

Legislative Council,

Tuesday, 6th November, 1934.

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

AUDITOR GENERAL'S REPORT.

The PRESIDENT: I have received from the Auditor General a copy of his report on the Treasurer's statement of the Public Accounts for the financial year ended 30th June, 1934. It will be laid on the Table of the House.

ROYAL PREROGATIVE OF PARDON SELECT COMMITTEE.

Extension of Time.

On motion by Hon. H. Seddon, the time for bringing up the report of the Select Committee was extended to Tuesday the 20th November.

LEAVE OF ABSENCE.

On motion by the Chief Secretary, leave of absence for six consecutive sittings of the House granted to the Honorary Minister (Hon. W. H. Kitson) on the ground of public business.

BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE (No. 2).

Read a third time, and *passed*.

BILL—FORREST AVENUE CLOSURE.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.40] in moving the second reading said: The purpose of the Bill is to

obtain Parliamentary sanction for the closure of a short section of the northern end of Forrest Avenue at East Perth. The portion it is proposed to close is shown on the lithograph that I have laid upon the Table of the House. It runs from the corner of Wellington and Plain Streets in a north-easterly direction to the corner of Horatio and Bronte Streets. The Government intend to erect a new Perth Girls' School on the two areas coloured red on the lithograph, and in order to make the best use of the ground, it is advisable that the portion of Forrest Avenue which bisects one of the areas, should be closed. In the original proposal made three years ago, the junction of Bronte and Plain Streets was to have been closed, but this proposal was rendered impossible by the lowering of both Bronte and Plain Streets at their intersection, by the Perth City Council. It is now impracticable to close any portion of Plain Street, and the two areas must, unfortunately, remain divided. To make the best use of the divided site, it is proposed that the building shall be erected on the block west of Plain Street and the other block will be used entirely as a sports ground. It is estimated that the building, grounds, etc., will cost £60,000 and the work will take approximately two years to complete. The matter of closing the road is one of urgency as the Government are anxious to give employment to at least 40 men who are at present on sustenance, and within two months employment will be provided for 150 men. The western portion of the land is ready for ground treatment, but this is held up until the eastern portion of the site is available by reason of the closure of the road. The Perth City Council has definitely agreed to the closure and there is ample road access in the vicinity without the provision of any special road diversion. I move—

That the Bill be now read a second time.

Question put and *passed*.

Bill read a second time.

In Committee.

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

**BILL—ROAD DISTRICTS ACT
AMENDMENT (No. 2).**

Second Reading.

Debate resumed from the 31st October.

HON. V. HAMERSLEY (East) [4.45]: I thank the Chief Secretary, who secured the adjournment of the debate, for according me the privilege of saying a few words, and I hope other members will add to the debate. When I first perused the Bill, I regarded it as rather dangerous. I have received letters from several road boards in my province commenting upon the Bill and pointing out that deputations had waited upon Governments from time to time with a view to having the Road Districts Act amended so as to place boards in a better position to deal with land, in respect of which rates had accrued over a number of years. The boards are anxious to reach finality respecting such blocks and are hoping that Parliament will be able to ease the position for them. To make the matter clear I shall read a letter I have received from the Beverley Road Board respecting land in their area. I know the land in question. It has been a source of serious inconvenience and trouble to the Beverley Road Board for many years. When the Great Southern Railway Company constructed the line from Beverley to Albany, the company had a large number of blocks outside the Beverley township. Their idea was to have the blocks available for homes for the workers employed on the construction. After some years, the Government bought out the company. Immediately a change took place and many of the blocks that had been sold were of no further use. No township was created there and, to all intents and purposes, the blocks were abandoned. There was no possibility of the areas being absorbed as town blocks, although they might have been dealt with in larger areas. In many instances, the difficulty of the road board was to trace the owners and, in the meantime, the rates had accumulated to a large figure. With the spread of rabbits, these vacant blocks in the vicinity of Beverley and other centres became a menace and, in fact, constituted a curse to people owning adjacent areas. These blocks practically belong to no one, and the road boards are at a loss how to deal with them. In the letter I received from the Beverley Road Board, information is embodied that

was placed before the 1934 Road Board Conference and the Government, to indicate the position with which the board are confronted. The letter states—

On the 29th August, 1931, 60 blocks of town-site land were offered for sale by the bailiff under orders from the court. The total rates—road board, water rates, and land taxes—accrued upon these blocks amounted to £870 13s. 4d. The costs paid out by this board in accordance with the Act to effect the sale of the land were £56 14s. 9d. Of the 60 blocks offered, 38 blocks only were sold, the total proceeds from the 38 blocks sold being £28. The 22 blocks remain unsold. The rates owing on the 38 blocks sold were as follows:—Beverley Road Board rate £205 0s. 1d., plus court and sale costs, £56 14s. 9d.; Water Supply Department rates, £281 15s. 4d.; land tax, £15 13s. 11d.; total £502 9s. 4d. The proceeds of the sale, namely £28, were by the court allocated as follows:—To the bailiff for fees, £3 12s. 3d.; Water Supply Department on account of rates, £15 1s. 3d.; Taxation Department, £9 4s.; Beverley Road Board, on account of costs, 2s. 6d. out of £56 14s. 9d. expended; and Beverley Road Board, on account of rates, nil, out of £205 0s. 1d. owing.

