However, I am glad the opportunity has presented itself to enable members to debate the representation of various boards. I am sure members will see that the representation ratio will be maintained and I am sure that any problems of duplication will be resolved once the new authority comes into being.

Mr SKIDMORE: Although I intend to support this clause, I should like to say I have never seen such an untidy way of achieving an objective. Surely it would have been better to wait until the amalgamation took place and then introduce legislation. This would have avoided any possible duplication. I thank the Minister for the information he has provided and I accept his assurance that should a duplication of representation occur and the TLC is disadvantaged, the situation will be remedied.

Mr O'Neil: I did not give that assurance; I simply assumed this would be the case, and that it would follow as a normal course.

Mr SKIDMORE: I understood that to be the tenor of the Minister's remarks.

Clause put and passed.

Clauses 4 to 6 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

House adjourned at 6.01 p.m.

Legislative Council

Tuesday, the 24th August, 1976

The PRESIDENT (the Hon. A. F. Griffith) took the Chair at 4.30 p.m., and read prayers.

QUESTIONS (10): ON NOTICE.

1. "POLICY AND PERFORMANCE" PUBLICATION

Departmental Work Control

The Hon. R. F. CLAUGHTON, to the Minister for Justice representing the Premier:

(1) In respect of policy item 23 of "Policy and Performance", have work control and review methods been introduced in the departments of Works, Water Supply, Sewerage and Drainage?

(2) If so, when?

The Hon. N. McNEILL replied:

(1) and (2) To date, ten courses in work control and review, with over 200 participants, have been conducted at the R. H. Doig Executive Development Centre and 27 officers from the Public Works Department and the Metropolitan Water Supply Board have participated.

Since impetus was given by my Government for departments to critically analyse manpower requirements and reduce expenditure without loss of effectiveness, work control and review methods have been introduced to a number of activities of the above departments.

2. DOGS

Crown Land Reserves

The Hon. H. W. GAYFER, to the Minister for Justice representing the Minister for Agriculture:

(1) In each of the last three financial years, what has been the total cost to the Agriculture Protection Board, and the individual annual shire contributions towards the employment of dog trappers operating in those shires adjacent to Crown land reserves surrounding the metropolitan area?

(2) How serious does the Agriculture Protection Board view the dog problem in those areas referred to in (1)?

(3) Is there any predominant breed of dog, either wild or domesticated, that the department feels is a major menace to farmers adjoining Crown land reserves as referred to in (1)?

The Hon. N. McNEILL replied:

(1)—

	1973-74 $	1974-75 $	1975-76 $
Serpentine-Jarrahdale	nil	nil	nil
Wandering	130	130	130
Brookton	325	325	325
Beverley	325	325	325
York	325	nil	nil
Northam	325	325	325
Toodyay	nil	nil	nil
Chittering	nil	nil	nil
Gingin	1 300	1 570	1 570
Total Contributions Shires	2 730	2 675	2 675
Contribution APB	6 801	11 042	11 884
Total	9 531	13 717	14 559

The above contributions do not include Shire expenditure on the control under the Dog Act of neglected domestic dogs.

(2) Seriously in certain circumstances; properties bordering Crown Land or in isolated situations can experience considerable losses.

(3) No. Dog packs which harrass and attack stock are in many cases of farm origin and typically consist of a variety of breeds and cross breeds. In some areas dingoes or dingo crosses are implicated. Attacks by single dogs usually involve only the larger dogs.

3. FLIES
Eradication

The Hon. R. H. C. STUBBS, to the Minister for Health:

(1) Is he aware that two scientists attached to a university in Toronto, Canada, have developed an artificial hormone which, on continued tests, destroyed whole colonies of house flies especially accumulated for the experiments, and that another feature of the tests was that there was no adverse affect on man or animals?

(2) Is there any information available to the Western Australian Government on the work done in Toronto?

(3) If so, what is it?

(4) If not, in view of the fly menace in Western Australia, will inquiries be made?

