

the objection to it. Both these provisions are contained in the Bill before us. It is further provided that there may also be an appeal after the commissioner has considered an objection to the Court.

Accordingly, there are, in fact, three strings to the bow. Firstly there is an appeal to the commissioner within 42 days; secondly, there is an appeal to the court within 42 days; and thirdly, there may be an appeal to the court within 42 days after the commissioner has given his decision on the objection.

So the taxpayers—if one might use that term in connection with those who pay stamp duty—must consider they are getting a fair crack of the whip in respect of any appeal there might be against an assessment; and I commend the Government for having included that provision in the Bill.

The final provision in the Bill is set out in clause 4. This has the effect of adding the word “and” between two portions of section 112P. On a strict reading of section 112P it may be thought that the word “and” should be read in, although it does not so appear. I understand, however, that an objection has been taken and, in order to clarify the position and ensure that in future what is intended is quite clear, it is now proposed that the word “and” be added.

I am sure it was the intention of Parliament that these two clauses should be conjunctive and that the word “and” should appear in that position.

I support that provision with only one qualification which, I think, has been answered by the Minister in his second reading speech. In saying this I assume that the present case which is referred to is not affected by the addition of the word “and.”

I notice the Minister has said that irrespective of the outcome of the case now being placed before the court for determination it is desirable to remove any possible doubt as to future cases. From that I presume it is quite clear that it is not intended in any way to affect the present arrangement between the taxpayer and the commissioner, or the court, but merely to provide a firm and definite intention to guide persons in the future. With those remarks I support the Bill.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [8.50 p.m.]: I thank Mr. Medcalf for his remarks on this Bill. They clarified the situation. As always his remarks made very easy listening as he analysed the various provisions in the measure.

Without any true knowledge of the point raised by the honourable member I think I can say that his assumption is correct in connection with the final clause

of the Bill—that is, the provision will not have any effect on the case quoted in the notes supplied to me.

Mr. Medcalf drew attention earlier to the strange language which continues to be used in legislation of this kind. It has always been a wonder to me that we should adhere so rigidly and carefully to the language of the law when perhaps at times much simpler and more direct language could be used. I daresay, however, that those who have been associated with this sort of thing over the years are obviously aware of the benefit of such words and they would not lightly include such expressions in legislation unless they were intended to convey a deeper meaning.

I thank Mr. Medcalf for his support of the Bill and I commend it to the House.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

House adjourned at 8.54 p.m.

Legislative Assembly

Tuesday, the 24th August, 1971

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

SITTINGS OF THE HOUSE

Statement by Premier

MR. J. T. TONKIN (Melville—Premier) [4.31 p.m.]: Mr. Speaker, I seek leave to make a short statement. When this session commenced the Government indicated that it desired to have the sitting hours consistent and to keep working steadily with a view to trying to eliminate the long sittings at the end of the session. It was also indicated that it was proposed to have a break in the sittings in order to afford an opportunity for Ministers and members to catch up with work which might have accumulated during the period of the sittings. I now wish to announce that there will be no sittings of Parliament next week. We will resume in the ordinary way on the following Tuesday.

MINING ACT AMENDMENT BILL

Assent

Message from the Lieutenant-Governor and Administrator received and read notifying assent to the Bill.

QUESTIONS (9): ON NOTICE

HEALTH

Bibra Lake: Salmonella

Mr. A. R. TONKIN, to the Minister for Health:

- (1) Has Bibra Lake, or any other body of water, been tested for bacterial content, and in particular for the presence of salmonellae?
- (2) If "Yes" what were the results of such testing?
- (3) Is there any danger to human or other life as a result of contamination?
- (4) If there is contamination, what are the causes of it and what action is proposed to remedy the situation?

Mr. DAVIES replied:

- (1) Yes. Bibra Lake, other bodies of water, and many other sources of material have been examined bacteriologically over some time as part of a general investigation into the prevalence and distribution of salmonellae.
- (2) The bacteriological results in terms of "coliform" organisms have varied widely, and salmonellae have been isolated from some samples.
- (3) Salmonellae may cause illness in humans if swallowed; and can be recovered from the excreta of apparently normal animals, birds and reptiles.
- (4) The most likely cause is contamination from bird and animal excreta; and no special action is contemplated.

2.

HOUSING

Pensioners: Maximum Permissible Income

Mr. MENSAROS, to the Minister for Housing:

- (1) As a consequence of increases in pensions, will the maximum permissible income for eligibility for applications for elderly single persons' accommodation be lifted?
- (2) If "Yes" to what amount and, if not, why not?

Mr. TAYLOR replied:

- (1) The present criteria provide for a maximum permissible income of the aged persons pension or its equivalent, plus the rent allowance, plus \$3. Thus the permissible income automatically increases with increases in pensions.
- (2) Further relaxation of the maximum permissible income must be considered in the light of present outstanding applications amounting to 1,190, some of which date back prior to 1965.

3. CHIEF ELECTORAL OFFICER

Report

Mr. MENSAROS, to the Attorney-General:

- (1) On which day did the Chief Electoral Officer submit his report to the Minister pursuant to paragraph (b) of subsection (2) of section 12 of the Electoral Districts Act, 1947-1965?
- (2) Has the proclamation referred to in subsection (2) of section 12 of the said Act been made?
- (3) If (2) is "Yes" on what date?
- (4) If not, why not?

Mr. BERTRAM replied:

- (1) Report dated 17th March, 1971, was received 18th March, 1971.
- (2) No.
- (3) Answered by (2).
- (4) This is at present being prepared.

4. "LESCHENAULT LADY" LOCOMOTIVE

Installation of Boiler

Mr. WILLIAMS, to the Minister for Railways:

- (1) Approximately how many locomotive boilers, suitable for installation in locomotives G123 and/or G233 *Leschenault Lady*, are available or could be made available from Western Australian Government Railways which are—
 - (a) new;
 - (b) used and need little or no repairs;
 - (c) used and which require extensive repairs?
- (2) In each case, what would be the approximate—
 - (a) cost of the boiler;
 - (b) repairs required?
- (3) What would be the approximate scrap value in each case?
- (4) For what period of time would these boilers last if installed into either of the locomotives mentioned, that is, providing the use is only on tourist trips?
- (5) What is the present estimated cost of reboiling, re-tyring and carrying out the necessary repairs to locomotives G123 and G233 to bring them up to a reasonable standard, and would he itemise the costs in each case?
- (6) When stating that a boiler could not be held indefinitely (question 33(6) of Wednesday, 28th July, 1971), for what period of time is the department prepared to hold a boiler for the organisation concerned?

Mr. BERTRAM replied:

- (1) (a) Nil.
(b) Nil.
(c) One.
- (2) (a) Scrap value.
(b) General overhaul.
- (3) \$900.
- (4) Life expectancy after general overhaul would be 1,000 working days or, at the current frequency of use, approximately 20 years.
- (5) Estimated cost of re-boiling; between \$5,000 and \$6,000. Mechanical repairs could be assumed to be of the order of \$10,000 to \$12,000. Itemised costs would only be practicable after inspection of the unit, stripped down.
- (6) The one boiler available would not be disposed of without prior reference to the vintage train organisers.

5. NORTH-WEST PLANNING AND CO-ORDINATING AUTHORITY

Establishment of Department

Mr. COURT, to the Premier:

- (1) Has any decision been made as to the form in which the work of the Co-ordinator of Development is to be undertaken in the future, and, in particular—
 - (a) the role to be played by the Co-ordinator and his staff; and
 - (b) the type of department to be established if the decision is to form a permanent department and not as an *ad hoc* type of arrangement?
- (2) If a department is to be established to which Minister will it be responsible?
- (3) What changes, if any, are planned for the North-West Planning and Co-ordinating Authority either as to its constitution or its role?
- (4) Is consideration being given to any statutory body to assume control of and co-ordinate all water and other forms of development in Kimberley regions?
- (5) If so, when is a decision likely to be made?

Mr. J. T. TONKIN replied:

- (1) to (5) It has been decided that the Minister for Industrial Development and Decentralisation will be responsible for co-ordination in the future. The question of what organisation is necessary to give effect to this decision is still being studied.

6. COUNTRY HIGH SCHOOL HOSTELS

Funds for Construction

Mr. McPHARLIN, to the Minister for Education:

Referring to his reply to part (4) of question 27 on Wednesday, 11th August, 1971, concerning the use by a shire council of its borrowing powers for high school hostels—

- (a) would the Government be prepared to fully service the loan;
- (b) if so, would this apply to all parts of the State?

Mr. J. T. TONKIN replied:

- (a) No.
- (b) Answered by (a).

7. COMMERCIAL VEHICLES

Authorised Licensing Authority

Mr. McPHARLIN, to the Premier:

In the event of the proposed schedule of commercial vehicle license fees, designed to attract funds to replace those lost by the repeal of the present Road Maintenance (Contribution) Act coming into operation, will the local authorities as at present constituted be the authorised licensing authorities?

Mr. J. T. TONKIN replied:

Fees under the proposed schedule of commercial vehicle license fees will be collected by local authorities in the same manner as license fees are now collected.

8. PRISONS

Engagement of Epidemiologist

Mr. LAPHAM, to the Minister representing the Chief Secretary:

- (1) What is the cost by way of—
 - (a) salary;
 - (b) transport,
 of maintaining an epidemiologist in the Prisons Department?
- (2) What have been the projects and the results to date?
- (3) What future studies are contemplated?

Mr. TAYLOR replied:

- (1) (a) \$12,556 per annum.
(b) \$1,044.
- (2) An investigation of the validity of small group residential therapy for drug dependants which has led to the formation of the "Delta" organisation. Preliminary investigation into the use of encounter therapy with hard drug users.

Investigation of practicability of conducting an epidemiological survey into illicit drug consumption using national service intake as a representative sample population. Prepared but not proceeded with.

Investigation into the practicability of conducting a prospective cohort study of school children to determine the incidence of drug use in the community. Not proceeded with.

- (3) Investigation of the family background of drug users imprisoned in Western Australia—to be completed in December, 1971, when the Epidemiologist's twelve months' appointment will be completed.

9. "LESCHENAULT LADY" LOCOMOTIVE

Retention in Bunbury

Mr. WILLIAMS, to the Minister for Railways:

- (1) Will he give an assurance that the rail coaches and locomotives G123 and/or G233, which make up the unit *Leschenault Lady*, will be retained in Bunbury for use as a major tourist attraction, subject to the continued support of local organisations?
- (2) If not, for what reasons?
- (3) If so, to what extent is the Western Australian Government Railways prepared to assist in keeping these units operational by—
 - (a) financial support;
 - (b) general repairs, major maintenance, etc.?
- (4) Should an offer be made by local employees of W.A.G.R. to give their services free, during their own time, would his department allow the repair facilities, machines, tools, etc., to be made available to them for the specific purpose of repairs and maintenance to *Leschenault Lady*?

- (5) What conditions would apply?

Mr. BERTRAM replied:

- (1) I am prepared to give an assurance that the six coaches and one only G class locomotive will continue to be made available for the purpose indicated, subject to satisfactory arrangements as to responsibility for maintenance of all equipment.
- (2) Answered by (1).
- (3) (a) and (b) Financial assistance by the Railways Commission must be limited to concessional hire charges.

- (4) and (5) The Commission would have no objection as far as light mechanical repairs are concerned, subject to inspection.

For safety reasons all boiler repairs and/or maintenance and heavy mechanical repairs would have to be carried out by the department as a charge to the organisers.

Other conditions would depend on the circumstances but the principal requirement would be suitable indemnification of the department.

QUESTIONS (9): WITHOUT NOTICE

1. PILBARA REGION

Future Development

Mr. COURT, to the Speaker:

Could you, Mr. Speaker, give me a ruling on the situation in respect of notice of motion No. 3 on today's notice paper, relating to the Pilbara region and planning for future development, in view of the passage of the amendment to the Mining Act last week?

The SPEAKER replied:

The Deputy Leader of the Opposition did raise this matter with me yesterday morning. I did not give him an answer straightaway, and that was quite understandable. In the meantime I caused certain investigations and inquiries to be made. I have been advised that at the present time parts (1) and (3) of the motion are permissible, but part (2) is *sub judice*. I quite realise the position in which the Deputy Leader of the Opposition is placed, because it would be very difficult to discuss parts (1) and (3) without infringing a little on part (2).

2. FITZGERALD RIVER RESERVE

Road Construction

Mr. COOK, to the Minister for Agriculture:

- (1) Is the report in *The West Australian* of the 21st August, that a firm has constructed a road through the Fitzgerald River Reserve, correct?
- (2) Did the firm responsible have permission for any such construction?
- (3) If not, what action is proposed in this matter?

Mr. H. D. EVANS replied:

I thank the honourable member for some prior notice of this question, the answer to which is—

- (1) to (3) The report referred to is being verified by an officer of the Department of Fisheries

and Fauna. Further action will depend on the situation as it is revealed in relation to existing legislation.

3. FITZGERALD RIVER RESERVE

Road Construction

Mr. RUSHTON, to the Minister for Lands:

- (1) Is he aware that a road has been cleared into the Fitzgerald River Fauna and Flora Reserve?
- (2) Did any person or firm apply for permission to build a road into the reserve?
- (3) If so, who made the application and what was the department's decision?
- (4) Does he know who cleared the road which is now there?
- (5) What action does he or his department propose to take?

Mr. H. D. EVANS replied:

I think the situation as explained in my reply to the last question covers the situation. There is nothing further I can add.

4. IRON ORE DEPOSITS

Pilbara: Rights of Occupancy

Mr. COURT, to the Minister for Mines:

- (1) Will he make a statement to the House regarding the information in the Press report of *The West Australian*, Monday, the 23rd August, 1971, under the heading "Hancock view on law" and, in particular, comment on the allegations Mr. Hancock makes against the Government?
- (2) (a) Is Mr. Hancock correct when he says the Minister refrained from issuing what he claims as "our rights to the McCamey's Monster, Rhodes Ridge and Western Ridge iron ore deposits until faced with a writ last week to make him carry out his contractual commitments"?
- (b) Is Mr. Hancock correct in referring to "our rights" to the said deposits?
- (c) If so, what are these "rights"?
- (d) What are the Government's "contractual commitments" to which he refers?

Mr. MAY replied:

I thank the Deputy Leader of the Opposition for some notice of this question. Through you, Mr. Speaker, I would like to indicate to the House that on Monday, the 23rd August, when this article appeared in the Press it was my intention to refute it; in other words, to write a letter to

The West Australian to indicate what was the correct version. I compiled a letter along those lines, but I was not happy about sending it to *The West Australian*, because the matter could be *sub judice*. However, as it has now been raised in the House I think I am permitted to answer the questions which have been posed by the Deputy Leader of the Opposition. The answer is as follows:—

- (1) Various allegations were made under the heading "Hancock View On Law" as reported in *The West Australian* of Monday, the 23rd August, 1971. These are dealt with as follows:—

- (a) The three agreements referred to were not completed and ready for signature when the Government assumed office last February.

The Wittenoom agreement in which Mr. Hancock was particularly interested was not settled as a decision had not been made concerning the inclusion of certain areas within the mining areas to be held under the agreement. In addition, there were two other minor matters requiring settlement.

One of the other agreements, known as the Mt. Bruce agreement, had not been finally settled and in fact certain amendments to the draft were requested by Hamersley Iron Pty. Ltd. by letter dated the 3rd June, 1971.

It is, therefore, quite incorrect to state that development had been held up from February to August, 1971.

- (b) The allegations made that forces within the Government were manoeuvring for their own selfish interests are not understood, and to my knowledge have no substance.

The same remarks apply to the statement that some members of the committee knew that Hancock and Wright had a solution to the problem to offer

which would have killed off any prospect of a dispute.

- (c) The statement "we deny categorically that we have ever refused to negotiate" is not correct.

On Thursday, the 12th August, Mr. Hancock was invited to attend a meeting of the iron ore committee scheduled for 10.00 a.m. on Friday, the 13th August, but stated that he would not attend unless new rights of occupancy had been issued in respect of temporary reserves at McCamey's, Rhodes Ridge, and Western Ridge.

At its meeting on Friday, the 13th August, a member of the committee rang Mr. Hancock's office on three separate occasions in an endeavour to get Mr. Hancock to attend the meeting but he declined the offer.

The committee also offered to meet him at any time over the weekend and up to 1.00 p.m. on Monday, the 16th August, 1971.

That was because a Cabinet meeting was to be held at 2.00 p.m. To continue—

When it became known by the Government later in the day that a writ had been issued, it was quite obvious that a meeting with Mr. Hancock on Monday, the 16th August, was out of the question and he was informed accordingly.

- (d) The allegation that a certain Minister had been told that sufficient quantities of ore "to be the back-bone of a 100 million tons per year export business in iron and steel" apparently refers to a member of the previous Government, and I am not able to answer on his behalf. Suffice it to say that I have not sighted any evidence on file in respect of this matter.

Mr. Court: Is there anything further to add to your reply?

Mr. MAY: There is more—

- (2) (a) No. The facts of the matter are that new rights of occupancy were offered under new conditions to the previously registered holders D. F. D. Rhodes Pty. Ltd. and D. F. D. Rhodes Pty. Ltd., W. G. Nicholas and J. D. Nicholas on the 2nd August, 1971.

These new conditions were accepted on the 6th August, 1971, and action was then taken to prepare the papers for the approval of the Governor in Executive Council at its next meeting of the 17th August, 1971.

Mr. Hancock's representatives were informed when they called at the Mines Department on the 6th August that Executive Council action was necessary and would take place prior to the end of the month. They appeared quite satisfied with this assurance.

The issue of a writ last week in respect of the Angela and other reserves was quite unrelated and had no effect on the normal Mines Department procedure in issuing the new rights, and the Government's announced intention of the 26th June, 1971, in respect of these new rights was completed despite receipt of the writ. The Executive Council approval was secured on the 17th August, 1971.

(b) No.

(c) Answered by (b) above.

(d) There are no such contractual commitments.

5.

BUNBURY RAILWAY WORKSHOPS

Curtailment of Work

Mr. WILLIAMS, to the Minister for Decentralisation:

I apologise to the Minister for not giving him some prior notice of this question—

- (1) Is he aware that operations at the W.A.G.R. Bunbury workshops are to be severely cut and the work is to be carried out at Forrestfield?

- (2) Does he consider this is in the best interests of decentralisation?