That absorbed the whole of the proceeds of the sale, and the Beverley Road Board, who had gone to the expense of advertising and putting up the blocks for sale in order to recoup themselves, found that they had gone to all that expense only to receive nothing in return for the expenditure they had undertaken and in respect of rates owing to the board over a considerable period.

Hon. H. J. Yelland: Could we not deal with that matter when considering the Bill in Committee.

Hon. V. HAMERSLEY: The Bill may not reach the Committee stage. I think I am right in proceeding in fairness to those who are most anxious to secure the amendment of the Act. I know that many members are disinclined to vote for the second reading of the Bill. In those circumstances, it is as well for me to put the position of the Beverley Road Board before members for their guidance.

Hon. G. W. Miles: Is it not possible to amend the Bill in Committee to meet the requirements of the Board?

Hon. J. Nicholson: No: it would require a new Bill.

Hon. C. F. Baxter: It could not be done on this Bill.

Hon. V. HAMERSLEY: I wish to be fair, so I will inform the House that, as a result

of subsequent correspondence, the Government departments concerned agreed to forego their claims and allowed the Beverley Road Board to secure a fair proportion of the £28. There are many other such instances, and if the boards concerned were to take action, they might not receive the same consideration from the departments affected as did the Beverley Road Board. These boards have to carry out various obligations such as road construction, and so forth, in the areas concerned, and, in view of such instances, they are not inclined to take the risk involved in putting up blocks for sale.

Hon. J. M. Macfarlane: Did not the departments pay their quota towards the expenses?

Hon. V. HAMERSLEY: No. I understand the departments usually wait for a road board to take action.

Hon. J. M. Macfarlane: That seems very unfair.

Hon. V. HAMERSLEY: It does, particularly as the road boards have been owed these rates over long periods, and then, on top of that, having gone to expense in advertising the sale of the blocks and incurring costs in carrying out the legal requirements, they find themselves without any chance of a recoup. In those circumstances, it would be unfair for such land to revert to the Crown. The Beverley Road Board claim it would be more fair, seeing that the board are out of pocket, that the land should revert to them, because they might possibly find purchasers for the blocks in their own locality. On the other hand, if the land were to revert to the Crown, the Government might not be so interested in securing the disposal of the properties.

Hon. J. M. Macfarlane: And all the time the rabbits are left in possession.

Hon. V. HAMERSLEY: Yes, the blocks are happy hunting grounds for rabbits. In one fairly large township, the gardens and lawns were practically eaten out last year, and the people there are considering whether they should fence their individual holdings with rabbit-proof netting. That will serve to indicate what a menace the rabbits have become. Naturally the boards desire the vacant blocks to be occupied. There is another grave danger likely to arise if we agree to the passage of the Bill. I refer to the position of a person who may hold a mortgage over a property. He is supposed to get notice from the local authority at the

end of five years regarding the accumulation of rates on the holding. If, however, he is out of the State, the notice misfires and the sale goes through. The person who owns the block will probably pay interest through the individual who holds the mortgage, but over a period of years may not pay his rates. The local authorities can put up the land for sale by auction. There, again, there might be possibility of collusion. It could easily be arranged that the person who holds the mortgage might make use of the Bill as a means of getting rid of the mortgage. The local authority would advertise the block for sale, and the purchaser would secure a clean title to the property. The purchaser might be a dummy for the person who had the mortgage, and it is quite possible that the dummy would get that property at a lower figure. Mr. Gray mentioned the case of someone in San Francisco who owned a property at Cottesloe. There was an opportunity, it was thought, of buying that land at a cheap rate, but when the owner was communicated with and learned that there was a buyer in the offing, the price went up considerably. That is an instance where someone thought he could get hold of something cheap. I know of one or two cases where the local authorities have abused their power by over-valuing land on which they were collecting rates. In one instance a road board valued a property of fair size at £10 an acre. The owner said it was a ridiculous value as the land was only fit for carrying stock, and very little at that, about one beast to every five acres. Still the road board valued the land at £10 an acre. That was on the unimproved value.