The Hon. N. E. BAXTER replied:

(1) Yes.

(2) Yes.

(3) The hormones referred to are of terpene origin. The system involves mixing the hormones into cattle and chicken feeds, the hormones pass through the animals without adverse effect, and are excreted. The experiments have shown that 100 per cent of the flies that touch the waste are killed.

However, the report shows that additional research is necessary to provide the data needed on residues, if any, in milk, meat or eggs.

(4) Answered by (3).

4. RURAL HOUSING (ASSISTANCE) ACT
Proclamation

The Hon. T. KNIGHT, to the Minister for Education representing the Minister for Housing:

(1) (a) Has the Rural Housing Authority Act been proclaimed;

(b) if not, why not?

(2) If the answer to (1) is "No" when is it anticipated that the Act will be proclaimed?

The Hon. G. C. MacKINNON replied:

(1) (a) No.

(b) It is anticipated that the Rural Housing (Assistance) Act, 1976, will be proclaimed shortly when administrative arrangements necessary for the proper functioning of the Authority have been finalised.

(2) Answered by (1)(b).

5. LOCAL GOVERNMENT RATES
Forests Department Land

The Hon. H. W. Gayfer, for the Hon. T. O. PERRY, to the Minister for Justice representing the Treasurer:

In view of the large acreage of private land purchased by the Forests Department for softwood culture, will the Government give consideration to paying rates to those shire councils whose revenue has been adversely affected by these operations?

The Hon. N. McNEILL replied:

Policy in this matter has been clearly stated by previous Governments, and remains unchanged. Land re-purchased by the Forests Department is not regarded as any different from other Crown Land, and it has never been the practice for the Crown to pay rates in respect of Crown Land. The Forests Department does, however, make an ex-gratia payment based on the actual rate struck by Local Authorities for land in, or adjacent to, towns where it is for the purpose of housing or administration.

6. ROAD TRAFFIC AUTHORITY
Breathalyser Tests

The Hon LYLA ELLIOTT, to the Minister for Health representing the Minister for Police:

Further to my question of the 18th August, 1976, concerning spot breath tests of motorists, and the Minister's reply that three persons were apprehended for speeding, if the person to whom I referred was apprehended for speeding, why did the RTA patrolman not mention it to him or issue a speeding ticket, but rather ask him to take a breathalyser test?

The Hon. N. E. BAXTER replied:

Inquiries have been made but, so far, it has not been possible to identify the person of the incident referred to.

If the Hon. Member would provide more detailed information, further inquiries will be made.

7. MINING

Fatal Accidents

The Hon. R. H. C. STUBBS, to the Minister for Education representing the Minister for Mines:

(1) Are records kept of fatalities in the mining industry in Western Australia?

(2) If so, what are the yearly figures in each of the last ten years, in—

(a) gold mining;

(b) nickel mining;

(c) coal mining;

(d) iron ore production; and,

(e) other mining activities?

(3) How many employees were employed in (2) (a) to (e) above, during the period?

The Hon. G. C. MacKINNON replied:

(1) Yes.

(2) See Schedule 1.

(3) See Schedule 2.

Schedule 1.

Fatal accidents in the Mining Industry for the Ten Year Period Ended 31st December, 1975.

	Gold	Nickel	Coal	Iron Ore	Other	Total
1965	6	....	....	2	3	11
1966	6	1	....	1	3	11
1967	4	....	....	2	1	7
1968	9	....	....	3	2	14
1969	4	2	1	3	3	13
1970	3	3	....	4	2	12
1971	1	2	....	7	6	16
1972	3	3	....	7	5	18
1973	1	2	....	7	2	12
1974	2	1	1	7	1	12
1975	1	6	....	7	4	18
	40	20	2	50	32	144

Schedule 2.

Men Employed in the Mining Industry during the Ten Year Period Ended 31st December, 1975.