Mr. GRAHAM replied:

I have heard something along the lines suggested in the question, and I would desire to have a conference with my esteemed colleague, the Minister for Railways.

I am aware of the moves initiated by the previous Government to give effect to a plan of centralisation of work in the railways to accompany the dieselisation of the railway system. Needless to say, I am unfamiliar with the terms of the moves.

Finally, I wish to say that from time to time, because of new forms or procedures, there could be a transference of workers, and there could be dismissals of workers, but it is hoped that actions initiated and encouraged by the Government will more than offset any such happenings in the localities where they occur.

6. IRON ORE DEPOSITS

Pilbara: Appointment of Royal Commission

Mr. GRAYDEN, to the Minister for Mines:

Due to the nature of the reply which the Minister for Mines gave to a question asked a few minutes ago in respect of the Pilbara iron ore situation, and in view of the great fear and concern expressed in international mining circles as to the security of mining tenures in Western Australia, will the Minister support the appointment of a Royal Commissioner to make inquiries?

The SPEAKER: I cannot say I appreciate the backdoor method being used by the member for South Perth to bring this matter before the House. The honourable member brought it to my attention before the House sat, and I informed him that it could be *sub judice*. I asked him to refrain from going any further.

Mr. GRAYDEN: On a point of order, Mr. Speaker, this question deals quite simply with the replies which the Minister for Mines gave to a question asked this afternoon.

The SPEAKER: No point of order has been taken. If the member for South Perth wants to disagree he has recourse to Standing Orders.

7. RURAL RECONSTRUCTION SCHEME

Request to Commonwealth Government

Mr. NALDER, to the Treasurer:

On what date did the Treasury send a request to the Commonwealth Government for \$7,000,000 to finance Western Australia's 1971-72 rural reconstruction requirements?

Mr. T. D. EVANS replied:

The 11th June, 1971.

8. RURAL RECONSTRUCTION SCHEME

Applications

Mr. NALDER, to the Minister for Agriculture:

- (1) What is the latest number of applications for assistance under the farm reconstruction scheme?
- (2) What are the numbers that have been assisted?
- (3) What are the numbers that have been rejected?
- (4) What is the amount of money involved requiring special interest rates?
- (5) What is the total amount allocated?
- (6) How many farms have been offered to the authority for sale?
- (7) How many has the authority purchased?
- (8) What is the total amount of finance involved?

Mr. H. D. EVANS replied:

- (1) 626.
- (2) 90 applications approved.
- (3) 212.
- (4) If this question relates to the amount approved at 4 per cent. for debt reconstruction as distinct from 6½ per cent. for farm build-up, \$1,424,846.
- (5) Approvals to date total \$1,902,050.
- (6) None specifically offered to the authority but 57 applications have been received to buy additional land, not necessarily whole farms.
- (7) None, but the authority has approved eight loans for farm purchase.
- (8) For the purpose of (7), \$244,000.

9. RURAL RECONSTRUCTION SCHEME

Applications Not Viable

Mr. H. D. EVANS (Minister for Agriculture): I have the balance of a reply to a question which I was unable to answer for the member for Katanning on the 18th

August. With your permission, Mr. Speaker, I would like to give the details now. Part (3) of the question was as follows:—

(3) How many properties were—

- (a) under 1,000 acres;
- (b) above 1,000 acres and under 2,000 acres;
- (c) above 2,000 acres and under 3,000 acres;
- (d) above 3,000 acres and under 4,000 acres;
- (e) above 4,000 acres and under 5,000 acres;
- (f) above 5,000 acres and under 10,000 acres; ;
- (g) above 10,000 acres in size?

The reply is as follows:—

- (a) 11
- (b) 20
- (c) 36
- (d) 22
- (e) 17
- (f) 23
- (g) 5

134

BILLS (2): INTRODUCTION AND FIRST READING

1. Parliamentary Superannuation Act Amendment Bill.

Bill introduced, on motion by Mr. T. D. Evans (Treasurer), and read a first time.

2. Poseldon Nickel Agreement Bill.

Bill introduced, on motion by Mr. Graham (Minister for Industrial Development), and read a first time.

LAND TAX ASSESSMENT ACT AMENDMENT BILL

Further Report

Further report of Committee adopted.

DRIED FRUITS ACT AMENDMENT BILL

Second Reading

MR. H. D. EVANS (Warren—Minister for Agriculture) [5.02 p.m.]: I move—

That the Bill be now read a second time.

Mr. Speaker, the Bill now before the House is a measure to raise the maximum amount to be levied on producers of dried fruits.

The Dried Fruits Board, which is constituted under the Dried Fruits Act, 1947, is charged with the responsibility of enter-

ing into contracts with similar boards in other dried fruit-producing States for the purpose of effecting concerted action in the marketing of such products as are produced in Australia.

In order to carry out its commitments, which involve office costs, payment of board members' fees and allowances, and an annual payment to the Department of Primary Industry to cover inspection costs, etc., the board, as authorised under section 16 of the Act, is empowered to impose a levy on growers, and accordingly it strikes a rate after estimating the crop and obtaining a budget figure of its costs in April of each year.

The last amendment to the Act was passed by Parliament in 1968 and it made provision for a maximum levy of \$2.016 a ton chargeable to growers, or, as expressed in the actual wording of the Act, "nine hundredths of one cent per pound." The figure of \$4 a ton which is incorporated in the proposed amendment has been calculated by doubling the fraction of a cent per pound which may currently be levied, thus giving an end result of \$4.032 a ton.

Over the years the board has been facing financial problems, and returns have not been as estimated. Due to adverse seasons, there has been a decline in crop yields, and in 1970 the crop of dried fruits was only 903 tons, which is the lowest on record. This particular crop was levied at the maximum rate of \$2.016 a ton and resulted in a total levy yield of only \$1,820. This loss of revenue, together with the overall rise in administration costs, has depleted the board's funds to the extent that overdraft arrangements have had to be made with the Rural and Industries Bank of Western Australia. In order to ensure that a similar financial predicament does not occur in the future, the board has requested an increase in the maximum levy figure to \$4 a ton; that is, up to \$4 a ton, depending upon the budget that is submitted by the board.

Over the years the policy has been established that boards should be self-supporting, and to enable the Dried Fruits Board to continue its operations, which are to the benefit of dried vine fruit growers in this State, it has been estimated that legislative authority should be obtained for a maximum levy of \$4 a ton. The proposed increase is required as a safeguard against any future light crops and the rising costs of administration.

It must be understood that the rate of \$4 a ton is purely an arbitrary upper limit below which an actual rate to be levied on growers will be struck by the board year by year, as previously explained. The precise figure of the upper limit will not, therefore, affect the collections by the board.

This amendment has been recommended by the board—the majority of members being growers—and I commend the Bill to the House.

Debate adjourned, on motion by Mr. Reid.

SUITORS' FUND ACT AMENDMENT BILL

Second Reading

MR. BERTRAM (Mt. Hawthorn—Attorney-General) [5.08 p.m.]: I move—

That the Bill be now read a second time.

The main purpose of this Bill is to enlarge the number of matters in respect of which relief for payment of legal costs can be recovered from the Suitors' Fund. This is the second occasion it has been decided to extend the benefits.

The Suitors' Fund, established under the Act, consists of fees collected on processes lodged in the Supreme Court, District Court, Local Court, and Police Court, and interest earned on the investment of funds not immediately required. In addition, the Motor Vehicle Insurance Trust makes a contribution in respect of claims lodged with the Third Party Claims Tribunal.

The fund is administered by the Appeal Costs Board, which presently consists of Mr. G. J. Ruse as chairman, appointed by the Governor, and Messrs. H. V. Reilly and P. L. Sharp, Q.C., appointed by the Governor after nomination by the Law Society and the Barristers' Board, respectively.

The present fee on each process is 10c but provision is available to increase the amount up to a maximum of 20c.

Since the fund was established on the 1st January, 1965, an amount of \$62,245 has been received from fees, together with interest of \$5,211.89, and the amount available up to the 30th June, 1971, was \$67,456.89. Payments from the fund over the same period amounted to \$18,550.04, leaving an amount of \$48,906.85 still in the fund at the 30th June, 1971. The amount of \$18,550.04 was disbursed as recoup or part recoup of legal costs in the following matters:—

	\$
Appeals on questions of law	20 12,084.60
Costs incurred consequent upon the deaths of judges	7 2,762.15
Costs incurred as a result of disagreements of juries or where new trials were ordered	3,703.29
	<hr/> 18,550.04

When the Act was originally under consideration it was considered desirable to restrict the matters for which relief would be given until sufficient experience was available to assess the demands on the funds available. The maximum amount payable to any one respondent in respect of an indemnity certificate was increased from \$1,000 to \$2,000 as from the 21st October, 1970.

As stated, a review has been possible for the second time in view of the present state of the fund. The fund may be applied when the Supreme Court grants an indemnity certificate where an appeal against the decision of a court—

- (a) to the Supreme Court;
- (b) to the High Court of Australia from a decision of the Supreme Court;
- (c) to The Queen in Council from a decision of the High Court of Australia given in an appeal from a decision of the Supreme Court; or
- (d) to The Queen in Council from a decision of the Supreme Court, on a question of law succeeds. Assistance is also available where—
 - (a) proceedings are rendered abortive by the death or protracted illness of the presiding judge, magistrate, or justice, or by disagreement on the part of the jury;
 - (b) an appeal on a question of law against the conviction of a person is upheld and a new trial ordered; or
 - (c) when the hearing of any proceedings is discontinued and a new trial ordered by the presiding judge, magistrate, or justice for a reason not attributable in any way to the act, neglect, or default in the case of civil proceedings of all or any one or more of the parties, their counsel or solicitors. In these circumstances the presiding judge, magistrate, or justice may grant a certificate. A certificate may be granted in the case of civil proceedings to any party to it. In the case of criminal proceedings, the certificate may be granted to the accused. The certificate in both cases would state the reason why the proceedings were discontinued and the new trial ordered, with reference made to the fact that the new trial was not attributable in any way to any of the parties or their legal representatives.

Clause 4 of the Bill is to require payment of fees in respect of every process lodged in the District Court, which was

established on the 1st April, 1970. It is necessary to validate fees which have been received since that date.

A new section is to be inserted in the Act by the provisions of clause 5. Where on appeal a conviction for an indictable offence is quashed without a new trial being ordered, the Supreme Court will be empowered to grant a costs certificate to enable the successful appellant to recover the costs of all or part of the costs as determined by the court.

It is proposed also to allow costs, either fixed or taxed, where appeals on questions of law succeed against defendants such as police officers or traffic officers who in some circumstances are protected against costs being awarded against them.

Another new feature is the power to grant a costs certificate where the accused has incurred expense not attributable to any act or neglect on his part or the part of his counsel by reason of the adjournment of the proceedings.

At present, section 15 of the Act deals with a case where a new trial is ordered on the grounds that the damages awarded in the action are excessive or inadequate. As a matter of practice, the full court rarely orders a new trial but it alters the amount of the damages. This precludes an unsuccessful respondent from applying for the grant of an indemnity certificate to enable him to obtain payment of his costs from the Suitors' Fund. Clause 8 proposes to remedy this position by empowering the court to issue indemnity certificates in actions where damages are altered on the ground that they were excessive or inadequate.

The Appeal Costs Board has directed attention to the possibility of a company with a very small paid up capital, but which is a subsidiary or related company to another company, whether local or foreign, with a paid up capital in excess of \$200,000, being entitled to a payment from the fund. An indemnity certificate cannot be granted to a local or foreign company with a capital in excess of \$200,000. It is proposed to extend the restriction to wholly owned subsidiaries or related companies of such companies.

The operations of the Suitors' Fund will be kept under review and further enlargement of the benefits will be made as the financial position allows.

The Bill is commended to members as a measure which serves a useful purpose in providing a means for persons to exercise their rights of appeal in the knowledge that all or some part of their legal costs may be recovered.

Debate adjourned, on motion by Mr. Ridge.

Message: Appropriations

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

RURAL RECONSTRUCTION SCHEME BILL

Second Reading

Debate resumed from the 12th August.

MR. NALDER (Katanning) [5.16 p.m.] : I rise to support this Bill under certain conditions which I will outline. When introducing the legislation the Minister referred to the history of agriculture over a fairly long period in Western Australia, and in Australia, and told us what the industry meant in export values. I have no intention of going over this information because no doubt it is correct. However, the history indicated the amount of money which was lost because of the recession in wool prices and also because of droughts.

The Minister made reference to wheat quotas and their effect on the rural industry in Australia, and in Western Australia in particular. He did say that financial institutions and stock firms had made some contribution. As I see it, they must have made a rather valuable contribution to easing the problems facing the rural industry. In my opinion they must have made an all-out effort because about 12 months ago in this House members opposite were criticising the then Government for taking very little action to help the rural industry.

There is quite a story involved in the action taken by the previous Government. I do not know whether it is necessary for me to recall in detail the efforts which were made to bring before the Commonwealth Government the plight of sections of the agricultural industry of Western Australia. This will be seen by reference to last year's *Hansard*, but I think this information should be brought up to date. In January of this year I represented the State Government at a special meeting in Canberra of the Agricultural Council. The purpose of the meeting was to outline the problems of each State to the Commonwealth and to request assistance. At that meeting I made a decision to inform the Commonwealth Government that this State would be prepared to go right ahead with the proposal to assist farmers who needed assistance. It is public knowledge that some of the other States' representatives were going to walk out of the meeting as an indication to the Commonwealth Minister that the States felt it was a matter for the Premiers to discuss. A decision to proceed was finally reached.

The State Government then in office took immediate action and a minute was submitted to Cabinet to set up a committee to look into the details. This minute was dated, I think, the 29th January. The Commonwealth Government put forward a proposal with the idea of taking quick action to get a committee operating, which,

under the present Act, is called the authority. The authority was to deal with cases that were brought before it for assistance.

In this legislation the Minister has outlined who will comprise the committee and he has indicated that it is the committee's responsibility to invite applications for assistance and to look into the circumstances of the applicants to see whether their holdings are viable. I am very disappointed that the Minister did not give us more detail of this operation. Looking at the speech the Minister made, there is nothing whatsoever to indicate how this authority is to operate. No guidelines are laid down; there are no suggestions as to what the authority intends to do, except one short clause which states that it will accept the applications, look at them, and if it feels the holding is a viable one, it will offer the assistance that is provided for in the schedule. This assistance is for debt reconstruction or farm build-up. The only other thing that the authority can do is to indicate that the holding is not viable and therefore the farmer does not get assistance.

Before I proceed with the debate I suggest, firstly, that the Minister call a conference of all members of Parliament. This should not be of members of any particular party or members in another place; I think all members of Parliament should be called together and we should be given an outline of the guidelines to be used by this authority. Nothing has been indicated either in the legislation or in the Minister's speech as to what the guidelines are. I would hate to be a member of the authority when nothing has been outlined. This House is debating a Bill which does not give us any information as to how the authority works. It is left entirely to the authority to say whether a holding is viable or not.

In my opinion the only reference of importance in this Bill is as to whether a holding is viable. A farmer makes an application for assistance and he provides all the information in support of his claim on the form which has been made available for his use. After filling in the form and getting all the advice necessary, he hands it to the financial institution with whom he trades and that institution then passes it on to the authority. The authority looks at it, but we do not know how they assess it. We do not know whether the authority says, for instance, that a 3,000-acre property must grow 150 bales of wool, or it must grow so many bushels of wheat, or stock so many pigs or cattle. There is nothing whatever to indicate how the authority deals with the application. I think this House should know the details.

I am asking the Minister at the beginning of this debate to call a special conference and indicate to the members of

both Houses of Parliament what this authority does. Otherwise, we are blindfolded; we do not know what it is doing.

The Minister told us in answer to my question without notice tonight, that there have been 626 applications, of which 90 have been approved and 212 have been rejected. What happens when the farmer has his application rejected? What can the farmer do? I understand from various members whose electors have appealed for assistance that the reply from the authority merely contains two or three lines saying, "We regret to inform you that your application has been refused as your holding is not viable." That is the end of it; the farmer is not told why his holding is not viable.

In my view the authority should give reasons for its refusal, such as the farmer should have more land, he should keep more stock, use more land, or do something else. This information would assist the position. At the moment, all the farmer receives is a cold-blooded letter which says, "You are in," or, "You are out."

We in this House should not be asked to pass legislation where a situation like this exists. This legislation will affect the lives of thousands of people in this State; not only the farmer himself but his wife, his children, and in some cases where the children are married, his grandchildren. These people seek assistance and receive only this cold letter in reply. The whole operation of the legislation hinges on the word "viable."

Mr. Runciman: Is there no personal contact made?

Mr. NALDER: The honourable member can answer the question, I cannot. I do not know whether the committee met any of the applicants or not. As far as I know, the committee acts entirely on the evidence presented. I am not criticising the authority at all, but I think when we are passing legislation the guidelines to be used should be stated. The members of this House should be told how it will operate; otherwise we are entirely in the dark.

I am disappointed the Minister has not given us an illustration of the way in which the authority works. He could quite easily have said, "This is the sort of case which has been submitted to the authority, and this is how the authority dealt with this application which was successful." And then he could give the other side of the picture and give an example of a case which has not received assistance. We would then have an indication of what the authority does, how it goes about its work, and the results it obtains.

I had the opportunity to read the speech the Minister made when this matter was introduced in the Federal Parliament, and

it is made very clear indeed that the Commonwealth gives the State full power to run the authority set up under this legislation. Members can see the schedule at the end of the Bill. The legislation gives full responsibility for the operation of the authority to the State.

My first request is that the Minister should inform members of the guidelines the authority uses to assess a claim, and an illustration of the reasoning used to declare a holding not viable and therefore unable to receive assistance. I also suggest that the unsuccessful applicant should be given reasons as to why his application is refused.

This would give him an opportunity, firstly, to acquire more land; secondly, to grow more wool or carry more stock such as cattle or fat lambs; and thirdly, grow more crops, or do something of this nature to enable him to keep in production, because we are all aiming at keeping as many farmers as possible on the land.

I do not know whether the members of Cabinet get bogged down or not, but it is obvious that one hand does not know what the other is doing. On the 5th August, 1971, I asked the Minister for Agriculture to supply information as to the number of applications for assistance that had been received and presented to the Agricultural Council in Canberra, and if these were not the true figures, could he supply them. I have no reason to question the figures that were given in the Minister's answer; in fact, I believe them to be correct.