Hon. A. Thomson: The owner could appeal against that.

Hon. V. HAMERSLEY: He was too late on the first occasion and he had to pay. In the following year he was rated again on the £10 value. He appealed but the board would not listen to any reduction. Then he went to the court, and the magistrate reduced the unimproved value of the property to £4. The owner still claimed that even that figure was £2 more than he was prepared to accept for the land in its improved state. Yet he had to pay on the £4 valuation. Twelve months later the local authority rated him again on the £10 basis, and the owner could only conclude that was done for the purpose of harassing him. He

was very glad to get rid of the property by selling it for £2 an acre. I suppose the same road board would rate the new owner at something like the £4 fixed by the magistrate. All this goes to show the abuse that can take place in connection with the ownership of land, and why in many instances we find people are not anxious to go on with that kind of investment. It is most important that these lands should be dealt with in some way, but at the same time we should recognise the risk there is in connection with instances where an unfair value is placed on the property. That to my way of thinking is the reason why some people say they will not pay the rates, and tell the local authorities to take the land. I know of another instance where a property was mortgaged for £500. The mortgagee had no notice from the road board that the rates had not been paid. The property was advertised for sale and would have gone to the highest bidder. Someone drew the attention of the mortgagee to the fact that the land was to be sold, and when inquiries were made it was found that the board had allowed the rates to accumulate to the extent of £120.

Hon. A. Thomson: The mortgagee must have been rather lax.

Hon. V. HAMERSLEY: Perhaps so, but there are many people who rely upon their agents to advise them. In many cases it would not be possible in depressed times to find £120 for the payment of rates. I presume the person who had mortgaged the property was counting upon the property being disposed of and getting out of the liability. Generally the measure is bristling with difficulties. I am at a loss to know what can be done. I cannot see that the Bill will satisfy the road boards since it provides that the land will revert to the Crown, and there is no guarantee that the Crown will recoup the local authorities for the expenses they have incurred in advertising and going through the usual procedure. If the local authorities are not to get anything there will be no inducement for them to move, and everything will remain in a state of chaos. It is a serious problem, and I sympathise with the boards that are unable to collect the rates, and that cannot be assisted by the Government or Parliament to get them out of their difficulties. The Bill goes too far when it

provides that the land shall revert to the Crown; the Crown has never done anything towards making the proposition better for anyone. The local authorities on the other hand have spent money in constructing roads and providing conveniences all round, and yet they are not to receive anything in the shape of a recoup from the Crown. The Bill does not appeal to me, and I shall oppose it.

HON. G. FRASER (West) [5.10]: I intend to support the Bill. Most of the speakers so far have dealt with the question of the position of the mortgagee. If the Bill be passed the position of the mortgagee will be no different from what it is to-day. It has been suggested that mortgagees will not be notified that rates are owing. They are not notified to-day.

Hon. J. Nicholson: Yes, they are.

Hon. G. FRASER: They are not, and that cuts out all the argument against the Bill in respect of mortgagees. I do not know that too many mortgagees are likely to be affected if rates are not paid. Any person lending money on land that cannot even be sold for the amount of the rates owing must have more money than he knows what to do with, and is anxious to give it away. Under the existing Act a road board, after the lapse of five years, advertises the land, but against the sale there is the fact that debts are piled up on it and in many instances buyers cannot be found. The road boards are no better off as each year passes because the rates keep piling up and the higher the amount owing the more difficult it is to sell the land. If the Bill goes through it will mean that the land will revert in the Crown, and it will be free of all liability. Then there will exist some opportunity for the land to be sold and the road board will benefit by reason of being able to collect rates from the new owner. It is just a question whether we are going to allow the existing position to continue, and permit the piling up of debts on the books of the local authority, or whether we are to provide the opportunity to clean the slate as far as the bad debts are concerned. I consider we should provide this opportunity. It has been suggested in the course of the debate that the local authorities will not put up the land for sale because, if a sale does not take place, the property will revert in the Crown.

What I think will happen is that the road boards will willingly accept the Bill as far as most of the areas are concerned, those areas on which rates have not been paid. Most of those blocks are absolutely unsaleable and I believe that road boards will take the opportunity to wipe off the bad debts from their books. But in respect of all land from which they have a chance of getting a return through sale, the Bill gives them an opportunity to recoup any rates owing. Therefore I consider that the road boards have everything to gain and nothing to lose by the passing of the measure.

Hon. J. Nicholson: After the sale there would not be a remedy against the ratepayer in default, because the block would then be Crown land.

Hon. G. FRASER: That is so, but with all the debts cleared off it. There is then an opportunity to sell.

Hon. H. V. Piesse: But the road board would lose all chance of obtaining income from the block.