	Gold	Nickel	Coal	Iron Ore	Other	Total
1965	4 468	....	760	357	2 112	7 697
1966	4 411	60	726	562	2 281	8 040
1967	4 362	189	694	1 185	2 523	8 953
1968	3 887	403	649	1 295	2 546	8 780
1969	3 505	813	628	3 500	2 839	11 285
1970	2 157	1 381	635	4 987	3 237	12 397
1971	1 962	2 265	623	5 799	3 271	13 920
1972	2 031	2 860	619	6 396	3 373	15 279
1973	1 977	3 133	619	7 822	4 105	17 656
1974	2 219	3 589	685	9 465	3 704	19 662
1975	1 760	3 800	854	10 366	4 164	20 944

8. NANNUP HOSPITAL

Extensions

The Hon. H. W. Gayfer, for the Hon. T. O. PERRY, to the Minister for Health:

(1) What alterations and extensions are planned for the Nannup Hospital?

(2) When is it expected that this work will commence?

The Hon. N. E. BAXTER replied:

(1) and (2) Although funds were approved for upgrading facilities at the Nannup Hospital, further considerations because of age and condition of the building elicited that it would be impracticable to proceed with the proposal to renovate and remodel specific substandard areas. Consideration is now being given to the replacement of these areas with transportable units, but it will be some time before new proposals can be discussed with the Hospital Board.

9. "POLICY AND PERFORMANCE" PUBLICATION

Child Care Institutions

The Hon. R. F. CLAUGHTON, to the Minister for Community Welfare:

Further to my question on the 19th August, 1976, relating to child care institutions—

(a) is the committee to inquire into the named institutions only; and

(b) what are the terms of reference of the committee?

The Hon. N. E. BAXTER replied:

(a) No.

(b) To examine the role and involvement of the religious organisations providing residential child care facilities (including those which also accept day attendees), the children who are orphans or are disadvantaged by way of broken home situations and/or emotional and behavioural problems:

To receive submissions, inquire into and make recommendations on:

(1) Appropriate areas of responsibility of those organisations in the field of child care;

(2) The scope and involvement of each such organisation;

(3) The standards which should be expected of them and whether additional supervision should be imposed;

(4) The relative impact of day attendance on residential;

(5) The financial problems with which they are faced;

(6) The funding required for efficient operation;

(7) The extent of Government financial and other assistance which is warranted and the manner in which it should be assessed;

(8) The problems generally of these institutions;

(9) The avenues upon and the possibilities of increasing the extent of funding from other sources.

10. TRAFFIC

Radar Detector

The Hon. CLIVE GRIFFITHS, to the Minister for Health representing the Minister for Traffic:

Further to my question on Thursday, the 19th August, 1976, regarding the sale of a radar detector, would the Minister advise—

(1) Why he is not prepared to have an examination of the equipment carried out?

(2) Who are the "we" to whom the Minister refers in the answer to part (4) of the question?

(3) What technical qualifications are held by each of the above persons who have not examined the equipment, that qualifies the Minister to venture the comment that it will have little effect?

(4) In case there are persons with the necessary technical qualifications in the department, would the Minister reconsider his answer to the question, and have the equipment examined?

(5) If, after some expert private examination is carried out, which subsequently proves the equipment to be effective, would it be the Minister's desire to make its use illegal?

The Hon. N. E. BAXTER replied:

(1) It is not considered such an examination would be of any benefit either for the public as a whole or the traffic and road safety authorities.

(2) Officers of the Road Traffic Authority.

(3) No "technical" qualifications are needed to state an opinion that the use of the device is unlikely to have any effect on the functions of the Road Traffic Authority or road safety generally.

(4) There would be persons in Government Departments with necessary technical qualifications to advise whether or not the device is capable of effectively indicating a radar speed gun is operating within a given range. For reasons stated in (1) and additionally that it is not desirable to give any official recognition which may assist in further advertising of the device, it is not considered necessary to have the equipment examined.

(5) Even if it were officially confirmed that the device is an efficient warning of radar presence, there seems no reason to make it illegal until it is established that its use may have undesirable results.

