member for Avon somewhat.

We also realise that the wheat industry would certainly fall into chaos if this control measure did not go through. Harvesting has probably already started in some areas and, of course, the urgency of the measure is brought home to us. We also know that voluntary restrictions are most impracticable and it is only through legislative measures that we can achieve anything.

It is not the principle of orderly marketing which causes concern; it is not that at all. It is the concept of this particular

scheme and its implementation—which this form of restriction demands—which occasions concern. I suppose it is impossible to devise a system which would obviate all anomalies and problems. In all probability, if such a system could be devised, we would not need it. So we have a grave difficulty confronting a major industry and we have to resolve the chaos and minimise the anomalous situation which has arisen.

The inadequacies of the present method are suggested in a manner of ways. They are firstly suggested by a report of a statement made by the Chairman of the Wheat Quotas Committee (Mr. J. M. Clayton). To read such a statement made by such a person was, to say the least, rather disturbing. I suppose Mr. Clayton could be considered as the leading authority on wheat quotas in this State.

He has been immersed in the problem for a matter of some months and yet he is dissatisfied with what he has seen and what he has learnt. He also sees the need for a change from the principles which are being employed at the moment. As a matter of fact, he suggests a new basis for arriving at quotas.

Another point in a report of his statement draws attention to the urgency required, not only in reconstituting the quota system, but also in making available quotas for the next season. The matter of arranging finance is of prime consideration and, therefore, the measure of urgency is even greater.

In addition to this report, and other reports from lesser qualified men, I would draw attention to the attitude of the farmers. They realise that control is necessary for their survival and, I suppose, a quota system of some sort offers the best solution.

To say that farmers are happy with the prospect would be something of an overstatement. There is certainly no degree of unanimity from the representatives of branch meetings. I have one communication from Carnamah, and another from Doodlakine. I also have a number of individual letters as well as newspaper reports which negate the implication of the Minister's opening remarks: that the co-operation and the agreement of the farmers, generally, through their union had been ascertained.

I rather suspect that there is a large minority which is not at all happy with the situation concerning it at this moment. The anomalous situations and the injustices have already been referred to by the Leader of the Opposition. He instanced a number of cases, and he itemised them. He largely covered the point which I intended to make.

The Leader of the Opposition instanced the farmer with a previous crop history of less than seven years and I suspect this would be the prime example. He also instanced the farmer who had been confronted with several unseasonal years. In addition, we have to consider the plight of the share farmer, and the person who has some limited or unsecured tenure over land on which he has been operating.

Whilst I do not wish to itemise the letters and the cuttings which I have with me, I would like to make the observation that the inequities and the anomalies are considerable indeed. I think that some action is necessary and the Government has to consider that action.

The member for Avon concluded on the note that a reinvestigation was necessary to alleviate the problems which had arisen already. I feel the member for Avon could have gone a step further and said that a committee of investigation of some sort should be set up.

Such a committee would be in a position to examine the problems which have arisen from the implementation of the quota system, and the ramifications it suggests. In addition to that, and having regard to the urgency and the very short time available in which to adjust the situation to cater for those who are facing extreme financial difficulties, some provision has to be made for the farmers who are faced with liquidation. Those farmers will have to give up their properties immediately and I think this is one of the reasons a review is required.

Mr. Nalder: Nobody will go off their properties as a result of the quota system this year because all the wheat will be received.

Mr. Lewis: And paid for.

Mr. H. D. EVANS: That is very good. The interjection made by the member for South Perth was to the effect that there will be hundreds. So this year there might be the possibility of all farmers hanging on. But what about next year; because the likelihood of the present quota being maintained is not very hopeful at the moment?

I favour the advocacy of a committee of inquiry. Such an inquiry is needed to examine the present concept of the issue of quotas on the basis of the average of the best five years out of the last seven, plus the discretionary powers which the Minister has in consultation, which does not seem to have achieved the desired result. The present system does not have regard to a number of situations, and these are the situations which

could give rise to the difficulties and anomalies we are concerned about. It does not have regard to the economics of the small family holding and the viable farm concept which is employed. Of course, this varies in each locality and it varies with the activities and diversification of each farm.