Hon. G. FRASER: The majority of the blocks here in question are blocks which the hon. member interjecting would not accept as a gift. The existing debts must be carried on. I admit that some of the blocks cannot be sold because of the debts on them. If the debts are removed, there is a chance to sell; and from such blocks the road board would in future obtain payment of rates. If such blocks revert to the Crown—

Hon. H. V. Piesse: The money goes to the Crown.

Hon. G. FRASER: Yes, but after that rates will come in again.

Hon. J. Nicholson: The sale price goes to the Crown, and not to the road board?

Hon. G. FRASER: That is so, but with the debts now owing—

Hon. J. Nicholson: Then the road boards will not be any better off.

Hon. J. M. Macfarlane: A road board would be the most likely body to put the land to use if the expenses of sale were reduced.

Hon. G. FRASER: The trouble is that the existing debts make the blocks too costly.

Hon. H. V. Piesse: The blocks could be sold at any price.

Hon. G. FRASER: That could still be done if the Bill goes through. The measure deals only with land at present unsaleable. Under existing conditions, the debts pile up,

and every passing year makes the sale of the land more difficult.

Hon. H. V. Piesse: Do not you think the process of selling should be simplified?

Hon. G. FRASER: Yes, but in attempting that let us not make the position worse than it is. I admit that road boards have to go to a deal of expense in attempting to sell, and that they run the risk of losing that expenditure if no sale eventuates. Under the Bill there is a chance of recouping such expenditure. The money goes to the Government when the land is sold.

Hon. H. V. Piesse: And the rates are wiped off.

Hon. G. FRASER: Yes, but after the sale the road board will reap rates from the new owner. As things are, there is no possibility of the road boards reaping any rates from these blocks, because the existing debts make the land unsaleable. Whereas on the surface it appears that the road boards will lose everything—

Hon. H. S. W. Parker: As regards water rates there is no risk to the Government, who will derive all the benefit.

Hon. G. FRASER: As to water rates, in many cases the Government are put to the expense of running water through an area where, because of unused and unsaleable land, the revenue is low. Therefore the Government should receive some consideration in that respect. Under the Bill, it seems to me, the road boards will be much better off than they are at present. If the measure is rejected, a position which the road boards have for a long time been wanting to change will be perpetuated. The road boards are already losing the rates on such blocks. Every year the debts increase, and lessen the prospects of selling. Under the proposals of the Bill land will be sold easily, and from the time of sale onwards the road boards will again obtain rates. I support the second reading.

HON. A. THOMSON (South-East) [5.21]: I must confess that I am rather surprised at the opposition to the Bill. In my opinion, it expresses an endeavour on the part of the Government to relieve the difficult position in which many road boards are placed. The Leader of the House expressed himself to that effect when moving the second reading. I may be wrong, but the Bill as I interpret it means that. The road boards, in their wisdom, may decide

to put up certain blocks for sale, and upon a sale being effected they are entitled to obtain all that is due to them. Only such blocks as no purchaser can be found for will revert to the Crown. We know that in many country towns, if not in the metropolitan area, there are numerous blocks the owners of which have decided not to continue paying rates, as they cannot either sell the blocks or even give them away. So the rates accumulate. I fail to see what benefit will result to the road boards from blocks of absolutely no value reverting to them. Far better let such land revert to the Crown. Then the road boards can wipe the blocks off their books.

Hon. H. S. W. Parker: Do not you think it is rather a waste of money to put such blocks up for sale?

Hon. A. THOMSON: It may be or may not be. After all, the owner of the block must be protected, and therefore it is necessary to give due notice of sale. The notice having been given, the block is put up for sale.

Hon. H. S. W. Parker: Why go through the expensive farce of putting up for sale a block which cannot be sold?

Hon. A. THOMSON: If the hon. member can show me a simpler method of overcoming the difficulty, I shall be only too glad to support him.

Hon. H. S. W. Parker: I have already spoken.

Hon. A. THOMSON: So far as I see, the Bill does protect the owner. Protection is given to him by proposed Section 285A. The difficulties which some hon. members see may be real. One can sympathise with the Beverley Road Board, for instance, in their unfortunate position. I would support an amendment ensuring to the local authority offering the land for sale a first claim on any proceeds, in respect of expenses of sale. I understand that the legislation relating to water boards authorises the sale of land for non-payment of rates.

Hon. J. Nicholson: Do you propose to amend the Acts relating to land taxation and water supply and so forth which need to be amended so that preference may be given to road boards?