DOG BILL

Second Reading

Debate resumed from the 18th August.

THE HON. R. H. C. STUBBS (South-East) [4.47 p.m.]: It would be only natural for me to say a few words on the Bill because, when I was Minister for Local Government, in about May, 1973, I initiated a committee to look into the possibility of enacting new dog legislation. I cannot recall the members of the committee now because I do not have any personal records concerning the matter.

Before I initiated the committee many people made representations to me about the present Act and indicated that they believed it should be amended. While some people are very enthusiastic about dogs, conversely many neglect their dogs and allow them to run wild and be a nuisance to others. Suffice it to say the committee appointed to look into the legislation has done a very good job, and we see the result of its work in the Bill before us which has, of course, already been passed by another place.

The present legislation is to be repealed. It was introduced in 1903 and was amended approximately nine times. At this stage I indicate my support of the Bill because I think it is good legislation and covers the situation fairly well.

As I said before, some people are enthusiastic about puppies. When they see them they want them for their children. However, if the children are not true dog lovers they soon lose interest in, and enthusiasm for, the animals which are then left to fend for themselves. Unfortunately, when this occurs the animals must naturally scavenge for food, so they follow children to school, invade lunch boxes and rubbish bins, and make a general mess in their search for food.

On the agricultural scene, the dog menace always seems to be greater near the towns. Domestic dogs wander into farmers' paddocks and molest stock. Some

stock are killed by the dogs and others are maimed to such an extent that they have to be destroyed.

I therefore think the Bill will overcome many of the problems because people who own dogs will have to be responsible for them. The dogs name has to be attached to its collar. The provisions of the Bill are much more stringent, and responsible people will naturally look after their dogs. Other people will simply have their dogs destroyed rather than allow them to wander and menace people.

I have had a dog for many years. I take him for a walk every morning and I am molested by mongrel dogs who chase my dog while I endeavour to fight them off. I take a chain with me to bash them when they make a nuisance of themselves.

The Hon. N. McNeill: I think you will be in trouble with Miss Elliott.

The Hon. R. H. C. STUBBS: I have described these dogs in a moderate manner but I can assure members that when they attack my dog the language I use is unparliamentary.

I want to make only a few comments on the Bill. The main part of it commences with clause 6, after the usual preamble. Clause 6 sets out the application of the provisions of the Bill. The Bill covers all dogs, whether sterilised or unsterilised, and of whatever age. I do not think that makes any difference: they still belong to the canine family.

Clause 16 is very good. It sets out the registration procedures. Subclause (3) of clause 16 states that registration of a dog can be refused if the dog in question has been shown to the satisfaction of the council to be destructive, dangerous, vicious, unduly mischievious, or to be suffering from a contagious or infectious disease.

Clause 32 on page 26 of the Bill deals with offences relating to the control of dogs. An offence is committed if a person permits a dog to enter an enclosed field, or yard, or any shop. I am pleased to see that provision because some people parade their dogs in shops. It is also an offence to permit a dog to be in any school. That will prevent people from allowing their dogs to wander at large in school grounds, where they may take the children's lunches or perhaps bite them. Dogs will be barred from premises selling food and drink, which is also covered by the Health Act.

Clause 36 is very crucial because it states—

> (1) The owner of a dog shall take all reasonable precautions against that dog becoming infested by tapeworms or other parasites, and if the dog appears to be suffering from any infectious or contagious disease shall cause the dog to be examined by a registered veterinary surgeon, or in the absence of a veterinary surgeon, by a medical practitioner or Health Surveyor and shall take all practicable steps to enable that condition to be controlled or eradicated.

That provision is essential because in Australia there are eight different types of worms which can infest dogs; these range from round worms to tape worms. In the case of tape worms, children who handle dogs can become infected, and sheep can become infected from the droppings of dogs in a paddock. If the heart and lungs of an infected sheep are not thoroughly boiled, a dog which eats them can again become infested with worms.