The member for Avon mentioned that this quota system had sufficient elasticity and flexibility. However, I am afraid I do not agree with him. I would like to see a better system employed.

Mr. Lewis: How would you arrive at it?

Mr. H. D. EVANS: I will give the Minister some indications of the points I feel should be considered. It is not merely a mathematical exercise; there are certain principles to which we should have regard, and their consideration should not be merely at the whim of the Minister.

Mr. Nalder: Surely you do not expect the committee to go into the economics of every farm. That is quite unreasonable.

Mr. H. D. EVANS: I am prepared to agree with the Minister. However, Department of Agriculture economists could give a shrewd indication of the area which would need to be cropped on a particular farm in a locality, having regard to the facilities of that farm.

Mr. Nalder: What about the season?

Mr. H. D. EVANS: Yes, that too.

Mr. Nalder: Of course this is the difficulty; you cannot predict the season.

Mr. H. D. EVANS: Certainly not.

Mr. Nalder: How can you anticipate the economics of an individual from year to year?

Mr. H. D. EVANS: Well, how is this done with the present averaging system? We are still up against that aspect, so let us have regard to it, also. No thought has been given to consideration of the farmer's ability and diversification. If the point made by the Leader of the Opposition about the inequality—I think he used the phrase, "No equality of sacrifice"—is taken as some form of principle, we can readily see that a farmer with 40,000 acres has greater potential for diversification and he has a greater opportunity for survival than a farmer on a quota of about 3,000 acres.

Mr. Lewis: How many farms would have 40,000 acres?

Mr. H. D. EVANS: This is just an illustration.

Mr. Lewis: You said 40,000 acres; do you mean a 40,000-bushel quota?

Mr. H. D. EVANS: I meant 40,000 bushels. I thank the Minister for the correction. A farmer with a 40,000-bushel quota is in a far more advantageous position to diversify and re-orientate his farm management and economics than a farmer with a quota of 8,000 bushels. There is one further point: I feel the principle of the quotas being based on statements made by farmers rather than by some disinterested qualified person is one which strikes rather strongly at the system. I cannot imagine a farmer whose livelihood is at stake being scrupulously honest in the statement he makes.

Mr. Lewis: You are doing him an injustice.

Mr. H. D. EVANS: I am probably doing him an injustice also when I say that even in matters of income tax the farmer would not be scrupulously honest in every form he fills in. However, I think that some system which has regard for a dispassionate, independent appraisal of a farmer's potential would be more likely to be correct than accepting the statements made by a farmer who is vitally concerned. When it becomes a matter of survival, the niceties of high morals and ethics are discounted.

In addition to the criteria of the concepts involved, the actual inequalities and injustices which have been brought to the notice of a majority of members in this House should be investigated.

I think the matter should be investigated to establish the degree of failure registered under this system, and to establish the shortcomings which have to be overcome. I think the letters and telegrams we have received and the newspaper reports we have read are sufficient to justify some form of inquiry. I believe we will still have some problems; we cannot hope to avoid all of them. But, as I mentioned earlier, they should be minimised to the greatest extent.

Mr. Nalder: That is a very fair statement.

Mr. H. D. EVANS: At this stage we do not know the number of farmers who have struck difficulties. We know it is considerable, but what is the precise number?

Mr. Nalder: Approximately 5 per cent. up to date, but there will probably be more to come in.

Mr. H. D. EVANS: I think the extent of the difficulties confronting this section of the farming community should be established so that we may analyse the reasons for the difficulties and, most important, try to establish an appropriate means for giving assistance one way or another. I think there is a strong case to take into

consideration the financial assistance which will be required by at least some of those farmers. The Minister is confident that no farmer will leave his farm this year as a result of the quotas—which could be attributed to the drought, perhaps, or some other reason—but we are at the stage where finance for the forthcoming season and the planning of the economics of farm management will have to be discussed by the farmers with their banking houses.