I further went on to ask the Minister whether he had pressed for further Commonwealth Government financial assistance because it was obvious that more was needed. Also, I would point out that at the meeting I attended in Canberra on the 22nd January, 1971, it was stated that the amount of finance the Commonwealth Government was making available to the States was completely inadequate. We knew it would not be sufficient, but at the time the Commonwealth Minister said he would review the position at the request of any State Government at any time; he said he would review it at least once in 12 months. He said that if any State Minister for Agriculture requested a special meeting to discuss any aspect of this reconstruction scheme consideration would be given to his request.

I have no doubt, and I do not think the present Minister has any doubt, that if any special situation arose all he would have to do would be to get in touch with the Commonwealth Minister and outline his reasons for the holding of a special meeting, and one would be called. Therefore, in this question I asked the Minister for Agriculture whether he had done anything about requesting the Commonwealth Government for further financial

assistance, and, if so, what was the amount. Part of the Minister's reply was as follows:—

There is no point in requesting a further amount until experience indicates how long funds will last and what further sums will be required.

This answer was given on the 5th August. On the 12th August the Minister introduced the legislation now before us, and in the course of his speech, when speaking of this amount, he had this to say—

The help to be provided under the Commonwealth-State agreement cited in this Bill—and, indeed, which forms the schedule—amounts to \$100,000,000 from the Commonwealth. Of this, Western Australia is to receive \$14,630,000. This amount is to be made available over a four-year period, but the need is so urgent and obvious that the Treasury request to the Commonwealth for finance for this purpose for this financial year has been set at \$7,000,000.

On the 5th August the Minister stated there was no reason to approach the Commonwealth Government at that stage because the amount of finance required was not known, yet a week later he states that the Treasury had already set a figure, and in reply to a question asked today the Treasury has indicated that it sent this request for extra finance from the Commonwealth Government on the 11th June, 1971.

I do not know whether the Minister for Agriculture can explain why in one instance he gives a certain answer and a week later he gives another answer which is contrary, and is to the effect that action had already been taken to request more financial assistance from the Commonwealth Government.

The situation with reference to the applications for assistance is interesting and I think we should pause for a moment to consider it. At this point I take the opportunity to express my appreciation to the Minister for making available figures on the size of the farms and the number of applicants who had been refused financial assistance based on such information. I have searched through the Commonwealth debates and the State debates for last year, the year before, and also those held during the current session and I find that emphasis is on the uneconomic farm. Those who have made this comment, no matter who they may be—and they are situated in various parts of Australia—have all indicated that the man who is operating a farm with a small acreage is the one who will certainly have to depart from the agricultural scene. However, I had a shrewd suspicion that this was not the case. I had an idea that those farmers who were

working large farms were in just as much difficulty as the man who was working a small holding.

I have said before, and I still believe, that there are as many efficient and viable farms among the small acreage groups right throughout Australia as there are among farms with large acreages. Therefore, the figures I am about to recount to the House are very interesting. As I have said, I appreciate the willingness of the Minister to make a special effort to obtain the figures relating to the number of farms that were the subject of applications for assistance at this particular time.

Of the 134 applications that were refused assistance 11 had 1,000 acres or less. From those who had 1,000 acres and under 2,000 acres in area, 20 applications were refused. From those farms that were over 1,000 acres and under 2,000 acres in area, 134 applications were received and 20 were refused; and from those that were over 2,000 acres but under 3,000 acres in area, 36 applications for assistance were refused.

With your knowledge of agriculture, Mr. Deputy Speaker, I am sure you will agree that a farm of between 2,000 and 3,000 acres would be an average size in many of our wheat-growing areas. In fact, in some areas such a property would be regarded as being a large farm, and I would repeat that 36 applications for assistance from farms in this category were refused. Therefore, I would like to know the reason for farmers with properties of this acreage seeking assistance.

I will now deal with farms of greater acreage; that is, those that are over 3,000 acres and under 4,000. In this category 22 applications for assistance were refused; that is twice the number of applications that were refused in the 1,000-acre category. Of those farms over 4,000 acres and under 5,000 acres in area, 17 applications were refused. That is still a greater number than the total of those that were refused assistance to work farms in the 1,000-acre group.

I think anyone would admit that once we start to speak of farms over 5,000 acres and under 10,000 acres we are referring to a fairly large sized farm. In fact, I do not know whether the member for Mt. Marshall can indicate to the House whether a farm of 10,000 acres in area in his district is regarded as being a reasonably large sized farm.

Mr. McPharlin: It certainly is.

Mr. NALDER: In that group—that is, farms above 5,000 acres but under 10,000 acres—23 applications for assistance were received, and this suggests that the farmers owning such properties must have purchased other farms to make up this total acreage; because, as members know, no land can be allocated by the Lands Department—except in extreme circumstances—that is over 5,000 acres in area.

Yet here we have 23 applications for assistance from farmers who are working farms over 5,000 acres but under 10,000 acres in area.

That number of applications is more than double those that were made by farmers working farms under the 1,000-acre group. Although I did not expect any, I discovered that five applications were made by farmers who were working farms over 10,000 acres in area. Therefore, I think we should look to other reasons that require farmers in this group to be seeking financial assistance. The Minister should supply us with some information as to why this is so because it is contrary to all the predictions of those who were analysing the situation earlier. This is one reason why the Minister should outline the guidelines on which the authority operates.

The DEPUTY SPEAKER: There is too much talking in the Chamber.

Mr. NALDER: Further on in his speech, the Minister says—

This reconstruction Bill will help many farmers to meet their commitments.

I think he should have said that this reconstruction Bill will not help many farmers, because the figures he gave when introducing the legislation to the House indicated that only 25 per cent. of the applicants whose applications had been processed up to that time would receive any assistance. The figures he gave on the 12th August, 1971, showed that 75 per cent. would not receive any assistance, which would indicate that their farms were not viable. We should be told why so many people who have applied for assistance are not receiving it.

On the figures available today the percentage is slightly greater because, of the 302 applications considered, 90 have been accepted and 212 rejected. This indicates that the percentage is probably improving slightly. I do not know whether this increase will continue as the applications are processed in view of the fact that later applicants will have a better case, but it is alarming that so many people who have applied for assistance are not receiving it. To me it indicates that there is a bigger percentage of farmers in a very difficult situation than was thought, or the guidelines laid down by the Government to enable the authority to operate are too strict.

In my opinion the guidelines do not take into account any improvement in the situation. For example, what about the increase in the price of wool? What about the likely increase in wheat quotas? This has been indicated by the President of the wheat section of the Farmers Union. Will these increases have any effect on those who have already submitted their applications and who have been refused?

It is obvious that there will be an increase in the income of the wool producers. I have not worked it out, but it is obvious to anyone who does have the time to work it out that with a 3c, 4c, or 5c increase per pound in the price of wool, the farmer who has 200 or 300 bales of wool will find there is a big improvement in his income and this must alter the whole situation. Therefore I believe we should have some idea of the instructions the Government has given the authority concerning how it shall work.

Mr. Lewis: He also could be receiving other additional income from his farm.

Mr. NALDER: Of course, that is right. The Minister for Primary Industry referred to the part the Development Bank will play in this matter, but the Minister in this chamber made no reference whatever to it and I believe we should have more information concerning it. The following is from the speech made by the Minister for Primary Industry when introducing this legislation in the Federal Parliament:—

In order to ensure that the scheme has the widest possible effect in encouraging sound permanent restructuring of the industry—

He was referring to the rural industry. To continue—

—the general objective is that half of the funds will be applied to farm build-up. This will supplement funds available for farm build-up from other sources.

I emphasise those words "from other sources." The Minister continued—

In this connection I am pleased that the Government has arranged with the Development Bank to extend its operations to include lending for property purchase for build-up purposes and advances are to be made by the Government to the Bank for this purpose.

Anyone can correct me if I am wrong, but I understand the Federal Government has made \$10,000,000 available to the Development Bank to assist the authorities in each State to purchase farms in order to bring properties which may be considered too small to an economic unit. This is a very important point.

I do not know what money is available in Western Australia. As a matter of fact I had the opportunity only last night to study the speeches made in the Commonwealth Parliament and therefore I am not in a position to know what amount of finance has been made available to the various States through the Development Bank, but it is important; and even if it is only \$1,000,000 or \$2,000,000 it will assist. As we can see from the answers the Minister made available today, the authority has approved eight loans for farm purchases involving \$244,000.

Every effort must be made to keep as many farmers as possible on their farms. Not one member in this place would like to see a single farmer sent from his farm merely because of some little problem which could have been overcome. For this reason we must consider all the resources which could be made available to keep our farming community in the districts in which they are at present, and keep them operating economically. This means so much not only to the farmers themselves and their friends but, as quite a number of members have mentioned, to people in the towns and cities all over Australia.

Mr. H. D. Evans: Have you perchance read the schedule to the Bill?

Mr. NALDER: Yes; I have looked at it very closely. I must have read it three or four times and if the Minister can indicate that anything I have said is not correct, and if he can demonstrate this by reference to the schedule, I will be prepared to accept it. However, I have studied the Bill over and over again, and also the Federal legislation, but there has been no—

Mr. H. D. Evans: What does it say about eligibility?

Mr. NALDER: Of the applicant?

Mr. H. D. Evans: Yes.

Mr. NALDER: We will probably have an opportunity to discuss that aspect a little later.

Mr. Jamieson: That is an old Bill Hegney trick.

Mr. NALDER: I will not forget it.

Mr. Jamieson: That is all right then. If you come back to it it will be all right.

Mr. NALDER: Anyway, I would like the Minister to cover some of these aspects in his reply. I am very concerned about one point and I hope the Minister can discount my concern. In his speech the Minister for Agriculture said—

All costs of administering the scheme within Western Australia will be met by the State.

At the conference on the 22nd January I said that the State would be prepared to administer this scheme, and this has been accepted. There is no question about this. It is the State's responsibility in the interests of the people it represents and serves to ensure the cost is met. The Minister said—

All losses will be borne by the State from the grant portion of the funds, although there is provision for a review of this with the Commonwealth.

I have searched through the schedule to the Bill, and I have searched the speech of the Minister who introduced the legislation in the Commonwealth Parliament, but I can find no reference to losses being borne out of the grant portion of the funds. As a matter of fact, I would emphasise

that every cent we get from the Commonwealth should be used to help farmers in their predicament. Over and over again the Minister for Primary Industry said in his speech that any extra loss by the State has only to be referred to the Commonwealth for discussion and the whole situation will be reviewed. Our Minister for Agriculture said—

All losses will be borne by the State from the grant portion of the funds, although there is provision for a review of this with the Commonwealth. This, of course, will be where losses arise outside reasonable expectations and experience. However, any other loss will be borne from the 25 per cent. grant that the State is to receive.

As I have said, I cannot find any evidence whatever to show that any losses in this State should be borne from any part of the finance being made available to the State, whether that finance be part of the 25 per cent., which is the portion which is a grant, or whether it be from the other portion which bears interest at the rate of 6 per cent. I would like to quote from the speech of the Minister for Primary Industry as I think it is important. This is not a matter which should be overlooked because it illustrates the point I am making. The Minister said—

The Commonwealth offered the States the sum of \$100m . . .

It is important for me to make this comment because it has a bearing on the rest of the speech the Minister for Primary Industry made in Canberra in the early hours of the morning of the 30th April. The Minister said—

The Commonwealth offered the States the sum of \$100m over 4 years for the scheme as a loan at an interest rate of 3 per cent per annum.

That is the original offer. To continue—

At the request of the States an alternative offer was made and this was that \$75m should be provided as a loan bearing interest at 6 per cent per annum with the remaining \$25m being a non-repayable grant.

We know, of course, this was split up on an agreed basis between all the States. To continue—

There is a margin between the amounts the States would receive if they lent half of the money for debt reconstruction assistance at 4 per cent per annum and the other half for farm build-up at 6½ per cent per annum and the amount the States will be obliged to repay the Commonwealth.

I will refer to this in a moment. It is best that I conclude the quote of the Minister first. He said—

The margin is intended to cover normal losses . . .

That is the margin between the interest rate, if both sections—that is, the farm build-up section and the debt reconstruction section—are reasonably equally divided, and the amount that the State will have to repay to the Commonwealth. The Minister continued—

The margin is intended to cover normal losses in lending under the scheme and write-offs under the farm build-up provisions. If the States incur losses from circumstances beyond their control the agreement provides that the Commonwealth will review the position with a view to adjusting the States' repayment obligations to the extent of such losses.

I hope the Minister will study this matter very closely because I do not believe one cent of the Commonwealth money should be used to meet losses which might accrue for one reason or another.

It would be appropriate for me to give an illustration. The authority might purchase a farm of, say, 1,000 acres on which are a number of buildings—that is, a house, sheds, yards, and so on—which are of no value whatever to the person purchasing the land. The property might even be split up between two farmers each having 500 acres. In this case there would be a write-off for sure of buildings which are of absolutely no value. Consequently a loss would be incurred; and it is in this situation I believe the State should go to the Commonwealth and explain the position and ask it to come to the party. This is provided for in the schedule to the Bill and was mentioned in the speech by the Minister.

I am appealing to the Minister to look at this situation very closely and to ensure that not one cent of the money available for assistance to this State is spent on losses or as a result of decisions the authority might make in the interests of the scheme. The following concludes the quote I will make from the Commonwealth Minister's speech:—

Importantly the agreement provides for the operation of the scheme to be reviewed from time to time and for the review to include the funds to be provided for the scheme, the allocation of the funds between the States, the provisions for losses and write-offs, the interest rates to be charged to borrowers, and the proportion of financial assistance applied to farm build-up. There will be regular exchanges of information between the States and the Commonwealth on the operation and effectiveness of the scheme.

The Minister for Primary Industry repeated this statement several times to emphasise that any extra loss outside the administration of the scheme would be considered by the Commonwealth. Therefore, I emphasise that the total amount

of money allocated for farm reconstruction in Western Australia should be used for that purpose.

So far as any losses are concerned, an approach should be made to the Commonwealth indicating the sections in which genuine losses have been made. As I have said, the percentage of applicants who are not receiving assistance is alarming and I consider that we should direct our attention especially to these applicants. For this reason I am amazed there is no provision whatsoever in the legislation for an appeal. When members on the Government side of the House were in Opposition they almost spilt tears of blood in arguing that provisions should be made for appeals in different types of legislation. If I were to trace through the history of this Parliament I could find case after case where they pleaded that provision should be made for appeal in Acts of Parliament.

Mr. J. T. Tonkin: Tell us how much notice you took of it.

Mr. NALDER: That is a very interesting interjection indeed. Can I interpret it to mean that the Premier is suggesting that members of the present Government, who were then in Opposition, did not mean what they were saying? Was it a bluff to try to satisfy the people in Trades Hall; the Chamberlain-Tonkin connection?

I am quite serious when I say that opportunity for an appeal to somebody should be given to a person who receives the short letter from the authority. Surely this would be justice. A person should be able to find out why he cannot take advantage of the scheme; he should know the reasons if finance cannot be given to him; and he should have the right of appeal.

I have an amendment on the notice paper and, in Committee, I shall move for the addition of a new clause. I believe this would be a fair and reasonable approach to an urgent matter. As I have said, this scheme will affect the livelihood of thousands of people who live on farms; sometimes three, four, and five generations of farmers have worked the same property. These people may see everything slip through their fingers and the authority may be responsible. Let me say that I am not criticising members of the authority as I have the highest regard for those mentioned by the Minister when making his speech. However, I firmly believe every opportunity should be given to an applicant to know whether or not he has a chance of surviving.

As I have said, situations change almost daily in the exercise we are considering. Members engaged in farming know only too well that one day it is possible to send a truckload of cattle to the Midland Junction Abattoir and receive \$150 a head. The next day it is possible to send the same type of cattle and receive \$200 a head.

Perhaps this is exaggerating a little, but it illustrates that changes take place in the marketing system of products which come from the land and that provision must be made in cases like this. It is essential that provision be made to give an unsuccessful applicant the opportunity to put his case to an appeal board.

Last Wednesday I asked a question in the House on the subject of appeals. I wanted to know how many of the applicants considered by the committee as not viable had appealed against the decision either in writing or verbally. The Minister replied—

20 of the 65 considered not viable have appealed verbally or in writing to the Minister, the authority or its staff. All have been requested to appeal in writing if relevant new information is available.

There is nothing in the present legislation to indicate they can do this; there is not even one reference. Instead, the legislation simply says that the authority can refuse. This is what has happened to a large percentage of the people who have applied.

In the same question I asked the Minister whether he or the committee had reviewed the applications considered not viable and, if so, what the result has been. The Minister said in reply—

Eight of the appeals received in writing have been reviewed by the authority to date. There has been no change in any decision for these.

What is the position? This is an appeal from Caesar to Caesar. If ever there is evidence to support the right of appeal, this is it, because already cases have been passed on to the Minister. At this point I would like to explain that earlier I had contemplated including in my amendment provision for the Minister to receive applications from the aggrieved parties. I realised it would be unreasonable to ask the Minister to look at each case and to satisfy himself that it was not frivolous; it was, in fact, genuine; and the reasons were good. Consequently I reframed my amendment because I realised the amount of time it would take for the Minister to satisfy himself that applicants were genuine. I appreciate he is already overburdened in his responsibilities as Minister for Agriculture and Minister for Lands. He probably has the heaviest burden of any Minister in the present Government. To relieve him of this responsibility I reframed my amendment, the purpose of which is to set up an appeal board.

What will happen to the percentage who are rejected? It has been readily suggested on a number of occasions that at least 3,000 or 4,000 farmers in this State may apply for assistance. If the rejection percentage to which I referred earlier continues, 75 per cent. will be rejected. I am not too sure whether this

is the latest figure because I think the Minister indicated today that approximately 30 per cent. of those who make application are being accepted.

Mr. W. G. Young: Nearly 30 per cent.

Mr. NALDER: On the latest figure, 70 per cent. are being rejected, and on this basis, very close to 3,000 of the 4,000 applicants will be rejected. I hope this will not be the case but I suggest it could be. What will the 3,000 rejected applicants do? Under the present situation they will have no chance to do anything but get out. There is no provision to assist them and no provision to reconsider their position. A large number of people who are presently engaged in farming will be pushed out of the industry.

Doubtless other members recall the Premier, who was then Leader of the Opposition, making some reference to farmers in his policy speech. I would have liked to see his approach for myself because I am sure it would have been rather dramatic. Perhaps he even got down on his knees and pleaded with farmers that their only hope was to vote Labor because the Labor Party would solve their problems.