The Hon. G. W. Berry: Are they hydatids?

The Hon. R. H. C. STUBBS: Yes. The hydatid worm is about a quarter of an inch long; one of the worms, the bladder worm, is about 15 feet long. There are many worms which must be suppressed, and in the interests of people and children, dogs should be thoroughly wormed and vaccinated against distemper. Those steps must be taken to keep a dog healthy. As a matter of fact, the French call hydatid disease the disease of dirty hands because it is spread by people who handle dogs and do not wash their hands thoroughly before touching their mouths, thus ingesting the eggs.

I think I mentioned in this House a few years ago that I had read about a cyst weighing nine pounds being removed from a person. It was an authentic case which was mentioned in a medical report. So hydatids can be lethal because they affect the lungs and liver. Their eggs can live in water, in a paddock or elsewhere, for six months. They can withstand freezing temperatures and even live in a temperature of 135°F, which is about 53°C. It can therefore be seen that this is a very important clause in the new Dog Bill which is before us today.

I have nothing more to say. I presume it will be a Committee Bill and I support it.

THE HON. CLIVE GRIFFITHS (South-East Metropolitan) [4.58 p.m.]: I want to make a brief comment in regard to the Bill. I think the Government is to be commended on at last being able to present to Parliament comprehensive, rewritten legislation. The existing Dog Act has come in for a great deal of controversial comment over the years, and indeed it has a reputation for being one of the Acts in regard to which one can expect quite long and heated debate on each occasion it comes before Parliament for amendment. However, from the conversations I have had with members, it seems on this occasion the Bill meets with

general agreement, and under those circumstances I think the Government is to be commended on the work that has gone into its preparation.

The Bill does not deprive people of the enjoyment of owning dogs—indeed, it preserves that right—but it places an adequate measure of responsibility on those who choose to be dog owners. Over the years, of course, I and many other members have been approached by people in the community who have had reason to be concerned at the number of dogs running at large around the metropolitan area. I was amused when the Hon. Claude Stubbs mentioned all the mongrel dogs which chase after his very nice dog.

As a matter of fact, I have been one of those people who are not particularly interested in dogs. I have not been particularly keen on keeping a dog, and I have not had a great deal to do with them. Indeed, in respect of dogs belonging to other people I have often felt the same way as Mr Stubbs feels about dogs that molest his dog when he takes it for a walk. However, recently my young grandchildren obtained a dog, and I find that particular dog has something about it that makes it stand out from all the others. It seems to be a very nice little dog, and that is something I have never been able to say about the other dogs I have seen.

In my business activities prior to entering Parliament I used to keep a shop premises which was often despoiled by numerous dogs that seemed to run at large around the streets. One dog used to deface the placards I put out at the front of my shop. Being an electrical contractor, I had a piece of equipment which I one day attached to the placards, and I was pleased to find that as a consequence of that exercise, apart from it frightening several people in the street no harm was done and the dog that used to deface my placards never visited again. I understand he was last seen heading across the South Australian border making all sorts of funny noises!

Of course, for many years, people have had to put up with stray dogs running at large in the streets of the metropolitan area and it seems to me that the provisions of this Bill place more stringent requirements on those people who choose to be dog owners; it places them in a position of much greater responsibility. At the same time the Bill places more power and authority with those who are authorised to implement its provisions, and it enables them to take action against those who offend.

Whilst I said earlier that most members of Parliament to whom I have spoken indicated their support of the Bill in general, I am sure the people of the community, generally, will also be in agreement with its provisions, which provide a more effective method of controlling stray dogs. The Bill also provides for on-the-spot fines, which will tend to make people who contravene the provisions of the legislation a little more conscious of their responsibilities. In general, I see it as a very conscientious approach to a problem which has confronted us for many years.

I commend the Government for the introduction of the Bill, and support it.

THE HON. G. E. MASTERS (West) [5.04 p.m.]: I would like to speak briefly on this Bill; I think I was the only one who spoke on cats, so perhaps I should have a few words to say on dogs as well!