The new farmers who are heavily committed have been called upon to make payments to service loans for the development of their farms, and these things will not wait. Mr. Clayton has drawn attention to the fact that the problems need to be resolved before the end of the year, and so the urgency for an inquiry is highlighted still further. I think there is justification for the Government to assist as many farmers as it is within its powers to assist. The farmers should be assisted to remain on their farms for at least the forthcoming season. This will give them a breathing space, and in this time the quota system could be examined and its anomalies repaired and revised in the most apparently satisfactory manner.

This breathing space could well save a number of the smaller farmers from extinction. To this end, I do not think any special legislation would be required. The Industries Assistance Act is available and it could be pressed into use for this purpose.

I do not think the position of the farmer should fall to the extent that all other avenues of credit will be available to him, at least in this first year. The member for Avon implied agreement on this point, but he was concerned largely with a reinvestigation. I do not think he has gone sufficiently far with this line of thought, and it is one to which I would like the Minister to give some consideration and make observations upon when he replies at the end of the debate.

Mr. Nalder: What was the particular point?

Mr. H. D. EVANS: It is on the need for a properly constituted inquiry and consideration of specialised finance for farmers who look as though they could meet extreme difficulties in the forthcoming year. This, of course, would achieve the purpose of providing a breathing space until the crisis of the quotas has settled down somewhat.

Mr. Nalder: Provision has been made for people affected by the drought.

Mr. H. D. EVANS: This is the situation which will accentuate that problem and it is one to which due regard should be paid.

Mr. Nalder: The quotas will not have any effect at all for this season.

Mr. H. D. EVANS: I would like the Minister to explain that point still further. I am by no means convinced on that point. As I see it, the legislation is levelled at the established wheat farmer; namely, the farmer who has reached reasonable proportions, who is in reasonable economic circumstances, and who has a history of cropping behind him. It is not levelled at the smaller farmer; namely, the newer farmer who has come into the industry. I am afraid that next year, if not this year, the economic squeeze will be such that in the words of the member for South Perth, hundreds of smaller farmers could go to the wall. There could be a lot of sparrows fall. This has to be obviated at all costs.

Whilst I support the legislation, I would like the Minister to give further details upon the points which, to this stage, have not been fully clarified.

MR. STEWART (Merredin-Yilgarn) [9.43 p.m.]: I rise to support the Bill before the House which will enable farmers to be paid for the wheat they produce this year. Whilst in many respects I am not happy with the quotas, I hope to be constructively critical in what I have to say, not so much on the Bill but on the forms of quotas and the people who are affected.

I say at the outset that a season like this is not new to me. I started farming on my own account in 1939 and, in 1940, we experienced a similar type of year to this one. Shortly after this, because of very similar circumstances, the quotas were such that we received 4s. for the first 3,000 bushels. After that, of course, we were restricted in our cropping because of war conditions and this went on for a number of years. The situation was happily resolved through the tremendous demand for wheat after the war.

I want to make it perfectly clear that I am one of many thousands of farmers who are very happy. I have been treated very kindly as far as the quota system is concerned, because I am a consistent producer. The system suits me very well and there are many thousands of farmers who think this way. The remarks I will make could only go against me and bring about a reduction in quota but, in fairness to all the people whom I represent, I believe I must speak my mind on this subject.

I am very keen on the managerial side of farming, and I always have been. I respect the State quota and the committee which has been appointed to implement the quota scheme. One point we must bear in mind is that the gentlemen on the committee are not magicians. They are men of integrity and experience and

with sympathy and understanding for farmers. It was their duty to recommend a plan. They inherited from the industry a seven-year plan with certain provision for new land settlers and they hoped that the plan would work.