Hon. A. THOMSON: I do not know whether the position can be met. However, in introducing the Bill the Chief Secretary definitely stated that if vacant land was not sold after it had been put up for

sale under the first order of sale, it should be re-vested in His Majesty, freed of all encumbrances and discharged of all rates and taxes. I consider that the measure will prove of great benefit to many road boards. In a road district in my province a man said to me recently that he was willing to give me half a dozen blocks for nothing if I would accept them and pay the rates on them. Where land has been subdivided as town blocks and rated accordingly, provision should be made to let it revert to the Crown, if upon non-payment of rates, it proves unsaleable. Goldfields members know how in the principal business areas of the fields the chief activity at one time was the sale of buildings for removal to other parts of the State, many of the blocks on which such buildings had been erected reverting to the Crown. All rates and taxes, of course, had to be paid before the removal of any building.

Hon. J. Nicholson: That was a voluntary act.

Hon. A. THOMSON: Yes. As was pointed out by Mr. Fraser, the road boards to-day have power to do exactly what the Bill proposes, with the exception that the land does not revert to the Crown.

Hon. J. Nicholson: But the point is the simplification of the procedure.

Hon. A. THOMSON: So much the better if it can be simplified. I hope the Bill will pass the second reading.

HON. J. CORNELL (South) [5.31]: If this were a Bill to impose a tax, something which had to be passed, there would be a great deal more positive criticism and less negative criticism advanced. Actually the Bill does not concern this Council at all, and to those members who have put up so many obstacles in its path I would suggest that they get down to business and seek to amend the Bill in the way they think necessary. The Bill was introduced in another place by the Minister administering the Road Districts Act, and it was done at the request of the road districts conference.

Hon. H. S. W. Parker: But he has embodied in the Bill only portion of their requests.

Hon. J. CORNELL: Then, seemingly, that is another reason why the Bill should

not be passed: because not all the requirements of the road board conference are embodied in it. There are nine or ten road boards in my electorate, but not one of them has sent me a line about the Bill.

Hon. G. Fraser: Not one in my electorate sent me a line.

Hon. J. CORNELL: The purpose of the Bill is to discover some method whereby local authorities can get rid of encumbered land that has fallen in on them. When they succeed in selling such land, they then turn their attention to the new owners, but when the land cannot be sold the Bill proposes that it shall be revested in the Crown, whereas Mr. Nicholson suggests it should be vested in the road board concerned. The scope of the Bill is the re-vestment of certain land, and the Title of the Bill embraces the same object. The question whether these encumbered unsaleable lands should be revested in the Crown or vested in the road boards can be decided in Committee.

Hon. G. Fraser: The Minister who introduced the Bill said the road board conference was not particular which method was adopted.

Hon. J. CORNELL: Some members who have spoken seem to think it is not their business to amend the Bill. I can remember scores of other Bills about the amending of which those members had no compunction. If members think the responsible Minister has failed to do a complete job, it is up to them to complete it for him. The Bill could be sent to a select committee. The Administration Amendment Bill was not accepted by this House in the form in which it was sent here. It proposed, in certain provisions, to deal with property, so members sat up and took notice, and sent the Bill to a select committee. In my view, the local authorities throughout the State are entitled to similar treatment by the Council, not to the cavalier treatment suggested by those members who say the Minister has not done his job.

Hon. H. S. W. Parker: The main request is to minimise the procedure.

Hon. J. CORNELL: Well, the hon. member with his alert and trained mind should be able to do that.

Hon. H. S. W. Parker: Will you tell me how water rates can be brought under this Bill?

Hon. J. CORNELL: Let the water rates look after themselves. Only two sessions ago, as goldfields members know, a special Bill was brought down to re-vest in the Crown numerous blocks of land in Kalgoorlie and Boulder for which no price could be secured.

Hon. H. Seddon: They are bringing a nice price to-day.

Hon. J. CORNELL: Yes. So the principle of re-vesting encumbered blocks in the Crown was established by this House when, only two sessions ago, we passed a Bill under which some 300 blocks were re-vested in the Crown.

Hon. H. S. W. Parker: Would it not be advisable to bring down another Bill, under which we could get 40 or 50 additional blocks?

Hon. J. CORNELL: The easy thing would be to throw out the Bill, but I say the road boards are just as much entitled to consideration as is some taxpayer who wants his tax reduced. I hope the Bill will pass the second reading.

Hon. H. S. W. Parker: Do you think the Road Board Association approves of it?

Hon. J. CORNELL: I have 10 or 12 road boards in my electorate, but not one has written to me about it. I will support the second reading, and if any member moves an amendment in Committee, I will consider it; but I am not prepared to throw out the Bill in cavalier fashion, as some members desire.