The Hon. G. C. MacKinnon: Why?

The Hon. G. E. MASTERS: I am sure we all realise that the delay in bringing forward this Bill was to enable the public to understand its ramifications and to see how it affects both dog breeders and local authorities. From the feedback that has been received over the months, the Government has been able to produce this Bill.

If we look at the Minister's second reading speech we find set out in it the intention of the Bill, and I think it is expressed admirably. The Minister said—

> The Bill provides a balance between the sometimes conflicting principles that people should be entitled to acquire and enjoy the ownership of dogs, and the need for adequate control of dogs.

The great problem in respect of dogs, certainly in the Shires of Kalamunda and Mundaring, has been the cost of policing or controlling them. I would like to quote some figures in this regard. In respect of the Shire of Kalamunda, last year the money received from licences for dogs and kennels was $1 506, and the cost of controlling dogs—which includes the cost of licensing, patrolling by dog catchers, council rangers, the destruction of dogs, and the investigation of complaints—amounted to $9 990. This includes the cost of taking 120 dogs to the Shenton Park dogs' home and having them destroyed at a cost of $7.50 each, and it also includes 2 080 hours of patrolling by dog catchers. Therefore it can be seen the particular district suffers a great deal—or, certainly, its ratepayers suffer a great deal—as a result of the lack of control of dogs in the area.

The interesting thing, of course, is that no member of the public in the area has been fined for not controlling his dog; so the exercise has been a total loss to the ratepayers of the district.

The Bill makes provision for concessions for pensioners, and this is a very important aspect. Most of us realise that old people who have had dogs for many years—I am not suggesting Mr Stubbs is in that category—do value the companionship of their pets. Most certainly they need them as guards particularly when

we have regard to the hooliganism and senseless vandalism that occurs in this State. In those circumstances, dogs are a great help to pensioners.

The other matter I would like to mention—and I am quite interested in this—is that on-the-spot fines are to be imposed. We know that dogs are forbidden entry to many beaches and cannot be taken into shops. I wonder whether the time will come when local authorities will put in parking meters for dogs—I do not know whether these may be in the form of a tree, but if so it would prosper! No doubt that will come in time. I support the Bill.

THE HON. R. F. CLAUGHTON (North Metropolitan) [5.08 p.m.]: Like other members. I support this Bill because it is a great improvement on the draft originally presented to Parliament. Had that Bill proceeded, I would have proposed quite a few amendments to it.

The Bill we are presently debating has been made known to the public so that their views could be incorporated in it. I believe the net result of this is as good a Bill as it is possible to obtain. I believe one or two further improvements may be able to be made, but I will not propose any amendments at this time.

I was very interested to hear the figures quoted by Mr Masters in respect of the receipts and expenditure of a particular local authority in regard to the cost of controlling dogs under the existing legislation. I believe those figures indicate that if we do away entirely with the requirement for registration, there would not be a great loss to local authorities and a great deal of irritation which dog owners have suffered for many years would be removed. Better control of dogs under this new Act will considerably reduce the problems caused by unrestrained dogs in the community, and will also reduce the total number of dogs. That would be of benefit not only in respect of the expenses incurred by shires, but also in respect of the ratepayers.

If we removed the provisions for the registration of dogs, the other provisions in the Bill would stand almost unaffected. There would still be a requirement for a label to be attached to a dog, giving the name and address of the dog's owner so that if the animal is found straying the owner may be contacted; and if necessary charges could be laid.

If it is claimed that without registration perhaps more dogs than permissible would be kept by householders, then I would point out that if people want to break the law the requirement to register would not affect the situation because people may still keep more than two dogs if they are inclined to break the law under the present Act. Perhaps at a later date this suggestion could be usefully examined for the reasons I have outlined; that is, it would remove a great deal of the friction and irritation to householders and ratepayers, and it would relieve local authorities of a tedious piece of administration.