The basic problem with this is that it abrogates the very basis of planning, because there are three stages. Firstly, one looks at a situation; secondly, one evolves plans, and there is no limit to this; and, thirdly, one projects a quota. The gentlemen were in the unfortunate position of not knowing the situation. I will quote Mr. Clayton, Chairman of the Wheat Quotas Committee, on this point as he was reported in *The Countryman*. They did not know the situation and they tried to make a plan without knowing it. This is where the difficulty lies.

They were in tremendous difficulties because they could not get the information. They had to go back nearly eight years and farmers are not renowned for the records they keep. This caused a tremendous amount of trouble. This fact has been well stated in the Press, and there is no need for me to state it further. However, we must recognise the problem these gentlemen had to face.

The quota plan they worked on was on the basis of the five best, of the previous seven years with provision for new settlers. The two great problems which involve from this are that, firstly, it is inadequate for new settlers; and secondly, that established farmers in wetter districts have been mainly affected by a series of wet seasons. The plan is quite inadequate for these two types of farmers. People who have been affected by a series of wet seasons are in just as much trouble as people in drought-affected areas today.

Firstly, I shall deal with the new settlers who, generally, farm in the meagre rainfall areas and for the first few years depend on their cereal production to survive. They can, of course, multiple-crop to clear the ground, and to control suckers and the like. However, the established farmer in wetter areas has water supplies, pasture, and fencing. Consequently, he can diversify to some extent, but developing farmers have no chance whatever of doing this. It takes them many years before they are able to build up the soil which enables them to diversify.

They are stout-hearted men who may face difficulties in any circumstances for the simple reason that with costs today and the return to them, even in good seasons they have a tough and mighty battle. It is right that we should look after them. They are most desirable citizens and the State has a responsibility to them. Over

the last four or five years people have been encouraged to farm in these areas and now we must look after them.

The other difficulty is that it is only a few years ago that credit became much more readily available through the Commonwealth Development Bank. A farmer must have credit for a couple of years until the improvements are effected, and then there is the time lag until he gets a return. The terms of the loans from development banks are mostly over something like five years.

These people are in the situation where they have been building up their production for the first couple of years to anything from 2,000 bushels to 10,000 bushels, but because of their level of indebtedness on the 10,000 or 15,000 mark, and because they will not have a good average when the quota system comes in, an adequate amount should be set aside to keep them in business.

Farmers are affected by wet seasons. They have got along reasonably well in the past and we did not hear too much from them because when it was too wet their pasture situation was fairly good. Apart from this the prices for sheep were reasonable in the past and though the farmers did not like the position very much they got along fairly comfortably. At the present time, however, they are in quite a bit of trouble.

I come now to the fact that the Wheat Quotas Committee is in the position of having all the information available to it. In this connection I would like to quote from a cutting from *The Countryman* dated the 30th October, 1969, which states—

Wheat quota committee chairman Mr. J. M. Clayton said this week that the present basis of allocation was plagued with problems.

"It is a haphazard system and many of the quotas allocated on Friday are incorrect," he said.

Further on the article continues—

The Committee after working with wheat quota calculations for four months was now in a position to appreciate all associated problems.

Accordingly I would ask the Minister to direct the Wheat Quotas Committee to examine the whole position in the light of this knowledge with particular regard

to the situation of the farmer affected by drought or low rainfall conditions—which is known as shortfall under the quota system. The new farmers and those affected by a series of wet seasons, flooding problems, etc., should receive an economic quota.

I believe the proposed system will give the Wheat Quotas Committee enough flexibility to enable it to meet any unforeseen circumstances for which provision cannot be made in the Bill. The Leader of the Opposition made this point very well indeed. This is one of the aspects we must ask the committee to investigate. The industry and the Government have confidence in the Wheat Quotas Committee, and it should be given sufficient flexibility and power to help the people to whom I have referred, because it is almost impossible to provide assistance for them by way of legislation.

The Wheat Quotas Committee has in its possession all the information to enable it to arrive at the necessary conclusions. It should be charged with either levying or evolving a new and more equitable quota system for the farmers of Western Australia. With those reservations I support the Bill.