Mr. Davies: It did not win us any seats, did it, if what you say is correct? They stuck to you.

Mr. NALDER: The Minister for Health will be able to hear what the Leader of the Opposition of the day had to say. I quote—

Outlining Labor's rural policy, Mr. Tonkin said that the preservation and development of primary industry required big sums of money, most of which must be contributed by the Commonwealth.

Labor would face up to all farmers' problems, especially debts.

It would try to institute a form of payment from the State Treasury to the farmer to bring his net income to a set minimum. In this way, farmers with no alternatives would not be forced to leave their farms or endure income-shrinking poverty.

I presume he meant all farmers who needed assistance, and not that 30 per cent. or 25 per cent. of applicants would receive assistance. After all, his words were—

In this way, farmers with no alternatives would not be forced to leave their farms or endure income-shrinking poverty.

Mr. H. D. Evans: Would the Leader of the Country Party care to finish the quote now?

Mr. NALDER: I intend to.

Mr. H. D. Evans: I should hope so.

Mr. NALDER: The Leader of the Opposition at the time then said—

A requirement of the proposal would be for a farmer to give the Government first refusal of his farm in the event of sale, with the total amount advanced being recoverable from the sale or from the estate.

Mr. Tonkin said that Labor did not subscribe to the belief that producers must get big or get out.

Is this where the expression "get big or get out" came from? Certainly the present Premier was responsible for having something to say to the effect that the small farmer with a few hundred acres would not be viable. The policy speech continues—

It believed that small farmers could remain profitably in business if given financial help and sympathetic and fair treatment.

"The whole economy of our country districts will be seriously affected if large numbers of producers are forced off their properties," he said. "Repercussions will be felt in the metropolitan area."

I do not know how to analyse that statement, "forced off their properties." I do not know whether it means they will walk off, drive off, or whatever the case may be. However, what I have quoted indicates that the present Government felt it had all the answers. Consequently I want to know, on behalf of all members on this side of the House, what will happen to the 70 per cent. who have been rejected? At the moment 212 out of the 302 applicants have been refused any assistance. They have not received any suggestions, offers, or anything at all. They have simply been told, "You are not viable. Goodbye. We do not want to hear from you any more. Out you go. You can go where you like, but we might give you \$1,000." I almost forgot about the amount of \$1,000 which can be lent. Is the Government suggesting that this money is the last straw which it will lend to help a farmer get off his property? I do not know whether that amount of money would pay for the cartage of the furniture to be taken away.

I consider that we in this House should demand that in legislation of this nature we be given some information about how this scheme will work. We have no idea, as we have been given no basis whatever. No guidelines have been laid down. Perhaps the Minister for Agriculture has written out a screed inviting some suggestions from the authority. Perhaps he has written out the guidelines for the authority to follow. We do not know the source of the advice given to the authority or the source of the guidelines on which it will operate the scheme.

I appeal to the Minister to let members of the House know this information. He can do this in whatever way he wishes, as far as I am concerned, so long as members know the details. Perhaps the Minister will be prepared to give the answers when he replies to the debate, or tell us he is prepared to call a conference. If so, I hope the conference will be soon, not in a few weeks' time but even tomorrow afternoon. I suggest that he should call a conference and indicate how the scheme will work. In this way, at least members in another place would know how the authority will work—even if it is not possible for us to know before the legislation passes this Chamber—and they will also know how farmers will be able to receive assistance. As I have said, farmers should know to whom they can appeal and the reasons for not receiving assistance.

On that basis, I shall resume my seat but I hope the Minister will agree to my proposals.

Mr. H. D. Evans: Hold on! You were going to tell us about the eligibility section.

Sitting suspended from 6.15 to 7.30 p.m.

MR. MCPHARLIN (Mt. Marshall) [7.30 p.m.]: In speaking to this Bill I want to say I feel sure that none of us liked the reasons which prompted the Federal Government to give a certain amount of money for rural reconstruction. This situation takes one's mind back many years—to the depression years—when farmers were struggling for survival. The situation at the moment, however, is not quite the same as it was in those days, when people were starving, and did not know from where their next meal would come.

We have an anomaly at the moment in that we have one section of our economy buoyant and developing rapidly while the other section—the farming community—is suffering a serious recession necessitating farmers to ask to be helped.

I do not think any of us liked the idea that prompted the previous State Government to undertake a survey of the farmers of the State, which resulted in a letter being sent last year to the Prime Minister asking that consideration be given to the establishment of a rural reconstruction scheme together with the allocation of money for the provision of the required assistance to help put farmers back into a less hopeless position.

That letter was sent last July and it was the beginning of the planning with the other States, as they all had to decide together what form the rural reconstruction scheme should take.

A Bill was brought before the Federal Parliament in May of this year and several clauses of the Commonwealth Bill are relevant and analogous to the Bill before us tonight. I will read some of the passages from the Federal legislation which

will indicate that the Commonwealth has provided some flexibility in its measure which will help the States in their administration.

I would like to quote the following from clause 10 (2) of the Commonwealth legislation:—

... the amendments to the provisions of this Schedule to this agreement may be made and take effect as between the Commonwealth and one or more of the States without affecting the operation of this agreement as between the Commonwealth and a State the Minister of which has not so agreed.

This indicates clearly there has been a very flexible approach to the matter; provision having been made that if one State does not agree with some facets of the Bill the Ministers in charge of the matter in the other States can go ahead and receive consideration from the Commonwealth—this irrespective of what the disagreeing State might do.

There is another part of the Federal legislation which again has its impact on the Bill we are considering tonight. The part in question—clause 20 (2) of part III—reads as follows:—

Should a State certify that, without taking into account its administrative costs, it has incurred losses under the Scheme from circumstances beyond its control arising after the date of this agreement and disadvantageous compared with past experience and normal expectations as to factors that affect farmers' incomes . . . , the Commonwealth agrees to review the position with the State with a view to adjusting amounts payable to the Commonwealth by the State under this agreement to the extent of such losses.

I think it is very commendable on the part of the Commonwealth to include such a provision in its legislation, because the authority which might be administering the construction scheme within its own State would not be able to judge the movement in prices and conditions. By including that provision the Commonwealth has given some flexibility, thus permitting the States to adjust.

There is a further provision in the Commonwealth legislation which, I think, is also most commendable. This deals with creditors and clause (4) (b) of part II of the schedule states—

The possibility of creditors including the Crown, local authorities and public utilities being asked to defer or write off part of their debts—possibly at a uniform rate but with due regard to priority of security—should be considered. Creditors should not be pressed to the extent that the availability of credit to rural industries is damaged.

This can apply to a particular debt which has caused considerable discussion and dissension in recent years among the people affected by the State Legislature. I refer, of course, to the matter of probate duty. The provision in the Commonwealth Bill does give some flexibility and permits the State to make certain adjustments if the farmer is in trouble with probate debts which he might be finding it difficult to meet. The authority can take this into account and make the necessary adjustments.

Turning now to the Bill before us, the Minister gave certain figures of wool production in Australia and in Western Australia and showed the gross production of wool in Western Australia from 1966-67 to the current uncompleted year of 1971. These figures showed a drop from \$124,800,000 in 1966-67 to the present uncompleted year when the amount was \$98,000,000.

This indicates the magnitude of the amount and the size of the difficulty that confronts rural producers. Indeed, this is one of the aspects that has resulted in the need for the Bill which is before us tonight.

One part of the Bill to which I would like to make some reference is that which deals with the protection of property; where, if a farmer has a debt he cannot meet and is threatened, the authority has power to stop the continuation of the order, which can be held up for a period of time. The authority is also empowered to extend the period of time.

This provision in the Bill is most commendable; it is one which, I feel, will receive full support. I would like to deal with the provision which refers to false statements. This brings me to the point that a number of farmers are reluctant to fill in the form. The application form to apply for assistance under the rural reconstruction scheme contains 11 pages, and farmers were understandably rather reluctant to fill in this form of their own volition, because they claimed that many of the questions asked were difficult to answer accurately. It was the accuracy of their information which concerned them and they were reluctant to sign an application form as being a completely true and authoritative statement without being certain that it was in fact true. This aspect concerned many of the farmers when the form was being distributed. Clause 27 of the Bill states in effect that any farmer who wilfully makes any false statement or wilfully furnishes any false information will be subject to certain penalties. In the case of the matter to which I have just referred the penalty is \$200 or three months' imprisonment.

The clause further states that a person who is knowingly concerned in the preparation of any such false statement, or in

the furnishing of such false information, commits an offence, for which the penalty is \$200 or three months' imprisonment.

I think this is rather harsh. Many farmers could unwittingly supply information which might be very difficult to obtain and the validity of which they might consider to be in doubt.

Mr. H. D. Evans: The operative words are, "knowingly and wilfully."

Mr. McPHARLIN: It is a matter of interpretation.

Mr. Graham: It is a matter of dishonesty.

Mr. McPHARLIN: The application form asks what income would be derived from future wheat payments. It is anybody's guess to say how much money will be accumulated as a result of future payments. Accordingly I hope that part of the Bill will not be too harshly applied.

I would now like to refer to the provision in the Bill contained in part II headed "Debt Reconstruction." This refers to the tests of eligibility. In paragraph (a) of subclause (2) we find the following in regard to eligibility:—

The applicant is unable to obtain finance to carry on from any other normal source and is thus in danger of losing property or other assets if not assisted under the scheme.

This comes back to what my leader was referring to before the tea suspension when he said that the authority at present makes the decision and therefore assistance under the scheme will be refused and the farmer in question will be unable to carry on. This again is relevant to what my leader said in connection with the matter of an appeal committee. Paragraphs (b) and (c) of subclause (2) of part II state—

(b) There is a reasonable prospect of successful operation with the assistance possible under the scheme, the prime requirement being ability to service commitments, and to reach the stage of commercial viability within a reasonable time.

(c) Assistance is merited and the applicant's difficulties are not substantially due to circumstances within his control.

Part III of the Bill deals with farm build-up and paragraph (a) of subclause (2) of that part states—

The owner of the property to be purchased wishes to sell or accepts that he is obliged to sell.

This is on the question of eligibility. It states, "he accepts he is obliged to sell." This, of course, would again come back to the decision of the authority and not having any appeal at the moment the

farmer would be forced to accept the fact that he could not get assistance and would be obliged to sell. Paragraph (b) states:—

The purchaser is unable to obtain the finance applied for from any other source.

The purchaser of what—the property of the first man who was denied acceptance? Is he obliged to try to find a purchaser and ask the authority to help the purchaser buy his property?

Here again I think there is a definite need for the proposed appeal committee about which my leader spoke. Paragraph (c) of the tests of eligibility states—

(c) The Authority is satisfied that the built-up property will be of sufficient size to offer sound prospects of long term commercial viability.

This raises the question of what is a sufficient size. How can one say these days what is a sufficient size? In answer to questions asked by my leader as to the number of properties which have been rejected, the sizes of such properties have been given. Just what is a sufficient size?

Mr. H. D. Evans: They were not rejected on the criterion of size but on the criterion of viability.

Mr. McPHARLIN: The Minister is advocating build-up as distinct from viability. It is possible that a farm that is viable now may not be viable in five years' time. Some of the economists and the experts to whom we have listened are advocating that the farmers who will go out of the industry will be in the main the small farmers. These people have been talking in this fashion and they say that a certain acreage is viable.

Mr. H. D. Evans: The size is irrelevant. A 50,000-acre farm has proved to be unviable.

Mr. McPHARLIN: Well, some of those mentioned by the Minister are up to 10,000 acres, and five of them are over 10,000 acres. This raises a most important point. I think that, as a result of increased costs faced by the farmer, in time it will not matter whether his property is 100,000 acres; it will not be a viable property. What will happen then? Will the authority purchase that type of farm if the farmer leaves it? Is it considered that the authority will come in and help a purchaser buy a property of any size at all?

Mr. H. D. Evans: There is no restriction on size or on amount.

Mr. McPHARLIN: Clause (2) (d) of part III of the schedule to the Bill states—

(d) Where an application is made by an adjoining owner for assistance under the scheme to purchase an uneconomic property, but there is a possibility of sale of the property to another adjoining

owner who does not require assistance under the scheme, assistance will be provided only if the applicant's property would be built-up from an uneconomic to an economic size.

I would not like to be a member of the committee which has to work out these things. The members of the committee are performing a most difficult job, and I give them credit for what they are trying to do. I think they are genuinely endeavouring to do a good job. However, it appears that there is room for a committee to have a further look at rejected cases because, as I understand it, if a man has been rejected he has no appeal to the present committee. As I said before, if he did have an appeal it would be from Caesar to Caesar.

I do hope that in the administration of this Bill thought is given to the predicament of the farmers some of whom, after many years of hard work and dedication, have reached a position—in many cases through no fault of their own—in which they are forced to consider leaving their homes and farms to take up another occupation. I understand that \$1,000 will be loaned to farmers who are forced to leave their farms to help them rehabilitate themselves. However, the legislation is flexible so that the authority, if it so desires, may make a grant of \$1,000 instead of a loan. I think that is most desirable and I hope the authority will consider doing just that.

I support the remarks of my leader inasmuch as there is need for another look at the method adopted by the authority. It is apparently working under a policy but as yet we have not been told exactly how it arrives at its decisions as to whether or not a property is viable. I also agree that there is a need for an appeal committee so that those who desire to appeal may have their cases reheard.

Another matter which concerns me—and it has a direct impact on the matter of farmers retaining an income which keeps them viable in many cases—is the number of strikes which have occurred in the abattoirs over the years. In many cases farmers are dependent on the abattoirs for their income—or, at least, a great part of their income—because the slaughtering and selling of their stock is carried out at the abattoirs. On the 5th November last year I asked the Minister for Agriculture a question relating to the effect of strikes on the operations of abattoirs. I asked the question because strikes affect quite considerably those farmers who are looking forward to selling their stock to help them over the periods during which no other income is coming in. The question I asked was as follows:—

(1) Is an estimate available of the extra number of head of stock which would have been slaughtered at the Midland Abattoir and

the Robb Jetty Abattoir if no strike action had occurred between the 30th June, 1969, and the present date, and, if so, would he supply it?

- (2) Can he give the number of deaths of stock which can be directly attributable to the delay caused by strike action?
- (3) Are farmers compensated for these losses?

The Minister replied—

- (1) Yes. Estimates of stock which could have been slaughtered are as follows—

Midland Junction Abattoir:

Approximately 54,000 sheep.

Approximately 38,000 lambs.

Approximately 3,900 cattle, including calves.

Approximately 4,000 pigs.

Robb Jetty Abattoir:

Approximately 50,000 sheep and lambs.

Approximately 1,300 cattle, including calves.

Approximately 500 pigs.

- (2) Midland Junction Abattoir:
40 sheep and lambs.
3 pigs.

Robb Jetty Abattoir:
12 sheep and lambs.
1 cow.
3 pigs.

- (3) No.

On the same day I also asked the following question of the Minister for Labour:—

How many man hours have been lost by workers at the Midland Abattoir and the Robb Jetty Abattoir through strike action from the 30th June, 1969, to the present date?

The Minister replied—

			Man Hours
Midland Junction Abattoir			
Board			101,700
Robb Jetty			22,189
Total			123,889

All these things have an impact on the primary industry and on the returns which farmers receive. Stock is held up and prices drop because the stock loses its bloom—the stock loses its condition and does not bring the price it would have brought had it been sold at the time it was sent to the abattoirs. Again we see that the costs of abattoirs are increasing and this must have an added impact on the farmers and on any rural reconstruction scheme that might be introduced.

I read in a newspaper article—I think it was in this morning's paper—that workers at both the Midland Junction Abattoir

and Robb Jetty Abattoir have been granted an increase in their wages. Of course, in the past such increases have been passed on to the farmers and they face the costs of increased killing charges. We are trying to reconstruct the farmer and to give him a viable unit, but if costs continue to rise in this manner his increased returns will be eroded and we will be looking for another form of rural reconstruction. I think it would be disastrous if any move were made to pass on to the farmer the cost of wage increases at the abattoirs. I think the Government should bear the extra costs because we know that at the present time returns for sheep and lambs are very low and if any further increases occur it will not be worth while sending to the market sheep which do not dress at about 35 lb.

Mr. H. D. Evans: What is the tab the Government picked up for losses at Midland this year?

Mr. McPHARLIN: The Government has picked up the tab, has it? Will the Minister tell me about it?

Mr. H. D. Evans: You read the Midland Junction Abattoir Board report. The amount is \$800,000.

Mr. McPHARLIN: The Minister for Agriculture would be most happy if he could say no more strikes will occur. I know that any Minister has to face up to this difficulty, and I do not envy the job faced by Ministers when trying to iron out the difficulties caused by strikes. However, at the same time I feel the Government should bear increased costs and not pass them back to the farmers because they will tend to erode any assistance given under the rural reconstruction scheme, and that is most undesirable at present. We will have an opportunity to speak to the amendments on the notice paper during the Committee stage, and I intend to do so.

SIR DAVID BRAND (Greenough—Leader of the Opposition) [7.55 p.m.]: I do not intend to take up the time of the House by repeating the well-known story of the great concern we all feel for the rural industry. I think by and large we all know the story. We all know that a few years ago the rural industry was booming and now practically every section of it is facing a recession. It has been a very sudden change of fortune for most of the people concerned. I think we have lost much of our confidence as a result of this and we have lost some of our capacity to face up to sudden changes. However, I am sure that anyone who has studied the situation during recent weeks will have come to the conclusion that a degree of confidence is returning—a degree of confidence stemming from a few improvements which have taken place in the price received for our major products.

Before I proceed I must say that I listened with great interest to the speech of the Minister in which he outlined the general story of the change of fortunes of the rural industry. The Minister indicated the great concern felt by everyone not only for those taking part in rural industry, but also for all the communities and towns upon which the impact of the situation is being felt. The Minister also mentioned the difficulties in which certain communities find themselves, and he referred to the business world and all those who work in the primary industry. Having read the speeches made by the Minister during the last two years—and I can see he is smiling a little—I think I can detect a change because now there is not so much emphasis on solutions and individual cases; there are not so many easy ways to solve this great problem; there is not the thought that in some miraculous way this great industry can be put right. If the Minister wants to inject himself with a little enthusiasm he should read his speeches again.