At the moment, as far as local authorities are able to enforce the law, every dog must be registered, and notices of renewal of registration must be sent out each year. All this adds to the cost of administration and exceeds the $1 paid in registration.

Like Mr Clive Griffiths, I have a dog that is the property of one of my children. For many years I resisted being forced into the position of having to acquire one for the simple reason that I believe people who own dogs have a great responsibility to their neighbours. I believe that if a person acquires a dog he should ensure that his property is properly fenced and that the chances of his pet getting out and annoying other people are reduced to the minimum.

I am very fond of dogs, but that does not mean I want other people's dogs on my property, or that I want my dog to make a nuisance of itself with other citizens. I also believe many people who pretend to be dog lovers are not truly that, otherwise we would not have so many dogs straying in the community. Anyone who is truly fond of his pet would not allow it to run the streets at the risk of being run down and suffering injury or death.

With those words, I express my appreciation of the fact that the Bill has at last come to this House in its present orderly condition, I believe it will be of great benefit to the community.

THE HON. T. KNIGHT (South) [5.15 p.m.]: I also rise to support the Bill. Like Mr Clive Griffiths I too believe the Government should be complimented on introducing a Bill which has such wide powers and gives such good coverage.

I can appreciate the comments made by Mr Stubbs when he referred to clause 36 which relates to diseases and parasite control. I can remember the high incidence of sheep measles that prevailed a couple of years ago, and following from what Mr Stubbs said I feel this was responsible in no small measure for the great loss of orders that occurred at the time we were shipping sheep carcases overseas. These were rejected because of the sheep measles which is also called cysticercosis, which is spread mainly by dogs after they have eaten offal from sheep affected with the disease; particularly if the offal is not properly and fully cooked.

As Mr Stubbs pointed out, children can also pick up this disease from playing in the grass on which dogs may have been running around, and this could also lead to hydatid cysts, which could be quite serious.

At that time a young agriculture officer in Albany, who was a member of the Apex Club, set in motion a campaign to circularise people throughout the agricultural areas on the problems associated with the disease of cysticercosis. He spent a great deal of time preparing talks and giving slide evenings. I know the young man was backed by the Department of Agriculture, but he gave up a great deal of his own time to spread the knowledge in connection with this disease.

I believe that clause 36 of the Bill will go a long way towards controlling dogs and other animals and will help prevent the spread of the disease to which I have referred. No doubt it will also assist in future shipments of sheep carcases overseas, which were previously badly affected by sheep measles or cysticercosis. That is one aspect of which I take particular note.

I support Mr Stubbs in what he says about dogs carrying and spreading this disease and I have a great deal of pleasure in supporting the Bill.

THE HON. H. W. GAYFER (Central) [5.17 p.m.]: My remarks will be brief. While we seem to be lauding the introduction of the Bill, and while I appreciate the spirit behind the measure, I certainly hope the legislation will be effective in controlling the dog menace in a number of districts.

From my reading of the Bill I note the loading that is to be placed on the councils in their administration of the Act. If members were to consider the measure they would appreciate the responsibility that is to be placed on the shire councils, particularly in the provision in clause 9 which states—

> It shall be the duty of a council within its district to administer and enforce the provisions of this Act.

This will not be a cheap exercise.

The Hon. G. E. Masters: It is not cheap now.

The Hon. H. W. GAYFER: The problem will be accentuated, particularly if one looks at the other provisions in the Bill which it is necessary for the councils to administer. I refer particularly to clause 14 which will give members some idea of the ramifications in relation to the registration of dogs by shire councils, particularly as this will affect the transference of a licence from owner to owner.

The provision is almost as complex as the issuing of a motor vehicle licence, for which purpose at the present time a shire receives $4. Apart from this, there would not be as much paper work involved in the matter of vehicle licences as there would be in following these canines from one area to another and from one owner to another.

We have been rather concerned in recent times by the fact that the recording fee received by the councils for motor vehicle licences does not cover the cost of effecting the transaction so far as the motorist is concerned.