MR. JONES (Collie) [9.53 p.m.]: I join with other speakers on this side of the House in supporting the Bill, but I do so with some reservation. It is not my intention to traverse the ground already covered by previous speakers. However I do feel I have an obligation to the wheat growers in the electorate I represent, particularly those in the Duranillin, Darkan, and West Arthur areas, because there has been some indication of concern expressed by the farmers in those areas.

The points I want to make apply particularly to the small farmers. We had figures presented showing the highest bushelage to be granted and the lowest bushelage to be granted. One of the farmers who is to be granted the lowest quota happens to be in the district I represent. I have figures which show that the position in the Duranillin area is causing farmers much concern.

I met a number of these farmers with a farm consultant last Monday afternoon to discuss the problem and the position of the wheat farmers and the farmers generally in that area. It would not be denied that the wheat farmers were caught unawares. It is true to say that they were not forewarned to regulate their crops. They had sown their crops and had no

alternative but to go on with the growing of those crops. We find that on the 24th October cover quotas were issued and an opinion has been expressed as to what the economic effect will be on the wheatgrower generally throughout Western Australia.

The farmers to whom I spoke are now wondering what the position will be next year; they are wondering whether any surplus wheat they might have should be delivered to the Wheat Pool; they are wondering whether they should diversify their activities; whether they should leave the grain in the fields and turn their attention to growing sheep.

The small farmers just do not know what they should do or what pattern they should follow in the following year's operations. To give some idea of the position in the area I represent I would point out that in the Darkan district I understand that a survey was taken of the quotas granted to 39 farmers. There was a small acreage of 1,945 acres of which 1,019 acres was sown to wheat, and taking an average of 15 to 18 bushels to the acre the quotas for those 39 farmers amounted to 6,300 bushels.

It will be seen, therefore, that there will be quite a large surplus. The main point I want to make is in relation to the farmers in the Duranillin area. We heard the Minister say tonight that these farmers should not be concerned. I would like the Minister to tell the farmers in that area that everything will be all right; that their future is secure.

The figures I have tell the tale of the quota system. As was mentioned by the Leader of the Opposition, the question is this: Even if these farmers appeal against their quota, and their appeals are successful, where will the changed orders come from? Will the quota of some other farmers be reduced to meet the situation? To say the least the position is obscure. Perhaps the Minister could clarify this point for us when he replies.

The figures supplied to me show that farmer A has an existing production of some 4,500 bushels and will receive a quota of 525. The existing production of farmer B is 1,200 bushels and his quota was reduced to 475.

Mr. Nalder: Can you give me the annual figures of production of these farms over the last seven years?

Mr. JONES: These are new farmers.

Mr. Nalder: Are they new-land farmers?

Mr. JONES: Some are and some are not. The Bill was only introduced on Tuesday and the Minister will not deny that we have had very little time to make an examination of the situation. Quotas were issued on the 24th October, this Bill was introduced last Tuesday, and the Minister expects us to go around our electorates and make a survey of the situation. This, of course, is impossible.

Mr. Nalder: You said you went out and met these farmers last Monday.

Mr. JONES: Has the Minister ever tried to meet all the farmers in the West Arthur district?

Mr. Nalder: You are only giving part of the story.

Mr. JONES: I am giving the figures which have been provided to me. I reiterate that the members of this House have not been given sufficient time to carry out an investigation of the position. The Bill was introduced on Tuesday and today we find the Minister asking all sorts of questions.

Mr. Nalder: You must tell the full story if you are to convince anybody. Half the story is of no value at all.

Mr. JONES: These are the figures supplied by the farmers and if the Minister wishes to query them he can check the names which I will mention in a moment.

I would like to point out that there is a particular farmer, whom I have already mentioned, who has an existing production of 900 bushels. His quota of some 25 bushels is the lowest in the State, irrespective of whether his average has been varied on the pattern or the system that has been introduced. I understand that most of these are farmers who have just gone into wheatgrowing.