However, before he does so, might I suggest that he ought to discuss with his Premier—or, more appropriately, with his Treasurer—the costs involved in some of his suggestions. I am sure that, as a very fair man, the Minister would agree that some of his propositions were unrealistic and impractical. Whether they referred to the wheat industry, the meat industry, or the dairying industry, the Minister said his propositions provided a solution and the Government ought to be doing something about them.

Mr. Nalder: It was only Western Australia; it did not affect the rest of the Commonwealth.

Sir DAVID BRAND: Maybe he did not broaden his story to include the whole of Australia and, in fact, many countries of the world in which the prices received for wool and cereals are not very profitable. Therefore, I would point out that the Minister did not really let his head go—if I might use that term—beyond the confines of the Bill; possibly because you, Mr. Speaker, might not have allowed him to do so.

He could have explained further some of the details of the Bill. As the Leader of the Country Party has pointed out, there was much that could have been said to indicate to the public at large and to the producers of primary products in particular how some of the decisions had been arrived at, and how the members of the committee—I emphasise that I have great respect for each and every one of the members of the committee, and I think they have been well chosen and together will do the best they can in a very difficult situation—reached the determinations that have been made.

I am not suggesting for one moment that in making the determination that they have, the members of the committee based their decisions solely on the facts shown on the application forms that the properties were viable. I have no doubt about that, but it does seem to me that the line which they have drawn must leave just outside of the ambit of assistance a large number of applicants who could resolve their problems and who with a little more money, would be able to carry on.

We all realise that out of the \$100,000,000 made available by the Commonwealth the State got \$14,630,000 over a four-year period, and that this is a very small amount. However, it would seem to me that in the straightout rejection of many of the applications the result must inevitably be that the farmers concerned will walk off their properties with very little prospect of ever returning.

When the Minister for Agriculture in our Government went to discuss this matter with the Commonwealth he emphasised that, provided there was an acceptable scheme, he was ready to agree immediately—as he indicated in his speech tonight—in order that we might be able to establish a board, an authority, or some means of spending the money available from the Commonwealth in time for this year. I regret to say the decisions were not made in time to help many of the people who in this particular season needed the income from the Commonwealth assistance.

One must be fair to say that in these times whoever holds the portfolio of Agriculture shoulders a very difficult responsibility. I would say that had we been in office today a similar Bill to establish a similar authority might well be before the House. In that event I would hope, however, that more information would be given and better guidelines would be laid down, based on experience, to enable the committee to make the decisions it is required to make now.

At the present time wheat production could be looked upon as quite an attractive section of the rural industry. There are indications that the quotas might well be increased, and there certainly is an indication that in many parts of the State the season, as a result of the rain in the last few weeks, will turn out to be more profitable than was anticipated only a short while ago. If the quotas are increased I think a number of farmers will be able to see their way clear to step over the line that separates this year and the next year, and they will be able to carry on.

I know scepticism has been expressed by some people on the announcement of a guaranteed price for wool by the Commonwealth. They question how it will work, what machinery will have to be set up to ensure satisfactory prices, and how anomalies will be prevented. I feel this is a rather difficult exercise; nevertheless, the

Commonwealth in guaranteeing the price of wool at 36c a pound, or something more for the overall clip, will create a degree of confidence that has not existed in the wool industry for a year or two.

Because of these improvements we all hope that in its deliberations the authority proposed in the Bill might well let its imagination go a little further; and that as a result of the experience it gains it will include many genuine and hardworking farmers, both young and old, in the list of those to whom grants will be made.

As for the fear of overcommitment, as was pointed out by the Leader of the Country Party today, the Commonwealth Minister in making the original announcement at the initial conference of Ministers for Agriculture recognised that \$100,000,000—which was the sum announced as being the grant for this year—would not be enough. He did not imagine that having granted \$100,000,000 to all the States of Australia, that was the stage where the operation would end. Anyone with common sense and a realistic approach will realise that this assistance must continue, and no doubt will have to be continued for a number of years.

One should recognise this as a holding operation, to keep as many farmers as possible on their properties, not only for this year but for the next year and the years after, in the hope that in the meantime we will not only be subsidising and helping them to remain, but we will be seeking means of improving our markets, of implementing research, and of making contact with the manufacturers of the world. I am not blaming the present State Government for the lack of research and lack of effort, for the simple reason that the States individually can do very little. This has to be an operation of the whole nation.

One might well say that with all the organisation moving throughout the world, and with all the money that is being spent, something worth while should be achieved from these efforts. I think that some of the organisations are too large and over-organised. I believe that the individual or the small group should go out into the world and make the necessary contacts, to find out whether in the future there will be overproduction of wheat, of barley, or of wool. If there is to be continuing overproduction in the world, then let somebody tell us and indicate clearly that we should recognise what particular products are no longer salable at a profit, and that we should diversify in some other directions.

I know that a number of primary producers do not like to hear the word "diversify" mentioned. I suppose that by virtue of habit and custom they think in this respect only of some of the major rural industries, and cannot imagine this applying to anything else. I am glad to see publicity being

given to show that farmers—young farmers in particular—are experimenting with the growing of products other than wheat. Perhaps they overproduced last year, and therefore this year have no wheat quotas.

I read of one farmer north of Northampton who tried to produce safflower and others who experimented with rape seed. This is in an area where one does not imagine that rape, safflower, or sunflower seed can be produced. When one hears cases of such diversification in production one often thinks that this is for somebody else. I think I am right in saying that many young people are prepared to diversify into other forms of production such as in the rearing of pigs, and I am sure there are many ways in which these people can increase their income. It might require them to remain on their farms a little longer or to work harder, but if the result is an increase in income and a better standard of living while they are on their farms, then I am sure the atmosphere which has prevailed in some new land districts will, to a degree, disappear.

I believe that Western Australia has a greater problem in this respect than does any other State of the Commonwealth; that is my opinion. This has arisen because we have applied conditional purchase conditions in the allocation and subdivision of our virgin land. Some people have been critical of the millions of acres which have been released to the public, but it is so easy for people to be wise after the event in relation to the conditions under which the land has been released.

I do not have to remind members of the letters which have appeared in the Press criticising the Government for not releasing more land than it has; and furthermore, for not ensuring that younger people and those with lower incomes than doctors and established farmers were allocated land. A great outcry was raised in regard to the people living in the city who were getting farms. We as a Government did all we could to stop such people from benefiting in any way. However, the facts are that some people who took up virgin blocks are finding it difficult to obtain the required capital. In the light of our experience today it might well have been a better idea to ensure that those who got the farms were better able to finance the project.

However, over the years farming has experienced many ups and downs. We have had to rely on nature, and to depend on world markets many of which we have no control over at all. Therefore anybody going onto a farm should realise that in the taking up of virgin land there are doubts, problems, and some unknowns quite apart from climatic conditions.

The Commonwealth broadly should realise the situation that if something is not done to assist new land farmers, many

of whom are making their way steadily and have cleared thousands of acres, the land will return to its virgin state.

We, as a Government, decided to ease the conditions and I understand our successors have done the same. It makes common sense that a farm should be maintained and at least the land kept cleared, fences repaired, and the watering system kept working. It is a straight-out loss to the community if a farm is abandoned and left in a state of wilderness.

When I was a young man I often remarked to my father that the farms which had to be abandoned because of the depression around 1933 might well have been held by the original owners in return for the hard work and sacrifice associated with developing them. However, at that time no help was available and many farmers had to leave—often because of the need of sustaining his wife and family. I would not like to see that happen on this occasion because those farms to which I referred were taken up again and the little work which had been done on the farms was a great asset to the new farmers.

I hope the authorities, be they Commonwealth or State, will ensure that until a farm proves to be totally unprofitable and unsuccessful every effort will be made to encourage the farmer—young or old—to stay on the property. I do not agree with the expression—and our Government did not agree with it—"get big or get out." There are many successful small farmers operating today.

Those farmers are prepared to accept the fact that they must work longer hours, must diversify, must experiment, and must humble themselves in many ways. Those farmers are giving away the idea of driving around in big new motorcars—perhaps ideas which they had when they first took up the land. However, because those people are prepared to face the challenge they are proving successful in at least remaining on their farm.

For those reasons—and also because of the figures quoted tonight concerning the number of rejections—I hope the authority, or the Government, will find in its heart reason to be a little more generous. There has been comment concerning the lack of applications for assistance. I believe the form which has to be filled in frightens many people; it certainly frightened me when I looked at it.

It seems, because of the frailties of human nature, the authorities find it necessary to extract as much of the history of the farmer as is possible. However, because of the complicated nature of the application form it is necessary to get the story across to many of the farmers—particularly the young people—and explain that the application form is not

as formidable as it appears. Farmers should be encouraged to take advantage of the offer being made, even if such applications are put aside for the time being.

The members of the committee know Western Australia very well, but I suggest it might do a lot of good if they tour some of the districts and get the story on the spot. This would surely influence the thinking of the committee, and perhaps it would then consider including someone who was just outside the requirements. I feel sure that the members of the committee would react in a favourable manner to such borderline cases.

As I have already said, I did not intend to speak for very long. I simply desired to state that my more recent experience in farming bears out the many problems we hear about today. On the other hand, if sufficient finance, advice, and encouragement is forthcoming many people are willing to take up the challenge and see it out. In view of the glimmer of light which seems to be appearing from a number of directions, many farmers are prepared to continue on their properties in the hope of better days and greater stability.

We, as a Government, did our very best within our financial limits. We were criticised and urged by the members of the present Government, and the present Minister, to grant all sorts of help—financial and otherwise. That was not possible. As Premier of the State at the time, I said it was not within the capacity of the States to resolve the problems of the rural industries; that it had to be a national attack. It had to be a matter of national concern because in spite of the production of iron ore and other minerals the rural industries in this country are the backbone of our stability. This has been proved, and this will be the case for many years to come. I do not like the word "subsidy," but any grant of financial help which will encourage the farming industry to carry on is really providing something worth while for our future.

The Leader of the Country Party has an amendment on the notice paper which provides for the setting up of an appeal court, or an appeal tribunal. I agree with the idea because, as has often been suggested from both sides of the House—but particularly from the Labor Party when in Opposition—there should be a right of appeal. No doubt the Leader of the Country Party will explain his idea in greater detail, and tell us how such a tribunal would operate. I feel certain the Leader of the Country Party will have the support of my party, and that his amendment will be a worth-while addition to the Bill which the Minister has placed before us. I support the measure.

MR. W. G. YOUNG (Roe) [8.23 p.m.]: I rise to indicate my support for the measure which is before the House. In so doing, I will follow a similar vein to that of the Leader of the Opposition. I have had a lifetime of experience in country areas and I, too, can refer back to the days of the 1930 depression. I was a good bit younger then, but I can recall the farmers who operated in our area in the early developing days of the State. Other members who can recall those days will remember that most farms were thrown open on the basis of 1,000-acre holdings. That meant a large rural population at the time.

It will now be found that the 1,000-acre holdings have largely disappeared and that 5,000, 6,000, or 7,000-acre holdings are held by the one person or the one family. If the people who were farming in those depression days in the 1930s had been able to get help similar to that now envisaged perhaps there would not have been as many people leaving the land.

I recall one case of a farmer who lives not very far from my own property. He went to the Agricultural Bank, as it was called in those days, in an attempt to borrow money to purchase two horses. Two of his horses had got into poison country, and the farmer had to replace them so that he could put in his crop. He was refused the loan and told that there was no future in farming for him; that it would be best for him to get out and let somebody else take his place.

By some means unknown to the Agricultural Bank that farmer acquired two horses and he is now one of the biggest and best farmers in the area. That example illustrates the point which the Leader of the Opposition was making: a little more sympathy and aid would help many people.

Present indications are that roughly 28 per cent. of the applicant farmers are being assisted under the rural reconstruction scheme. Figures quoted freely in the Press, and mentioned in this House on numerous occasions last year, showed that 4,000 farmers were in trouble. Those figures would indicate that 3,000 farmers, or more, are doomed to leave the land. I agree with the previous speaker that the Minister has an unenviable job. It is not an easy task, as we found out when in Government.

I would like to ask the Minister a question and if he is unable to answer it tonight, I will put the same question on the notice paper. From the figures he quoted today, in answer to a question asked by my leader, 36 farmers were refused help in the 2,000 to 3,000-acre category; 22 farmers in the 3,000 to 4,000 acre category; and 17 farmers in the 4,000 to 5,000-acre category. That makes a total of 75 farmers.

Knowing the areas allocated under the conditional purchase and conditional lease agreements, it would appear that the 22 in the 3,000 to 4,000-acre category farmers could be new land farmers. It is possible that more sympathy is required in directing assistance to the new land farmers than to the old land farmers. I am wondering whether any consideration is given to a different line of approach to the new land farmers under the rural reconstruction scheme.

We know the situation concerning wheat quotas, of course, where the new land farmers have been placed in a separate category because in most cases they have not been farming for a sufficient number of years to qualify under the history basis. For that reason I am wondering whether the new land farmers could possibly fall into a different category from the old land farmers.

In his second reading speech the Minister stated that 565 applications had been received, and 215 had been processed to date. Of those, 54 applicants had been offered assistance. That was prior to the announcement in the Federal Parliament that a deficiency payment would be made to woolgrowers. My understanding of the measure introduced in the Federal House is that there will be something like a 20 per cent. increase in the income from the wool section of a farmer's income.

I ask the Minister: Will those applicants who were refused assistance prior to the announcement be reviewed? Do they have to reapply, or does the refusal prior to this date stand? The situation also applies in relation to wheat. Reasonably good wheat sales—or excellent sales—have taken place during the selling season. It has been rumoured—I had better use that word—there could be a lift in wheat quotas. A 5 per cent. or 10 per cent. increase would substantially increase a farmer's income.

Recently, I was speaking to a person who informed me that an economist from the Department of Agriculture had told him if he could get a price for wool somewhere near 35c his farm would be viable. My understanding is that the committee has been working on a figure of approximately 30c for wool. The extra 5c would put the farmer to whom I have referred in the category of being eligible for assistance. There appears to have been a change. As a matter of fact, this farmer's wool clip is well above the State average; he has a particularly good type of wool. I understand the deficiency payment is made on a percentage basis—the better one's return for wool, the higher the percentage one receives. Therefore, the farmer to whom I referred would possibly receive an amount in excess of the amount necessary to make his farm viable. The same situation would apply to wheat if a farmer's wheat quota were increased.

On page 722 of *Hansard* No. 5, the Minister said—

A great deal of thought was given to the need for legislation to protect a farmer against precipitate action by a creditor while the farmer's application for assistance was being fully considered by the authority.

Over the weekend a farmer approached me and told me he had sent in an application for reconstruction finance and had received a notice from the Public Works Department that his water supply was to be cut off. He was wondering whether, under those circumstances, the Government would be regarded as a creditor and whether he would be protected according to the inference to be drawn from the Minister's second reading speech.

It is appreciated that the last two or three years have been very difficult for the farming industry. There has been a tremendous loss in farmers' incomes owing to the drought situation. The difference between the 1968 and 1969 wheat returns was approximately \$50,000,000 and the loss on wool returns during those years was some \$26,000,000.

Even though the State's allocation for reconstruction is approximately \$3,600,000 a year, the Treasurer has seen fit to apply to Canberra for \$7,000,000, which demonstrates that the Government has every confidence in the Federal Minister's statement that if \$100,000,000 was not enough more would be forthcoming. I wish the Treasurer well in his application for additional finance because, according to figures which were supplied today, nearly \$2,000,000 has already been allocated to about 90 successful applicants. If the anticipated number of applications is received, we will soon consume the annual allocation of \$3,600,000.

With those remarks I support my leader's amendment. I think it is incumbent upon the Government to give unsuccessful applicants some reason for refusal of the grant. I think it is fairly obvious, from the remarks I have made, that there could be an upturn in the income of some applicants, resulting from an increase in wool returns in the vicinity of 20 per cent. and a small increase in wheat quotas.

The person to whom I have referred received the following reply from the rural reconstruction authority:—

We regret to inform you that your application for rural reconstruction has been declined.

This person does not know whether he just missed out or whether he had no chance at all. He does not know whether he would be viable if he applied under the category of assistance for farm build-up and got another 500 or 1,000 acres, which would have increased his income by a small percentage. All he has is the bare statement that his application has been

declined. One criterion in granting assistance is that a farmer must have exhausted all other sources of income. This man has no other source of income. He has nowhere else to turn. His only escape route is to apply for the \$1,000 which it has been signified will be loaned for rehabilitation.

I would be glad if the Minister could give us some information as to the terms of repayment. According to his second reading speech, the assistance could, in fact, be a grant, but I suppose at the beginning it will not be a grant and there will be some request for repayment. I would like the Minister to indicate the criteria that will be used and to advise whether the means test will apply to the nth degree, so that if a farmer has anything at all he will not be eligible for the \$1,000 grant for rehabilitation.

In due course I will support the amendment placed on the notice paper by the Leader of the Country Party, and I hope that when replying the Minister will be able to answer the questions I have raised.

MR. W. A. MANNING (Narrogin) [8.37 p.m.] : Mr. Speaker, a few years ago I would not have thought for one moment that I would be standing here tonight speaking on a Bill of this nature. Not so long ago, this State was prospering because of progress in the rural industries, but that is not so today. We often heard it said that we were riding on the sheep's back. I do not know that I ever heard it said that we were riding on a grain of wheat, but we are certainly also dependent upon wheat today.

Those two primary industries were of considerable assistance to the State but in recent times the situation has changed for various reasons over which the farmers have had no control whatever. I refer to adverse seasons in areas where we once laughed at the word "drought." There have also been tremendous increases in costs which it has not been possible to offset because prices in overseas markets, on which we depend, have fallen drastically. In view of those factors, it is no wonder we have reached the situation that exists today.

I think we have all begun to realise this. The Federal Government certainly has; the people of the State certainly have; and the people in the city are beginning to realise that their progress and prosperity depend upon the progress of the State as a whole.

Some sympathy has been expressed for the Minister for Agriculture who has to try to administer this legislation and bring about the relief that is sought. It looks as though he will be carrying the burden on his own. Judging by the empty seats on the Government side, they do not appear to be enthusiastically supporting this

Bill. I wonder whether they will even vote for it when the time comes. I hope they will. They are certainly not doing anything else about it.

Mr. Jameson: We are doing more than you ever did about it.