HON. R. G. MOORE (North-East)
[5.40] I will support the second reading, for I cannot see any harm in passing it, whereas I can see that the Bill may do a certain amount of good. To-day the road boards have power to sell any block of land whereon the rates have accumulated for five years, and it does not matter if the land realises an amount smaller than that owing; in other words, the land can be sold for any price it will fetch. But at present, if an encumbered block is not sold, or if the road board fail to offer it for sale, the rates go on steadily accumulating and, as a result, the board's books show a false position, inasmuch as they carry an enormous amount in accumulated rates which can never be collected. Under the Bill a block of land can be re-vested in the Government only after the road board has tried to sell it, and failed. Not one of the road boards in my electorate has written to me protesting against the Bill,

while those with whom I have communicated say they have nothing against the Bill.

Hon. E. H. Gray: Some of them are in favour of it.

Hon. R. G. MOORE: Yes. In some of the outback goldfields towns which have been denuded of their populations, the title deeds of encumbered land cannot be found, nor can the owners be traced. If those lands could be reverted in the Crown, they could be re-sold with new titles. Altogether, I am sure the road boards would be no worse off under the Bill than they are at present. In any case, the blocks contemplated by the Bill are of no value and so they might as well go to the Crown, especially since that can happen only after the road board has attempted to sell them, and failed. Under existing conditions the accumulation of rate arrears continues and the books of the road board are made to look infinitely worse than they should. If an amendment is submitted in Committee to make the measure more favourable to road boards, I shall support it. I should like to see an amendment to the effect that the expenses incurred by the board should be the first charge against the land. I cannot see that the Bill will do any harm, and it might do good.

HON. E. H. ANGELO (North) [5.46]: I shall support the second reading but I should like to see provision made to the effect that when the land is handed back to the Crown an encumbrance against the block might be created equal to the amount of rates due to the board, together with any expense that the board might have incurred in attempting to sell the land. That encumbrance would then become part of the price of the block, and the understanding would be that when the Government sold the block, the amount of the encumbrance would be returned to the board to recoup them for the expense of selling the land and for any work done in the locality to enhance the value of the land. Boards would immediately wipe off all bad debts and the blocks would be removed from their books, thus enabling the boards, as seems desirable, to clean up the bad debts. If, later on, the value of a block increased, there would be a possibility of recovering some of the bad debts. The Government might be able to obtain good prices for some of the blocks, as we hear has been the experience with goldfields blocks. That

would enable the Government not only to pay the road boards, but to make a second sale price for those particular blocks. If these suggestions were adopted, most of the objections advanced by members would be overcome. A second provision might also be inserted to compel the road board, before submitting a block for sale, to ensure that any mortgagee or holder of an encumbrance against the block to be offered for sale was notified. That would overcome most of the difficulties. I hope that amendments along the lines I have mentioned will be submitted.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central—in reply) [5.49]: Mr. Nicholson is opposed to the Bill as it stands. He said that a deputation from various road boards had waited on the Minister requesting legislation to deal with the subject of the Bill, but that the measure was not what they wanted. What they wanted was legislation to simplify the procedure which, he said, was cumbersome and expensive. To follow the procedure of the Act, involved, he stated, the expenditure of £1 to 30s. per block, which statement is approximately correct. Of course, it would be exceedingly easy to draft a Bill to simplify the procedure, but it would not, I am sure, receive the support of Mr. Nicholson.

Advertising the sale of the blocks once in the "Government Gazette" and once in a newspaper could be dispensed with; the Act could be amended so that it would no longer be necessary to give three months' notice to every person in Western Australia who was shown by a search in the Titles Office to have any estate or interest in the land, and the provision could be removed which makes it obligatory that a magistrate should be satisfied that all the requirements of the law had been fulfilled. The Bill could make the land forfeitable to the board after any rates had remained unpaid for five years or even a lesser period, but such a provision would open the door to grave abuse.

Some boards might develop, willingly or unwillingly, into a set of the biggest land-grabbers in the State. The greatest danger would be where careless persons were trustees, or otherwise had control of large estates, or a trustee might be dishonest and not pay the rates, and the beneficiaries might wake up one morning to find their property had gone. Mr. Nicholson would

be one of the stoutest opponents of any scheme of simplification that would lead to such possibilities. The hon. member's principal objection appeared to be that the land would revert to the Crown free of all encumbrances. It must be remembered that such land would be practically valueless. What encumbrances could there be apart from the rates due to the road board or to the Water Supply Department? Would anyone lend money on such land? Under the procedure laid down in the Act, every care is taken to make known that such land is to be submitted for sale. Everyone would know from the local paper that the sale was to be held and probably there would not be a bidder. What danger could there be to a mortgagee, or to any person with a claim against the property? None whatever. I do not know of what use such blocks would be to the Crown, or to anyone else probably for years to come. The Crown, by agreeing to take such land over, is simply making itself a sort of rubbish tip for the convenience of the road boards. Years ago hundreds of blocks, pocket handkerchief blocks, in the metropolitan area were sold to people on the goldfields and in the country districts, and when the purchasers sought them they discovered that the blocks were miles away from Perth on sandhills or close to the Darling Range. Fifteen years ago a man on the Murchison goldfields told me that he had purchased a block of land in Perth for £50 cash. He thought it would be a great asset to have land in the city. Later, when he made inquiries, he discovered that it was located half way to the Darling Range.