I have the names of some farmers and I would like the Minister to check on them. A farmer by the name of Ivan Pierce of the Duranillin district with a production of 300 bushels, has been allocated only 46 bushels. This farmer will find it difficult to survive in this area, because he is a mixed farmer. All the farmers I have mentioned do not hold large areas of land. It is all very well for the Minister to smile. I would like him to accompany me on a visit to the Duranillin district and listen to what the farmers on these properties have to say.

Mr. Nalder: I will take up your proposition.

Mr. JONES: I will be glad to accommodate the Minister when he comes down to open the Collie show. Another farmer by the name of C. Hughes, with an expected production of 1,500 bushels has been allocated only 647 bushels.

Mr. Lewis: When he gave you those figures, did he also tell you what his history was in wheatgrowing?

Mr. JONES: These figures were presented by consultants. Let us study the position to find the true facts. It is quite easy for the Minister for Education to throw questions at me across the House.

Mr. Lewis: What was the history of the farmer who gave you the information?

Mr. JONES: A number of farmers got in touch with a farm consultant to interview me at Darkan last Monday at 12.30 p.m. If the Minister would like me to tell him the name of the meeting place and the names of those who were present, I can do so. The quotas that have been allocated to the farmers I have mentioned illustrate the pattern in the Duranillin district.

One speaker this evening indicated that the holder of a large farming property is in an entirely different position from a man who is running a small holding, and I entirely agree with that comment. I agree that this system had to be introduced on a basis of making allocations, but of course, in doing so, we must consider the economic position of each farmer involved. The economic position of one farmer may be entirely different from that of another. All members know that, in most instances, the large farmer is generally well off financially. On the basis laid down, he will still retain a reasonable quota, but the small farmer who is developing a property is the one who needs the most help because he will be the hardest hit. It is that type of farmer about whom I am concerned in the electorate I represent; and we have had illustrations of farmers being in a similar position in other districts.

Although the Minister disagreed with the comments made by the member for Warren, I consider that the economic position of each individual farmer should be fully considered. I know that this would be a lengthy job, but it is unreasonable to suggest that a farmer who is finding it difficult to survive should be granted a quota on the same basis as a farmer who is doing well financially on a large property. That is the point I wish

to make, and that is the point which the farmers of Duranillin asked me to put forward when speaking to the Bill this evening. I am determined to try to present the case of those farmers whom I represent.

I do not think it is unreasonable to suggest that some thought might be given to this proposition. Perhaps, as another member has suggested, farmers with large holdings have been granted fairly large quotas for another reason. It may be because of taxation. Is it reasonable to grant a quota to them on the same basis as a quota that is granted to a small farmer? I would like to hear the Minister's views on this point, because I believe it is most important. I agree with the member for Warren that a searching inquiry is necessary, because many farmers in the Duranillin district feel that they might go to the wall in view of the quotas they have been allocated.

As the Minister indicated, there are no problems this year, but what will happen with these farmers after next year's harvest? Shortly, by the end of November, they will have to order their requirements for fertiliser and seed wheat. What will the future hold for these farmers? This is an important question, and I agree with the comments made by the member for Warren that early consideration should be given to it so that the small farmer who is now finding it difficult to survive will have some indication of what to expect next year. It may be necessary for him to diversify his farming activities. To achieve this end I think he should be assisted, and I hope the Minister will give consideration to granting such assistance.

With those remarks I hope I have made my position quite clear. It was my intention to deal with the Bill more thoroughly, but as other speakers have already covered the points I intended to make I will leave it at that. I support the measure.

Debate adjourned, on motion by Mr. Young.

ADJOURNMENT OF THE HOUSE: SPECIAL

SIR DAVID BRAND (Greenough—Premier) [10.5 p.m.]: I move—

That the House at its rising adjourn until 11 a.m. tomorrow (Friday).

Question put and passed.

House adjourned at 10.6 p.m.