Mr. W. A. MANNING: It is really time our Government woke up to the situation with which we are faced. This is not a cry from people who just want to be helped; it is a cry from people who must be helped. If the farms that now exist are vacated by the present occupants, what will happen to them, and what will happen to the people? There will be great alarm if we have a vast pool of unemployed people in the State. We have a vast pool of farmers who do not know which way to turn, except for the Bill that is now before us.

The Federal Government has recognised the need and has been prepared to provide the money to meet it. A figure of \$100,000,000 has been suggested and the Federal Government has indicated that if that sum is not sufficient it will provide more. It is also prepared to meet losses. I think this is a point we are overlooking. That is why I wish to mention one or two points in this legislation that strike me as being salient points.

The security provided for loans which are approved must be the best and most appropriate available. It does not have to be substantial; it has to be the best that is available, recognising that it might rank after existing securities. The best available security might not be very much in some cases.

The Minister has also told us that losses will be borne by the State from the grant portion of the funds provided by the Federal Government, although there is provision for review of this with the Commonwealth where losses arise outside reasonable expectations and experience. This confirms the fact that the Commonwealth Government expects losses up to the amount of the grant and even in excess of it.

We do not want to be too paltry in the allocation of the funds. The funds are not meant to be saved; they are intended to be used for the rehabilitation of the farming community. If we do not rehabilitate the farming community, we will defeat the whole object of the exercise and waste our time and the time of the Federal Government. These farmers must be kept on their land, provided their operations are viable.

In his speech the Minister told us of the number of people who have been found to be ineligible, but he then said that more than half of those applying for assistance would not be able to service their debts even if the total debt was taken over and made repayable over the maximum 20-year period.

If that is so, there are reasons for it. If those people have been managing their farms for some time—most of them for many years—why are they not viable today? As I look at it, there are three angles to this. The first one is that they need to cut costs if they can, and the Federal Government has provided a means for cutting costs because in the debt reconstruction scheme there is provision for the negotiation of a concessional rate of interest for existing rates. That is one of the greatest cost savers we could wish for. The cutting of interest costs is of decided importance to the farmer who is battling against debts which have accumulated over recent years. He has to find a way out, and under this scheme he can cut his costs.

The second way in which a farmer could be in difficulties is that he could need more stock or he might need to plant more crops. Subparagraph (c) of paragraph (3) of the debt reconstruction scheme reads—

Advances of additional funds for carrying-on expenses, livestock, and further property development at reasonable interest rates.

Advances for carrying-on expenses will meet the farmer's day-to-day needs, first of all. The farmers who are in the worst possible position will need carrying-on expenses, which they cannot obtain elsewhere. They might need additional livestock, further property development, or assistance to put in a crop. Such things are available under this scheme. The third factor which is of importance to the farmers is better prices.

The Federal Government has recognised this situation and, as far as the woolgrower is concerned, it has provided a scheme which we now know about to stabilise the price of wool. Although this price is not as high as we would have wished it to be, it is certainly a step forward and it does give some encouragement to the woolgrower to strive to rehabilitate his property.

Last Wednesday I asked the Minister a question concerning the applicants under the scheme. The question was as follows:—

How many applications under the rural reconstruction scheme have been rejected to date because they are not considered a viable proposition?

The answer to this question was 134. The second question was—

How many of these are woolgrowers?

The Minister replied—

A large proportion. No classification of applicants has been made. Definition of a woolgrower would be difficult.

So in that answer is a recognition that a large proportion of those rejected are woolgrowers. The next question reads as follows:—

Would a lifting of the average price for wool make some of them viable?

And we have a straightout answer "Yes." So here we have the Minister telling us that some of the properties would be viable because of the lift in the wool price. Then I asked him—

If so, will the authority reconsider such applications?
And the Minister replied—

The authority will reconsider any application for which new relevant information can be submitted.

This situation is atrocious. We know the Minister has a burden on his shoulders, but he will lose some of the burden if he ensures that the committee reconsiders the applications which were refused because of the price of wool. The Minister suggests those applications would be reconsidered only if new relevant information is submitted.

I suggest the minister has all the information he needs to reconsider these applications. He knows many of the applicants are woolgrowers and he knows their position would be viable if the price of wool rises. He said as much in answer to the third question and yet, when it comes to the vital question, he wants these farmers to resubmit their applications with further information. What further information does he want? He knows the number of sheep they run and he knows the woolgrowers are likely to get 36c or perhaps more in some cases, and yet he says they must present further information.

This is the point I wanted to bring out, and this is one reason I rose to speak on the second reading of this Bill. I support the amendment suggested by the Leader of the Country Party because it would provide some alleviation of the situation. However, I submit the Minister should do as I have suggested and ensure that the committee reconsiders the applications which have been refused on this ground. He does not need further information to do this. I urge the Minister to see this is done immediately; not next week, but now. These farmers are dying on their feet and the situation has to be dealt with immediately. I hope the Government will do its best to ensure some relief is afforded these farmers.

Mr. H. D. Evans: Before you resume your seat: The level of income of all applicants was taken before the Budget was introduced.

MR. I. W. MANNING (Wellington) [8.50 p.m.]: I should like to make a few brief comments on this measure because I regard it as having very considerable importance as far as the farmers of Western Australia are concerned.

The aim of the rural reconstruction scheme should be to keep as many farmers as possible on the land. This should be the committee's primary objective and

colour the whole of its thinking because we know that farmers have been the backbone of this country for many years. They have now reached a lean period in their history when they need assistance and I would like to commend the Minister on the measure he has brought before the House which provides an opportunity to do this. The success or otherwise of the scheme will lie in its application to the people in need.

As has been mentioned earlier this evening, the wool industry has over the past 150 years made a tremendous contribution to Australia's export income and the general wealth of the nation. Certainly the wool industry is entitled to generous support. When wool was high in price and the industry was booming a lot of money came from this source to the Federal Treasury.

Undoubtedly many of the problems facing the rural community today are varied in origin. I list the main problems as I see them: drought years, wheat quotas bringing restricted production, the low price of wool, and strikes at the key abattoirs during the vital period of the killing season. I think not enough has been said about this last aspect because the strikes which took place, particularly in the last killing season, cost many farmers a tremendous sum of money; money that they so urgently and vitally needed to keep their businesses ticking over. They lost this money because they were not able to get their stock to market and successfully processed.

We are now going out of the drought years and I think we can expect some good seasons. There is to be a percentage increase in wheat quotas and this will bring increased production. The price support for wool will help the woolgrowers. The latest additions to the Midland Junction Abattoir should provide for better disposal of stock. As well as this some farmers are striving to diversify. These measures will go a long way towards setting the industry on the road back.

For these reasons the rural reconstruction scheme is very vital at this time in our history. The farmers are facing a difficult time but the prospects for the future appear brighter. We must tide over as many farmers as possible because I believe there is no merit in the claim that people must get big or get out of the industry. Other speakers have pointed out that many farmers who do not have big acreages can be very successful and if they get the right seasons at the right time they will survive.

I indicated that I would be brief but I wanted to submit my view that this is very vital legislation. I notice the Leader of the Country Party has some amendments on the notice paper but at this point of time I would like to indicate my support for the Bill.

MR. STEPHENS (Stirling) [8.55 p.m.]: Like the previous speaker I will be very brief with my remarks. I would like to support the Bill subject to the qualifications mentioned by the Leader of the Country Party that we should know more about the guidelines which the authority will use and the need for a process of appeal.

It is regrettable that the rural industry is facing such problems that there is a need for reconstruction. The need is not in dispute; therefore, I will not touch on this side of the subject. I have undoubted faith that with assistance and time the agricultural industry will re-establish itself to the benefit of the whole nation.

I feel it is essential that this Bill before the House be dealt with as an urgent matter. Until it becomes law the funds provided by the Commonwealth cannot be used at all. We have a committee already operating and processing applications and there is provision in the Bill for protection orders to be issued, but until this Bill becomes law no money can be made available and the protection orders outlined in the measure will not be valid.

I would like to illustrate the disadvantages caused by this delay by stating an actual case. A farmer sold his farm at Kojonup on terms and commenced farming in the Albany area. The farmer at Kojonup is unable to meet his payments and he has been accepted by the rural reconstruction scheme for assistance but as no funds are forthcoming he is still not in a position to repay the farmer at Albany. The farmer at Albany is now unable to meet his commitments and is financially embarrassed. It is to assist farmers in situations like this that I would urge all members to facilitate the passage of this Bill through the House.

I do not for one moment think that the \$100,000,000 provided by the Commonwealth Government will be sufficient, but I am encouraged to see that in the schedule attached to the Bill there is a clause providing that, if the State in the light of its experience with applications can put forward a case for further assistance, favourable consideration will be given, and possibly funds will be forthcoming.

There is also a clause in the schedule providing for the Commonwealth Government to meet some of the losses, and further, if the losses are excessive, that it will give consideration to meeting the greatest share of the losses incurred by the State. I feel that this could have a great effect inasmuch as the committee handling the applications, knowing that these losses will be met to some extent by the Commonwealth authority, will be prepared to take a risk and give any benefit of the doubt to the applicant. This is a very desirable provision.

When replying to the debate I would like the Minister to give an assurance that the authority, in treating the applications, will not restrict the number of successful applicants to the sum of money that is available. Each application should be treated on its merits and should not be limited by the fact that the committee operating under the authority knows it has only \$4,000,000 available and therefore has to spread the money over the number of applications received.

As I said earlier, subject to the qualifications mentioned by the Leader of the Country Party—that is, that amendments be made to the Bill—with those few remarks I support the measure.

MR. RUNCIMAN (Murray) [9.00 p.m.]: I would like to make a few comments to signify my support of the Bill. I am pleased to note that whilst the scheme provides for wheat and sheep farmers mainly, it will, generally, apply to all farmers throughout the State.

For nearly 20 years economists have been saying, particularly in regard to the dairying industry in the lower south-west of this State, that in order to make properties economically viable it was necessary that the principle of amalgamation should be followed. For the past 12 months many people have been able to sell their properties to allow others to amalgamate them with their own holdings in order to make an economic unit, and this amalgamation process has proved to be very successful.

I think one of the reasons for its success lies perhaps in the fact that advocacy for amalgamation of properties in this part of the State was not proceeded with until now, and that may have been due to the excellent work performed by the dairy farm improvement scheme and the consolidation scheme which sought to make properties in this area economic and viable units. I believe those two schemes were successful to a great degree, but because of the current demand for greater production to make properties economic, the amalgamation scheme that is now in operation in this area is proving to be a great boon to many farmers.

Many years ago an amalgamation scheme operated in the southern part of the State after the group settlement scheme had failed. After several group settlers left the area the properties that they abandoned were acquired, in the main, by stock agents who in turn sold them to a few group settlement farmers who were able to remain on their properties, and as a result of this amalgamation the farmers produced economic units. As this scheme proved to be very successful it also is a very good argument for the principle of amalgamating properties to make an economic and viable unit.

Over the last two years a great deal of discussion has gone on among economists, bank managers, farming organisations, and those engaged on rural courses to overcome the problems faced by the farming community, and all of them seem to agree that reconstruction of farms offers the best type of solution.

I think the Bill now before the House will prove to be sound legislation, because it covers a great many of the problems that farmers are facing. Its success will depend, I think, on the authority itself, and I am pleased to note that the four men who constitute this authority are men of outstanding ability and are well known in the community. They will have a great responsibility.

I am also pleased to note that they will have a great deal of flexibility in operating the scheme and will be able to handle the problems they meet in accordance with the merits of each individual case. I think this is most desirable.

After listening to the Leader of the Country Party speaking of the form that has to be signed by a farmer who seeks assistance, I consider it is not good enough if the authority is to act only in accordance with the information provided on the form. In my opinion there must be greater contact between the authority and the farmer. The authority should not rely completely on the information in the form that the farmer fills in.

I feel that one must know the farmer himself, and know his property, before one can decide whether or not he is likely to make a go of it and whether he and his property will be an economic, viable unit. I hope the authority takes these matters into consideration. Knowing the standing of the four people who constitute this authority, I feel sure that whenever possible they will give consideration to adopting a personal approach or establishing personal contact between themselves and the farmer.

I was also surprised to hear of the percentage of farmers who have applied for assistance under this scheme to date and who have been classified as not acceptable. I think this must mean that a large percentage of the farmers desiring assistance are being declared by the authority as not to be in a position in which the authority could provide them with assistance. Like other members, I hope we will be able to maintain as many farmers as possible. However, we must be realistic enough to appreciate that many farmers, no matter how much assistance is provided for them, will never be able to make a go of farming.

It is for those people particularly that I have a great deal of sympathy and I believe provision should be made to enable us to help them and to persuade them—and in many cases persuasion will be needed—to

leave their properties. I think some form of training should be provided for them. Some may feel that they are too old for training, and I think their situation should be considered. I would like to see all such people provided with employment opportunities and suitable housing, and given every opportunity to get off their farms. I hope this percentage will not be very large, but I feel sure there will be a percentage. We will have to consider this matter from the financial angle in particular, and also there will need to be a humane approach. I hope that although there is no provision in the Bill specifically to grant assistance in this manner, the authority and the Government will take the matter into consideration. With those few words I have much pleasure in supporting the Bill.

MR. LEWIS (Moore) [9.08 p.m.]: Like other speakers tonight I regret the necessity for this Bill after a period of some 40 years; however, I welcome the effort to meet a circumstance, regrettable as it is. I support the Bill and I cannot imagine any member of this House opposing it.

I do not propose to speak at length because I feel the ground has been well covered by the many members who have already spoken to the Bill. I rise chiefly to support the principle of the amendment placed on the notice paper by the Leader of the Country Party. I hope the Minister will give the amendment sympathetic consideration because I think it is most necessary that some avenue of appeal be provided for. As we know, at the present time the procedure is that an applicant fills in the form and submits it to the committee—or the authority, as it will be known if the Bill is passed—and the committee then examines the information on the application form. It examines the figures and makes a decision.

I notice that the measure makes provision for an authority to be composed of four persons. One of the four shall be the chairman and decisions shall be made by a majority—a quorum being three persons. I do not know what will happen if all four members are present and the voting is equal, because the Bill does not specifically set out that the chairman shall have a casting vote. I do not know what will happen if the committee is evenly divided; however, that is something the Minister might investigate.

I feel it is most necessary to provide a right of appeal. An appeal might not be necessary in most cases, and where applications are granted it certainly will not be necessary. A personal interview or a personal inspection of the property will help the authority or an appeal board to make a fair decision because one cannot fairly assess the potential of a farm or a farmer merely from reading figures. It has been the experience over the years that the personal equation means so much.

Two separate farmers might produce similar figures, but one might have much more potential than the other. I know of many cases during the depression where farmers struggled through and made good. The member for Roe spoke of such a case tonight and no doubt there are dozens and dozens of these people. I know of many people who were beaten to their knees by the first shock wave of low prices for wool, wheat quotas, and the drought. They never expected to experience such things—I refer more particularly to the younger generation who are carrying on from where their fathers left off. The majority of them are struggling on and fighting back and one can now see a great change occurring in their activities. They have diversified and are exploiting every possible avenue in an endeavour to stick to their farms and improve their financial position. I have no doubt that even without this Bill most of those farmers would stay on their properties, but they will endure some very severe hardships in the meantime.

The purpose of this measure is to help such people over the stile. If we do not help them, many will be forced to walk off their properties and come to the cities. There they will create a demand for housing, social services, and other such facilities. They will join the ranks of the unemployed. They will increase the social problems not only in the city but also in the country towns. This problem affects not only the farming industry as such, but the whole sector of the rural community, including farmers, businessmen, and employees in country towns who now find their jobs in jeopardy. Many of them have already lost their jobs.

This measure is an economic, viable proposition: that the Commonwealth and the State do something to keep on the land the worthy people who are already there. One could say that only a very minor percentage of farmers are square pegs in round holes. I admit that some have remained on their farms merely by virtue of prices being fairly good and they have got by; but they represent only a small minority. The majority are hard-working people.

I have knowledge of a case involving two young brothers in partnership. These two men have young families. They applied for assistance and in the course of their application they put up a proposition to buy their father's property which lay alongside their own, their father being about 80 years of age. They submitted an application and one or two queries concerning the price to be paid for their father's property, and so on, caused correspondence to be sent backwards and forwards. Eventually the brothers received a brief letter to say, in effect, that it was regretted they could not be helped

because it was felt it would serve no purpose to involve them in a greater debt. No details were given.

I know that these two brothers in partnership will carry on with farming, even though for the present one of them has had to find a job elsewhere. I am sure he will return when conditions become a little more favourable economically. I am aware of the determination of such people who invariably have declared "they will not get me off my farm." I was going to add "by hook or by crook" but I am sure they will remain not by crook. I know they will remain on their farms due to their determination.

In the administration of this fund I hope it will not be a question of fitting the amount that is available to the State into the amount that is involved in relief. I hope assistance will be given purely on the merits of each case, and that if the total amount involved is greater than what will be received from the Commonwealth representations will be made to the Commonwealth for a greater sum.

Surely if that were done, the Commonwealth would get the money back in increased revenue from taxation, not only from the farmers but the others involved. I refer to machinery manufacturers, the employees in various avenues such as transport workers, and others who depend so much on the economics of the agricultural industry for their livelihood. I do hope the Minister will give very earnest consideration to the amount that is to be made available.

Turning to the amendment on the notice paper, I think it is a very necessary one. I suggest that where an appeal is lodged, if there be any doubt at all, an officer should inspect the property concerned. I notice provision is made in the Bill to use the services of officers of other departments, such as extension officers, or bank officers in country districts, so that the personal factor of applicants can be taken into consideration. This is most important.

With those few remarks I support the Bill. I do not want to delay its passage unnecessarily, because I know that the Minister and all of us are anxious to implement its provisions.

MR. BLAIKIE (Vasse) [9.17 p.m.]: In rising to speak in this debate I will do as the previous speakers have done; I will be quite brief in my remarks in support of the Bill. We are all aware that the measure provides for rural reconstruction. The member for Moore stated that he did not think any member in this House will speak against it, and I am also of that opinion.

As has already been pointed out, under the Bill Western Australia's share of the \$100,000,000 to be provided by the Commonwealth for rural reconstruction is \$14,630,000; and this amount is to be

granted to the State over a four-year period. The purposes of the grant are farm build-up, debt reconstruction, and a \$1,000 rehabilitation loan. I do not wish to speak on the \$1,000 rehabilitation loan, because I hope in all sincerity that this will be the least used of all the provisions in the legislation.