Hon. C. G. Elliott: He was not the only one who was caught.

The CHIEF SECRETARY: No, many people in country districts were thus victimised by sellers of land. In August last a deputation representing nine road boards waited upon the Minister for Works and asked for his assistance in removing the difficulty in dealing with this class of land. The deputation consisted of Messrs. J. Scaddan (Perth Road Board), F. McDonald and R. Duffield (Beverley), Worthing (Yilgarn), W. R. Orr (Gosnells), G. C. Sudlow (Fremantle), P. S. Stanton (Belmont Park), A. Y. Burvill (Albany), H. Growden (Quairading), and J. Adams (Corrigin). Mr. J. I. Mann, member for Bever-

ley, introduced the deputation. The report of the deputation which appeared next day in the "West Australian" makes interesting reading now. It stated—

Mr. Scaddan said that a large number of subdivided estates in the Perth Road Board area had been handled from time to time for speculative purposes. When times were apparently prosperous, people bought blocks of land as a speculation and allowed rates to accrue on them, because they knew that the road board could not sell the blocks until five years had elapsed. Like Micawber, they waited for something to turn up. This was not fair to the land owners who paid their rates promptly. When the road board offered a block for sale, the original owner might buy it for 2s. 6d., with the rates written off. In any case, he could get a dummy to act for him at the sale. On December 12 last year, the Perth Road Board sold land in the Coast Ward on which £463 12s. was due in respect of rates. An amount of £194 1s. 3d. was recovered and £269 10s. 9d. was written off, the total loss to the board being £288 7s. 3d. Another sale of land in the Inglewood and Peninsula Wards on March 15 last resulted in a total loss to the board of £786 8s. 5d.

Mr. Scaddan outlined the procedure prescribed by the Act involving submission of schedules to the Lands Department, and the Taxation and Water Supply Departments, consultation with all parties concerned, court procedure and advertising. The cost, he said, amounted to approximately £1 15s. for each holding on the schedule. It was a cumbersome and very involved method. The Perth Road Board considered that rates and taxes in arrears should be charged as an upset price against forfeited land when it was sold. If the upset price was not reached, the land should revert either to the board or the Crown. Once a land owner had been notified that his rates were five years in arrears, publication in the "Government Gazette" of the fact that the land was going to be submitted for public auction ought to be sufficient additional notification.

Hon. J. Cornell: And Mr. Scaddan is Chairman of the Perth Road Board.

The CHIEF SECRETARY: I do not know what is the circulation of the "Government Gazette," or how many readers it has. The newspaper report continues—

A Deputationist: The suggestion would not suit country road boards, for blocks there could not possibly be sold if rates and taxes comprised the upset price.

Mr. Duffield said that 38 blocks of land sold by the Beverley Road Board had realised £28 and the cost of the sale was £56. The board had been offered 2s. 6d. as a result of the sale.

The Minister: Well, you showed a profit.

Twenty-two blocks were unsold at the sale, went on Mr. Duffield, and the rates charged

against them were mounting up in the board's books year after year. The majority of the original owners were dead.

The Minister: Don't you offer the blocks for sale from time to time?

Mr. Duffield: No; the cost is too great. We would have to go through the whole procedure again, with the same result, as the blocks are practically useless. The blocks, he continued, might be sold for 2s. 6d. each, and the arrears written off.

Mr. Orr asked why the road boards should have to wait five years before taking action. According to the Act, the rates were due the month after the rate was struck.

The Minister: I do not think you will get much support in that direction.

Mr. Orr thought that a qualified committee should be appointed to draw up the requirements of road boards on the subject.

The Minister, in reply, said that the matter raised was most important. Departmental auditors had informed him that rates accumulating on forfeited blocks made the balance sheets of local governing authorities look far worse than they really were. The rights of the land owner, however, could not be overlooked. Any amount of people were unable to pay their debts, even in five years. In many instances the Crown was the biggest creditor, and it now ranked only as an ordinary creditor. The system was still cumbersome, and he was anxious to relieve the local authorities of a lot of expenditure. At present he could see no objection to the deputation's request. Unless an unforeseen obstacle was raised, he would be able to do what the deputation wanted.