I feel the House should be made fully aware of some items of interest. Whilst these might have been touched on earlier in the debate I will mention them once again. I refer to the situation of the rural industries and point out why this Bill is necessary. In Western Australia for the period 1966-67 the wool cheque totalled \$124,800,000, but in the 1970-71 period it dropped down to \$98,000,000. That is a decrease of \$26,800,000 in the income from wool, and this is money which does not go into the pockets of the producers. The trouble arises through the loss of that spending power.

In the case of the wheat industry there has been a loss of 52,000,000 bushels in production during the period 1968-70. Once again, this has had a devastating effect, and it was followed by the imposition of wheat quotas.

I believe the item relating to the meat industry is most important. We are aware that within the major metropolitan meat-works some 123,000 man-hours were lost last year through strike action. In looking at the other side of the question to find out who pays for this loss, we realise that the only person who suffers is the producer forwarding stock to the meat-works. He loses, because he does not get the return to which he is justly entitled.

In respect of the rate of approvals in Western Australia the Minister has told us that it is running fairly favourably compared with the rates of approvals in the other States. Our rate of approvals is at a level better than 25 per cent., and if the rates of the other States are any indication the Western Australian rate is possibly favourable.

However, my main concern is what happens to the other 75 per cent. When the 25 per cent. are provided with funds they are on the way to being reconstructed. It is the other 75 per cent. who have not received allocations with whom I am concerned. They are the ones who will be affected unless in the final analysis the scheme is more flexible in its application.

The Leader of the Opposition made a comment tonight which I certainly support. He said it was necessary that members of the authority should from time to time visit country areas to acquaint themselves with district and particular problems. I also believe it will be necessary for an appeal board to be constituted, because undoubtedly anomalies will arise. While the Bill is flexible within the

meaning of its provisions, odd cases arising outside the ambit of the legislation possibly cannot be granted assistance. I believe that the existence of an appeal board would be of value in such cases.

This is a good Bill; there is no discrimination; and any farmers—the established farmers, the ones on new land from the south coast to the pastoral areas in the north, or in the sheep or cattle districts—can make application for assistance.

In my own electorate we have the Marginal Dairy Farms Reconstruction Scheme which commenced operating early this year. Up to date whilst not a great number of farms have changed hands, this scheme has certainly brought about a complete change in the dairy industry, particularly in the electorate of Vasse. It is possible that the amount expended on this reconstruction scheme in the Vasse electorate is the largest of any of the amounts expended in other areas in the State.

I maintain that just as over the years there has been farming, in the future there will always be farming. Farmers are a hardy lot; they have taken it on the chin before, and they are taking it on the chin again.

I have no doubt that in another 20 or 30 years' time they will still be on their farms, and they will still be there well after the turn of the century. I think the Bill is justified and I commend it to the House.

MR. REID (Blackwood) [9.23 p.m.]: As the only member of the Country Party who has yet to speak, I wish to express my views on the very important measure before us. I rise to speak not because I am the last member of the Country Party to do so, but because of my realisation of the importance of the Bill. I would like to add to the commiserations expressed by other speakers at the sad thought of such a measure having to be introduced in the Parliament of Western Australia. This is an occasion which all of those who are connected with the land are very sad to see, especially when one realises that in the other sectors of the community things are progressing in the opposite vein.

Before raising a couple of points I wish to draw attention to the number of people who are involved when reference is made to rural reconstruction. To my knowledge this point has not been brought up in the debate. In Western Australia there are 23,000 properties classified as rural, and they average 1,200 acres in extent. I think this average of 1,200 acres is quite interesting. These properties are worked by 28,000 men; or one and one-fifth men for every 1,200 acres of farm land. So, in dealing with their problems at the present time the farmers are facing up to reality by maximising their efficiency.

Anyone who knows anything about farming would realise that if an average of one and one-fifth men are running a 1,200-acre property they would not have an opportunity to sleep in on very many Sunday mornings.

It is interesting also to realise that four years ago the work force was upwards of 2,000 more and so the work force has declined. So much for the properties and the men working on them; but what of the families—the wives and children? Add them all together and the number of people on rural properties in Western Australia is 89,000, which is a sizeable percentage of the total population of Western Australia. The 89,000 represents approximately one-eleventh of our population, and if we add that one-eleventh to the number of people living in country towns in Western Australia the figure swells from 89,000 to 193,000, or close to one-fifth of the population of Western Australia.

This means that when we talk here tonight of the need for rural reconstruction we are talking about the needs of one person in every five in Western Australia.

Having established the number involved and the need for rural reconstruction, let us consider what this one person in every five is doing for our State. At the end of 1969 the total export earnings for Western Australia amounted to \$696,000,000. Of this amount wool, despite its depressed state, contributed \$160,000,000, and this represents 23 per cent. Wheat contributed \$78,000,000, or 11.2 per cent.; and dressed meat \$26,500,000, or 3.8 per cent. The total is 38 per cent. of the State's exports. This is not too bad when we consider that 28,000 men working on these properties were responsible for that export earning. The 28,000, the 89,000, or the 193,000 would find very few arguments against the need for rural reconstruction.

It is interesting to note that in the same period iron ore contributed \$151,000,000, or 21.8 per cent. of the export earnings. These figures refer to a year or so ago as I have not been able to ascertain the up-to-date figures. The total of the rural and the iron ore exports is 60 per cent. of our export earnings. Numerous other items make up the balance of 40 per cent., including timber, fruit, gold and other minerals apart from iron ore, and livestock.

All this information indicates that we do have an industry which must be rendered more than lip service. I would now like to refer to the comments made in the Federal House by the Minister for Primary Industry (Mr. Sinclair) during the second reading debate of the rural reconstruction Bill in the early hours of the morning of the 30th April, 1971. He said—

It is recognised that in respect of farm build up and the particular circumstances of some industries such as the horticultural industries there

may need to be additional consideration of their special problems. These will be looked at separately.

The Leader of the Country Party in this House referred to this matter, and I agree that some clarification is needed. I would support the move he suggested earlier for the appointment of a committee to discuss the aspects and workings of the reconstruction authority in Western Australia.

I know from first-hand experience that some bankers in the country have requested farmers not to fill in the reconstruction form if they have an orchard because they would be dealt with separately. The remarks of the Commonwealth Minister contained only a small reference to this matter and it was a fairly open statement on which to base some hope.

Returning to the horticultural situation, the Australian Apple and Pear Board has issued circulars for each State to distribute in an endeavour to ascertain from growers whether the need for reconstruction of this particular industry in Western Australia is greater than the needs of other industries. The closing date for the return of the questionnaires is the 31st August and so it is a little early yet to draw conclusions. However, when the chairman of the board was in Western Australia a week or two ago he indicated that some of the replies received in some of the other States revealed that the amounts required far exceeded the allocation to the States concerned. This is for horticulture alone, and so one wonders how massive is the problem which is before us and how much finance will be required to solve it.

Before closing I would like to refer briefly to two matters affected by rural reconstruction, and in all fairness we must consider them. The first is probate and farm build-up. We have an obligation to examine farm build-up and its relation to probate. This is a very difficult moral issue. Why should we on the one hand build up a property to a viable unit only to have it destroyed on the sudden death of the owner? We build up a farming enterprise by rural reconstruction, but it could well be that before the year is out the enterprise is destroyed as a result of probate.

On an average sized property worth \$90,000—and such a property is necessary these days if it is to remain viable—the estate duty, when the property passes to the widow as next-of-kin, equals one-seventh of the estate, or \$12,500. This is a very real problem. We build up a farm through the reconstruction scheme and then, because the owner dies and the property passes to his widow, someone must find \$12,500. If a property is worth \$110,000

the amount of estate duty is one-sixth, which is \$17,500. We are endeavouring to build up properties so that they are viable propositions—for what?

The second point I would like to raise on rural reconstruction involves debt reconstruction. In the schedule to the Bill, the following is to be found on page 26:—

- (d) Companies will not be eligible for assistance unless the Authority, having considered the shareholdings and being satisfied that the shareholders are *bona fide* primary producers relying primarily on the income from the company for their livelihood, considers it appropriate to provide assistance.

This is a very desirable provision and I would like to congratulate the Minister on its inclusion.

Apart from the effects of probate on reconstruction, we must as a State consider the effects on the concessions for agriculture. One moment we are offering farmers debt reconstruction with the conviction they will remain viable, but the next moment we are offering tax concessions to everyone in the country to encourage them to go out to compete with the men to whom we have offered debt reconstruction. It does not make economic sense to talk of debt reconstruction or farm build-up until we examine these matters.

I notice from the Minister's notes that it is suggested the money be allocated on a 50-50 basis between farm build-up and debt reconstruction. I sincerely hope this is only a suggestion because before launching any grand scheme of farm build-up we should be looking to the reason for such build-up.

The last point I would like to mention is the right of appeal. The Leader of the Country Party has outlined his proposed amendment. Because of the fluctuations associated with primary industry it is very necessary to have a right of appeal. I ask: How can the committee ascertain who is viable and who is not with the changing pattern of wool prices, and the possibility of wheat quotas being lifted overnight? A whole host of problems immediately spring to mind, and emphasise the need for the right of appeal. There is also a need, or a desire, to sharpen the decisions of the committee, even though the members of the committee are very capable. I support the Bill.

MR. BROWN (Merredin-Yilgarn) [9.37 p.m.]: From the contributions made by members of the House this evening, it is evident that the rural reconstruction scheme is accepted with a certain amount of qualification. The agreement is between the Commonwealth and the States, and we have the responsibility of ratifying our share of the expenditure of \$100,000,000 between the various States.

There is ample evidence, of course, to indicate that a sum of \$100,000,000 is insufficient to fulfil the needs of the farming communities throughout Australia. The small contribution of \$14,630,000 to Western Australia is, indeed, a short-fall of the requirements, as expressed by members of the Country Party, in particular.

Prior to the introduction of the rural reconstruction scheme the Minister, in his wisdom, granted carry-on finance. That grant gave farmers an opportunity to carry on under an emergency programme when they were unable to obtain finance from any other source in the State. As emphasised earlier this evening by the Leader of the Opposition, that assistance was a tremendous spur to the farming community. In the last six months there has been a turnabout in thinking by a certain section of the rural community. Throughout the eastern wheatbelt there is a certain amount of enthusiasm.

The farming community has had the responsibility of accepting diversification according to their financial ability, and according to their ability to maintain their holdings. That has been a tremendous burden, and it has required a great deal of courage—particularly as prices have been falling and costs increasing. The farmers have tackled the situation in a manner which is a credit to the tradition laid down by the farming community.

Depressed seasons are nothing new to the eastern wheatbelt. However, bumper seasons are experienced, too, and excellent quality grain is produced. Also, good stock is produced for market.

There is a great deal of interest in the Bill which is now before us, and one wonders how far rural reconstruction will go. A farmer's income might be increasing in one direction because of diversification, and he may not qualify to receive financial assistance to carry on. We hope, of course, that the Bill is not designed for the simple and very disastrous effect of "get big or get out."

The Commonwealth has transferred to the States the responsibility of allocating the finance, and members will appreciate that this requirement gives cause for alarm. A farmer has to be more or less destitute and unable to obtain finance from any other source before he is entitled to receive any of the funds available for debt reconstruction. That situation concerns all members. I believe the Minister has had an opportunity to travel through the affected areas in this State, and to witness for himself how the community is shouldering its responsibility and attacking the problems with which it is confronted.

Drought has been one of the major problems facing the eastern wheatbelt, and it will be appreciated that the drought was the main cause of the shortage of finance. The drought has caused a great deal of hardship. However, there are many people

in the farming community who would not know where to turn if assistance was offered to them because they are only interested in agricultural pursuits.

I reaffirm that the Bill is an opportunity for farmers to present their cases to the committee for assistance. We all agree that those who are responsible for making the decisions have a very difficult task indeed. Of course, any institution offering financial assistance would have similar problems.

There has been mention of the "traditional farmer." I think it is generally accepted that farmers today cannot be expected to provide a property for each of their children because of the changing scene in the rural industry. I do not desire to shatter the confidence of anybody because I believe the rural industry has reached the end of its down-turn, and will now recover. I would like to quote some words spoken by the Federal member for Canning on the 23rd October, 1968, concerning the grain-growing areas. He had the following to say:—

When I look at the world's production of wheat, as I have, and look at Australia's production, with our marketing system I do not think that we should have great difficulty in selling our wheat. For years people have been saying that we are growing too much wheat. As I see it, the time to start worrying is when we have not enough wheat. This is the time when most countries really get a headache.

I believe that when the Federal member for Canning uttered those words he had the firm belief that the action to be taken would not be this type of rural reconstruction. That may not be the answer, but when one has an opinion on what should happen with our products, and how they should be exported and sold, one can appreciate that there are certain frustrations in the farming community.

Further, it is clearly evident to me that the community in the eastern wheatbelt with which I am closely associated has been through these problems before. We are going through them now but most certainly we will face them again at some time in the future. However, I am of the opinion that we are on an upward and not a downward trend.

The wool stabilisation scheme has been mentioned and of course one would hope it will be much fairer to all concerned than the wool subsidy scheme which was previously introduced. We would not like to see a repetition of the wool subsidy scheme in Western Australia.

The rural reconstruction scheme is giving a great deal of hope to farmers. I believe some members of the farming community are making application because they feel that if they do not do so they may not have the opportunity for further representation for finance, although they

recognise that at the present moment their farms are viable and it is within their scope to make a contribution to the rural community of Western Australia.

I do commend the fact that the rural reconstruction measure will probably help people further south, particularly those closely associated with woolgrowing. I feel quite confident this scheme will be handled in the best interests of the State by the Minister who has that responsibility. Like other members I, too, support the Bill.

MR. H. D. EVANS (Warren—Minister for Agriculture) [9.48 p.m.]: As was expected, considerable interest was shown in this Bill for a good reason. I would like to thank members who have participated in the debate for their contributions. Perhaps there are some references I can make in this regard.

The Leader of the Country Party raised a number of queries and I propose now to make the point that the breadth of the authority was extended, from what was initially conceived, to include somebody from the farming community. This was not as was anticipated in the earlier announcements of January this year by the then Administration. I think the honourable member may be a little confused in some matters. Firstly, the schedule to the Bill takes the form of the agreement that was established between the Commonwealth and the State and, as such, it lays down the broad guidelines from which the State cannot depart without answering for doing so and taking on the financial burden that any decision by the Commonwealth on these grounds may bring with it.

The other point of confusion which I noticed was in connection with the amount of \$14,600,000, which this State will receive over an expected period of four years. The point of concern was that the amount required for this year may exceed one-fourth of the original \$14,600,000. There was a reason for the requested \$7,000,000 which is the expected amount for the current 12 months. Even if the amount of \$7,000,000 is insufficient, there will be an opportunity to arrange bridging finance before the next financial year when the further approximately \$8,000,000 will be made available. When the total amount has been used it will be time to reapproach the Commonwealth, and this is to be expected. This was the note upon which the last Agricultural Council meeting finally broke up.

Mr. Lewis: Is the Government going to get \$7,000,000 this year?

MR. H. D. EVANS: That is right. It is expected this will be the amount required. This was the source of concern, but it has been resolved to that extent. The point which really seems to concern the Leader of the Country Party is provision

for an appeal. He raised a number of issues as to the competency of the authority. I would like to indicate that activities so far have shown that these are more than commensurate with those in other States. Indeed, of the 1,619 applications received in Victoria, 169 have been rejected and none have been approved. This merely indicates that some think may be wrong with Victoria.

Mr. Nalder: I did not make any reference to the competency of the authority.

Mr. H. D. EVANS: The Leader of the Country Party made some reference.

Mr. Nalder: Not to the competency of the authority.

Mr. H. D. EVANS: Let me put it then that the reference was in connection with the comparability with other States.

Mr. Nalder: No, you are quite wrong. As a matter of fact I said I had no quarrel at all with the authority. That is definitely what I said.

Mr. H. D. EVANS: The Leader of the Country Party made reference to what would be the situation of comparability with other States, if I recall correctly. These figures demonstrate that the activities of the existing authority are at least commensurate with those in other States.

Mr. Nalder: I did not make any comment on that.

Mr. H. D. EVANS: I have no doubt there will be further Government auditing arrangements to ensure that this will be continued and there will be some overall supervision in this way.

The appeal provision was brought out and stressed by the fact that, of the rejected applicants, eight had appealed but there has been no reversal of decision. This is the position, but I will go through the processes by which these cases are examined and perhaps show the detail involved and the thought which is given which apparently is not appreciated.

I make the point that any farmer is entitled to help if it can be shown that he can be made operative and viable. If he can be helped he receives that help. If he cannot be helped one is very hard pressed to justify the use of public funds beyond this point. This is one of the basic tenets that go with the agreement and, of course, it is a point to be drawn foremost.

Sir David Brand: I am bound to say that was the criterion on which we worked, too.

Mr. H. D. EVANS: Several further observations were made by members on the other side of the House that there should be assistance beyond this point. Perhaps I can deal with them as I come to them. The member for Mt. Marshall was concerned about the penalties involved. Possibly he has overlooked the significance of

the two operative words "willingly or knowingly" in the expression, "somebody who willingly or knowingly presents wrong information." I do not think this can be tolerated particularly when, as I have said, we are dealing with public funds. The honourable member also made play of the industrial unrest and the strikes which have cost us rather dearly. He will have the opportunity to elaborate on this in a different context in the fairly near future.

With his usual balanced approach, the Leader of the Opposition—

Mr. Graham: Take a bow.

Sir David Brand: I am sitting down.

Mr. H. D. EVANS: —brought in a note of optimism to the situation but he was a little unkind when he made reference to previous speeches that have been made.

Sir David Brand: I did not read from the policy speech.

Mr. Court: I thought he was being very kind.

Mr. H. D. EVANS: If the Leader of the Opposition will be more patient he will realise that an effort will be made in many regards so far as rural industries are concerned, and at least we will show that we have tried. I do not know whether that can be reciprocated fully.

Sir David Brand: The then Leader of the Opposition was at every meeting in the country, jumping up like young Lochinvar.

Mr. H. D. EVANS: At least an effort will be made in regard to meat marketing and in a number of other approaches to agricultural policy which has not been evident in the past.

Mr. McPharlin: You are not suggesting that no effort was made in the past in those areas?

Mr. Graham: He is not suggesting; he is stating it.

Mr. H. D. EVANS: Meat marketing is one example. There will be several others, including proposals in connection with the dairying industry. These are matters which we will have the opportunity to discuss in the not-too-distant future.

At one stage the member for Roe reminisced about his own personal observations as to what had transpired in one of the badly hit areas of the State, and it is fairly evident that he has first-hand knowledge of the situation that exists in a large part of his electorate. The point of which he made issue was the projected increase in the price of wool by the Budget to 36c. This also worried the member for Narrogin. I will elaborate on that later, but I now reassure those members that this was virtually taken as the price that would be applied in the applications that have been received.

A fairly generous approach was made to this matter. A fairly generous presumption was made on the price of wool up to this level, or very closely approximating it. It will be borne in mind in all rejected applications that for one year, anyhow, the price of wool will be 36c across the board.

I would ask the member for Narrogin to remember that the loan of \$75,000,000 has to be repaid. That is the State's responsibility. Therefore, the operations of the authority must be contained within that premise.

We on this side of the House certainly share the worth-while sentiment of the member for Wellington that we should keep on the farms all those who can possibly be retained.

The member for Stirling gave an example of a situation that might be regarded as anomalous, but it is certain that if any problem of this kind is brought to my attention or to the attention of the authority it will be rectified. No instance has been raised of any successful applicant for reconstruction consideration being disadvantaged in such a way. Further bridging finance would be made available if such were the case. If there is a possibility of any disadvantage arising, the person concerned should draw attention to it in the right quarter.

The member for Murray made the point that the use of an application, in itself, is not a sufficient basis for rejection in a case of the seriousness that is represented in such an application. I could not agree more, and that is certainly not done. The percentage of rejection on that ground in comparison with Victoria is not quite as hopeless as he might think.

The matter of training, which was raised by the member for Murray, is now receiving the urgent consideration of the Commonwealth Government. I think I indicated that a committee had already been set up by the State Government and that it had been working on this problem for some time, but until the appropriate Commonwealth departments—which include the Department of Labour and the Department of Primary Industry—are able to put forward a concrete proposal, there is not a great deal we can do in this regard. No firm action can be taken until such a proposal is received. We are aware of the urgency of this matter and we look forward to receiving confirmation of any suggestions that are put forward.

The member for Moore was restrained in his remarks and I think he displayed a genuine sympathy for the situation. He asked how a deadlock within the authority would be decided. If there is any doubt, it will be resolved in the right direction.

The member for Vasse made mention of meat strikes and the effect they had upon the rural community. That is not

the only aspect of the meat industry that has had an effect upon the rural community, and it is my intention to discuss this matter at considerable length when introducing a future Bill.

I do not know precisely how, in the course of this legislation, we can overcome the difficulty mentioned by the member for Blackwood. While we build up farms on the one hand, we create the additional burden of probate on the other. I am afraid I cannot offer any suggestions in regard to that matter as it relates to this legislation. It is outside the compass of this Bill.

I cannot extend much hope to the member for Blackwood as regards special assistance in the field of horticulture because the information that has been accorded me is that no assistance can be given outside the terms of the reconstruction scheme. It was hoped that specialised forms of assistance could be extended to people in the semi-arid areas who, as pastoralists, are dependent upon the sheep industry. Although this was the subject of a suggestion from several States, it was discarded as being impracticable. All rural industries come within the same conditions for purposes of rural reconstruction. I regret I am unable to give the honourable member any assurance upon that point.

It appears that the underlying concept of the schedule to the Bill—which, as I mentioned, is the agreement—has not been fully appreciated. I am afraid some members demonstrated that they were not fully conversant with it. I made the point that there were three distinct avenues of assistance: firstly, debt reconstruction; secondly, farm build-up; and, thirdly, rehabilitation for severance from the industry, which in some areas has been termed "the golden handshake."

If we look closely at the requirements laid down in this agreement, we find that the State is contained within a well-defined confine from which it is not possible to depart without the inevitable consequence of the State having to find any moneys spent beyond the scope of the agreement. It will be seen that the particular lines upon which the authority must operate are clearly contained within those three requirements.

The purpose of debt reconstruction is indicated. We should not overlook the point that eligibility must be decided within those three defined aspects. The nature of assistance is indicated and, although it cannot be spelt out, it is broadly an individual matter. Members on the other side of the House know full well, from practical experience, that each farm is a separate entity, and one cannot write out a formula that will apply to every farm. One can give broad guidelines but an assessment has to be made as to how those guidelines will apply to an applicant in his particular situation.

No two are going to be the same and no two can be treated the same. This is going to be one of the basic tenets for consideration.

The same applies in the matter of build-up. Once again there are tests for eligibility and they are fairly stringent as is the case with reconstruction. These include details of the nature of assets, and the manner in which assets can be extended.

I wish to refer to the apportionment of the funds specified for this purpose. It is not the prerogative of the State to say there is 50 per cent. for reconstruction and 50 per cent. for farm build-up; this is determined in the agreement and until such time as the agreement is changed we cannot depart from it. However, the Minister for Primary Industry is fully aware of this and he is prepared to discuss the matter when the situation arises. So at this time we are confronted with this equal apportionment of the available funds, and yet from the figures that I have quoted 92 per cent. of the applications are for reconstruction and only 8 per cent. of the applications are for farm build-up. The disparity at this stage is obvious and some readjustment must surely be undertaken eventually. I agree the provision for rehabilitation—the severance loan of \$1,000—is certainly not sufficient.

The flexibility of the authority is shown here. The amount of security that is required is minimal—indeed, it can even be regarded as non-existent in some cases. It is up to the authority itself and it is fully aware of the situation. I have no fears that the best application of this particular amount of money will be made.

Concern seems to centre around the processes which have been adopted. It is fitting for me to make some remark to allay the concern of members in this regard.

We must firstly bear in mind that the broad outlines are already determined for us; the criteria for eligibility are in the schedule. These criteria in one sense are very broad but in the other they certainly have limitations. It boils down to this: Any farmer who can show he has a viable proposition will get assistance and if he cannot be economically assisted then it is very hard to justify the expenditure of public funds. The point is that there is a requirement for the State to repay the Commonwealth. If the authority assists an obviously hopeless case, the State has to foot the Bill. The Commonwealth has written into the agreement that it can demand this and therefore the restrictions cannot be circumvented in any way.

Returning to the present process, I will start with the application form as it exists. There has been criticism of this, but I wish to make several points here. The applicant is required to supply an economic

history for the past five years. The drafting of this form was the work of a senior official and it took something over three weeks. This official consulted with hire-purchase companies, banks, stock firms, and other financial houses.

It is not a question of just sitting down and dashing off a *pro forma*; it was necessarily the subject of much research. How ludicrous would it be to get part of the way through processing and then have to go back and seek some further essential information. To assist the individual to get his full entitlement for consideration, the salient details and relevant facts are necessary. This is an obligation upon the applicant and at the same time an obligation upon the State as it is using public funds and must have every safeguard in the interests of the community.

Mr. Lewis: Would you not agree that the personal factor is also important as well as figures?

Mr. H. D. EVANS: Let me come to the question raised by the member for Moore. The individual is given a chance and the public funds are safeguarded. This document contains 11 pages; the South Australian form contains 37, so this is not quite as formidable as it could be.

Possibly in some cases this is the first time a detailed self-analysis has been made by the applicant, and there is always some good in this. By the time an applicant has been through the procedure of filling in his application he should know the exact situation. Perhaps it helps him to accept the inevitable; perhaps it spurs him on with the realisation that he does have a very good chance in the terms of the scheme. I maintain this form is more than sufficient for our needs. It is of particularly good design and most suitable for its appointed application.

Sir David Brand: You have found no way to improve it as a result of experience.

Mr. H. D. EVANS: Not at this stage; it seems to give all the detail that is required. There have been some difficulties in compiling it, but I think these difficulties were worthwhile as it fully serves its intended purpose.

The filling in of the form represents a considerable amount of work on the part of the applicant but that is where the work starts.

Mr. McPharlin: Have you found that that gives sufficient without additional information?

Mr. H. D. EVANS: Additional information has been frequently required, but this is the initial stage only. The form is received, it is registered and entered, and then, of course, the process commences. I would like to interpolate here that where urgency is indicated the authority will give special consideration and some forms

have been assessed within a week. This has sometimes been necessary to meet certain stringent situations.

The number of forms being processed at the moment is about 50 a week, and the backlog which looked like accumulating has been obviated.

Once the form has been entered, the first thing is to establish the eligibility of the applicant. This requires, amongst other things, checking the details to see that they are all included and to see whether the person lodging the application is eligible within the provisions contained in the schedule. This is essential and some applications have been rejected because the applicants are not in sufficient distress to conform with the requirements of the scheme. The next point is to verify the figures contained in the application. If a person states a certain wheat quota as being part of his income, this has to be verified. Further checks have to be made with banks; the proposed wool prices in individual cases have to be sorted out and further information obtained from stock agents and the like.

Sometimes a second opinion is required from a property valuer, and this is still only in the initial stage; it does not rest there. At this point we are still dealing with routine processing and in about 75 per cent. of cases the application form is then sent to the appropriate country area. Somebody referred to the fact that the specialised services of some officers can be retained. These services are retained and in this case it involves the officers of the Department of Agriculture. At Bunbury, Albany, and Esperance are located three rural economists. These men are professional rural economists in their particular field and applications can be referred to them.

Mr. Lewis: Will they visit any properties?

Mr. H. D. EVANS: Frequently. An inspection of a property would depend on the nature of the further investigation required. For the purpose of the initial processing at least the extension officers will be available in addition to the rural economists. With any borderline case very fine detail is taken into account, such as the quality of the land—that is, whether it is sand or some other type of soil—and what the actual form of productivity of the farm is. All this gets down to a fairly detailed analysis. Further, there is the prospect of farm management; the record of the individual, and the regard for those dealing with the applicant and those who would be in a position to make an assessment.

When returned the application form is the subject of an assessment by the senior economist to keep to a standard when making a determination. This is very worth while and means that comparability

is being established which, up to this time, is a feature that can be assessed in the processing. This having been done the form is then referred to the authority for examination, and the members have before them the various reports. The authority can then require additional information if any member is not satisfied with that already obtained.

Notice of rejection to unsuccessful applicants is worded with a considerable degree of skill. Where an applicant can make certain arrangements in any particular regard a suggestion is contained within the rejection slip as to the best way to make such arrangements. However, where an applicant is in a hopeless position no matter what he does, he is advised accordingly; that is, where it can be shown that even if the debts of such an applicant were reconstructed and funds made available at a reduced rate of interest, the farmer could not generate the income to service the debt owing and the interest and operating costs to make the property an economically viable unit.

These are the people the authority will be seeking to assist but if it held out any false hope to them it would not be doing them a service.

Mr. Lewis: Could they not be subject to a review?

Mr. H. D. EVANS: If they wish to have a review this will be accorded them. They are entitled to a review by applying to the Minister or to the authority itself. If any applicant considers that some particular point has not received full consideration, or if there is further relevant information forthcoming—and generally this is the significant point—the case is reviewed with regard being given to that particular point.

Mr. McPharlin: This seems to be completely different from what was promised in the pre-election policy speech.

Mr. H. D. EVANS: In what direction?

Mr. McPharlin: In the policy speech it was said that you were going to help the lot, but now they must abide by certain conditions.

Mr. H. D. EVANS: Having given further consideration to many people who are in a predicament, how can an assessment be made of somebody whose assets are less than what they actually owe? How can they repay from an estate any finance received?

Mr. McPharlin: I am pointing out to you the information that was obtained from the pre-election policy speech.

Mr. H. D. EVANS: I am quoting to the honourable member the actual statement that was made. The statement was made at a conference more than 12 months ago, and before the election. What I have set

out was the intention then and to my knowledge no deviation has been made from it since.

Mr. Lewis: Many of these cases will eventually come good, all the same.

Mr. H. D. EVANS: I hope the honourable member is right. I make the point that the function of the authority is to assist if it possibly can. It is not classed as being part of the business world or the banking world in that it is set up for the purpose of making investments and for no other reason. Its function is to assist and to ensure that any property is maintained as an operating unit. It will, at all times, be endeavouring to give help and if any error is made I am positive it will be made for the individual who makes the application and not for the authority.

Nevertheless, I draw the attention of members to the fact that, once again, the authority is contained by limited funds. It is also responsible to the State, because it has to make good any deficiency through mismanagement and, of course, any authority must be conscious of this particular duty. Further, the Commonwealth has to be satisfied in regard to the use of available funds—that is one of the limiting factors—and if the authority is not reasonably satisfied that viability can be assured it has no alternative but to refuse assistance to the applicant concerned.

Before I touch on the composition of the authority perhaps it would be as well to point out that it is not easy to make a decision of this kind. Some members opposite have pointed this out by implying that it is not an easy matter, for a start, to assess the income of an individual and to decide whether his property could continue to operate as a practical and economic proposition. There are several factors to be considered and in this regard quality is not an important point. Security has been defined as being the best that is available. So security does not require a first mortgage or any provision of this kind. As I have already mentioned, equity does not enter into the matter. It is the total value of the property that counts based on the current market valuation and that is the situation on which the decision is finally determined.

However, the most important consideration is not the value of the property or the security that can be offered, but the cash flow. It is here that the income is balanced against the debt services and operating costs to make the final analysis an economic exercise with regard, of course, to the borderline case. In such a case information regarding the individual involved and any local factors that can be obtained by the authority are considered in the course of its processing. So members can see that there will be nothing haphazard about the work of the authority.

It is a subject that requires exhaustive study and the processing of a single application can run into quite a few days' work on the part of very skilled persons.

I now come to the composition of the authority. I enumerated its members when I introduced the Bill to the House. It was noted that they would be a commissioner of the Rural and Industries Bank; a senior Treasury officer; a member of the rural economics section of the Department of Agriculture, and an individual who represented farming interests.

Each of those persons was chosen for a particular purpose—for a specific quality and expertise which he could offer to the body as a whole. I do not think the members could be easily supplanted because they have gained great experience in their comparisons with other States. It is at this point that the question of a board of appeal raises its head. Before disagreeing with the amendment which has been foreshadowed, let me make this point again: We have here four most experienced men, and men as qualified as any we could possibly find in this State, making decisions after most exhaustive and thorough research.

The SPEAKER: The Minister has five more minutes.

Mr. H. D. EVANS: Where else could we expect to find somebody with experience comparable with that of the farmer-member who not only is a successful farmer in his own right, and experienced in war service land settlement, but is experienced to a high degree in local government matters also? It would be most difficult to replace or equate him. It would be most difficult to find anyone more experienced than the head of the rural economics section of the Department of Agriculture with all the follow-up expertise he has behind him. When public funds are involved how can we dissociate this project from the Treasury? That member is, of course, a prerequisite. In regard to the Rural and Industries Bank being involved, we have the tradition of the specialised agencies, and the chairman of the board, drawn from this source, is a man with a long history of dealings with rural industries.

If we are to countenance a further appeal board who shall make the final assessment if there is to be a reappraisal of the situation? To be worth while the appeal would not have to be on the same information presented in the normal process; the appeal board would have to make its own inquiries and we would therefore have a degree of duplication, even excluding the time factor which seems to suggest the total impracticability of it.

Mr. Lewis: Your argument would apply equally to other bodies which have provision for appeals.

Mr. H. D. EVANS: What about the land board? Once the tribunal makes a decision, that is it.

Mr. Lewis: Yes, I know.

Mr. H. D. EVANS: Here again the situation is the subject of far greater consideration than a straightout hearing of that kind. Days of research come into this and in the ultimate we have the opinion of an expert body which may be reviewed. Where does one go?

Mr. Lewis: Appeal boards are provided in respect of other experienced bodies.

Mr. H. D. EVANS: I make the point that it is hard to justify the additional provision foreshadowed by the Leader of the Country Party. However, I am quite prepared to meet this situation a little further in the course of the debate at the appropriate time. I do not think I have omitted to answer any points raised.

Mr. Nalder: You didn't make any reference to the idea of allowing members of Parliament to be informed of exactly how the authority works. You have covered this situation in the schedule, but we would like to know the detail of how the authority works. You have completely ignored this aspect.

The SPEAKER: The Minister has one minute in which to answer.

Mr. H. D. EVANS: That is not so. If the honourable member takes the trouble to read the schedule he will see that guidelines are laid down very clearly and they are the principles which must be applied to each individual situation. The application form provides the personal circumstances.

Mr. Nalder: That is an easy way of side-stepping the real issue, and you know it is.

Mr. H. D. EVANS: Rubbish. The information contained in this analysis provides the factual detail.

Mr. Nalder: Tell us the basis on which the authority is to assess the income of any property. Is it sheep, wool, meat, or something else? That is the important factor we want to know.

Mr. H. D. EVANS: It is the capacity to generate income by whatever means.

Mr. Nalder: Well, give us the detail of it so that we know.

Mr. H. D. EVANS: Every single situation will be met. The member for Blackwood was concerned about horticulture. That may be involved and so might pure sheep propositions in the pastoral areas. It is the capacity of the individual situation to generate income to service debts and permit operation which is the broad principle. If the honourable member has a further look at the schedule it will probably serve to enrich his background

a little. Mr. Speaker, with the expiration of my time, I commend the Bill to the House.

Question put and passed.

Bill read a second time.

House adjourned at 10.32 p.m.

Legislative Council

Wednesday, the 25th August, 1971

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

QUESTIONS (9): ON NOTICE

1. LOCAL GOVERNMENT

Plant Used For Private Works

The Hon. S. J. DELLAR, to the Minister for Local Government:

What is the Government's policy regarding the use of Government plant by Local Authorities to carry out private works in competition with private contractors?

The Hon. R. H. C. STUBBS replied:

Without knowing the situation which gave rise to this question a precise answer is not possible. Individual circumstances would determine policy. Municipal councils generally do not enter into competition with private contractors.

2. STATUTORY BODIES

Investment Powers

The Hon. R. J. L. WILLIAMS, to the Leader of the House:

What Statutory bodies are able to invest funds in trustee-guaranteed companies and societies?

The Hon. W. F. WILLESEE replied:

This information is not readily available. The Honourable Member can obtain this information by examination of the relevant statutes.

3. CORRIDOR PLAN FOR PERTH

Statement By Premier

The Hon. G. C. MACKINNON, to the Leader of the House:

As the Hon. the Premier stated on television on Monday, the 23rd August, 1971, that he had been approached with regard to allega-