Mr. Scaddan and other speakers conveyed a good idea of the worthlessness of the land—land which could not find a purchaser—and this is the type of land which some members say should not revert to the Crown. The Crown stands for the taxpayers of the State.

Hon. G. W. Miles: I hope you will always remember that.

The CHIEF SECRETARY: Mr. Scaddan did not care whether the land reverted to the Crown or fell into the hands of the Board, so long as it did not continue to cumber the rate book. According to Mr. Parker, on the strength of communications he has received from the Road Board Association, the local authorities were not so much concerned as to what was to become of the land as they were regarding the expense associated with putting the rate books in order, particularly in connection with their endeavours to sell land in respect of which rates were owing. In other words they want the procedure simplified; they want to deprive the owner of his title by a short cut. I do not see how it can be

done with safety. If these valueless blocks were alone involved, it would not matter. But all land on which the payment of rates had been neglected over the period stipulated—neglected perhaps through the negligence or worse of a culpable agent—would be subject also to the simplified short cut process, and the owners would suddenly find themselves deprived of their properties: whereas if the present procedure were continued, there would be a reasonable safeguard against such a happening.

Mr. Parker gives an instance in which he thinks needless expenditure could be avoided. He asks, "Why is it necessary to go to a bailiff and pay outside people certain fees when the work could be just as easily done by road board officials?" I do not think it would be advisable that such a course should be pursued. The bailiff conducts the sale, and has power to employ an auctioneer, and if he is not an auctioneer himself, it would be a wise thing for him to do. An experienced auctioneer often means the difference between the success and failure of a sale. It would be just as foolish, in my opinion, for a road board to send one of its officials, who had had no previous experience to conduct an auction of land, as it would be for the ordinary man to attempt to conduct an important case, in which he was concerned, in a court of law. There is one point that members appear to have lost sight of, and that is the fact that the measure will apply only to what is practically useless land. The Bill does not propose to take away the board's right to sell land in order to recover arrears of rates; if they can get a buyer. All that it proposes to do is to enable them to get quit of land they cannot sell—to clear their books of the accumulated arrears on such land.

In the event of the Lands Department being able to sell it, either in allotments as already surveyed, or amalgamated and re-surveyed into more suitable areas, then the road boards will be able to re-rate the property and it will become revenue producing.

Hon. J. Cornell: And posterity will bless us.

The CHIEF SECRETARY: Mr. Hamersley said that some of these blocks in country districts were a menace to surrounding properties, and a breeding ground for rabbits. He may have been referring to large areas of unsaleable land in the province he repre-

sents. He ought to have shown in what respect this measure was dangerous. He was under the impression that mortgaged land would be sold without any notice being given to the mortgagee. It is provided, however, that the mortgagee must be informed, if he is living in Western Australia, and that three months must elapse before any action is taken to sell the land. That is an essential safeguard of the position as brought up by the hon. member. The only question is whether the existing position can be permitted to continue. No rates whatever have been paid on numbers of these blocks for many years. Is this state of affairs to be allowed to continue indefinitely, or is this land to be handed over to the Government for the people of Western Australia?

Question—put and passed.

Bill read a second time.

BILLS (3)—FIRST READING.

- 1, Gold Mining Profits Tax Assessment.
 - 2, Constitution Acts Amendment Act, 1931, Amendment.
 - 3, Sandalwood Act Amendment.
- Received from the Assembly.

BILL—CITY OF PERTH SUPER-ANNUATION FUND.

Received from the Assembly and on motion by Hon. J. Nicholson read a first time.

House adjourned at 6.17 p.m.

Legislative Assembly,

Tuesday, 6th November, 1934.

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

BILLS (2)—FIRST READING.

- 1, Farmers' Debts Adjustment Act Amendment.
 - 2, Land Act Amendment.
- Introduced by the Minister for Lands.

BILL—GOLD MINING PROFITS TAX ASSESSMENT.

Message.

Message from the Lieut.-Governor received and read, recommending appropriation for the purposes of the Bill.

Third Reading.

THE ACTING PREMIER (Hon. A. McCallum—South Fremantle) [4.36]: I move—

That the Bill be now read a third time.

HON. W. D. JOHNSON (Guildford-Midland) [4.37]: Deeming that a grave injustice is being done in connection with the proposed tax on the profits of gold mining, I shall take the somewhat extraordinary course of speaking definitely against the Bill on the third reading. One would not do that unless one felt that a wrong was being done, and that some further protest was necessary; or, I would rather say it was necessary to make a further appeal to the Government to recognise that an injustice is being done. I suffer from a keen sense of disappointment, and I also resent