As I have said, while we laud this measure I do not think we realise the added responsibility that will be placed on the shire councils, nor do we appreciate the expense that will be involved; expense which of course, will have to be obtained from somebody. No doubt the Bill will say that this will be obtained by regulation.

It will be interesting to see how much it will cost one to keep a dog if one is to satisfy the provisions of the Act. It could be that 80 per cent of the dogs would not cause a shire any difficulties by way of registration of transfers and in the carrying out of the various duties imposed on a shire under clause 9. Nevertheless, the transfer of licences and the refunding of licences where dogs are concerned will create considerable expense to the shire councils so far as the remaining 20 per cent of the dogs in the area are concerned.

I warn members now that we will hear a great deal more in respect of this Dog Act when it becomes law. While we laud the principles behind the legislation—and I certainly believe that a greater knowledge should be had of dogs in a particular district—I feel that eventually it will create a further licensing avenue for shire councils wherein I visualise a country shire council will probably have to consider employing a junior for the purpose of maintaining a dog register.

The Hon. J. Heitman: Do you think it should be handed over to the RTA, because if the dogs leave the premises as fast as Mr Clive Griffiths has indicated it may need a speed merchant to keep up with them!

The Hon. H. W. GAYFER: Mr Heitman is probably correct in his assertion. I am quite sincere in what I say, because there is no doubt that this legislation will cost money; and there is little doubt that it will be the shires that will have to be compensated, possibly by way of Government grants—and I daresay we could have a Government grant for this sort of thing —or alternatively licence fees will go up to such an extent that it will not be economical to keep some of these dogs in a particular area.

Further contributions I may wish to make will be made when we debate the various clauses of the Bill in the Committee stage.

THE HON. R. J. L. WILLIAMS (Metropolitan) [5.22 p.m.]: I rise briefly, as did Mr Gayfer, to speak to this legislation. Let me say at once that I commend the Government for introducing what I consider

to be one of the best pieces of legislation relating to dogs that has been introduced into this House since its inception.

The Hon. J. Heitman: This is the only Dog Bill we have had.

The Hon. R. J. L. WILLIAMS: There have been 10 amendments to the Dog Act during the life of Parliament. I would like to assure the honourable member that the Government, in its wisdom, has realised exactly the problem that Mr Gayfer has brought to the notice of the House; that it will be an expensive thing to register a dog.

As the honourable member has said, clause 15 states quite clearly that the setting of the fee by the council shall be subject to regulation. I welcome this provision because responsible dog owners and responsible people at large who happen to be dog lovers would not mind how much they might have to pay to keep an animal that is to be a family pet.

The Hon. H. W. Gayfer: There will be difficulties.

The Hon. R. J. L. WILLIAMS: Of course one could not register one's dog in Mr Gayfer's shire if one happened to be living in Floreat Park. I do say, however, that in its wisdom the Government has legislated for this aspect in clause 10 (3) of the Bill.

It is obvious there will be some excesses and it is obvious that someone will have to take up the slack. Clause 10 (3) reads in part—

> ... but any further or other expense incurred in the administration of this Act may be paid out of such moneys as are appropriated by Parliament for the purpose.

The Hon. H. W. Gayfer: From where does Parliament get the money?

The Hon. R. J. L. WILLIAMS: We all know that Parliament will get the money from the taxpayer. I do not think this will create too much of a problem. The legislation is long overdue. I appreciate the difficulty experienced by Mr Stubbs when he takes his dog out for a walk, because I experience the same difficulty when I take my dog out for a walk—indeed there are times when I am not sure who is taking whom for a walk! In such instances one is generally pestered by dogs which have been bought for children as a present for Easter or some other festive occasion, but immediately the pups begin to lose their attractive puppy qualities the novelty wears off and the dogs are neglected and roam around the area and become a menace, in spite of the good work done by the dog catcher employed by the shire.

The Hon. G. E. Masters: You should take a chain with you.

The Hon. R. J. L. WILLIAMS: The dog is generally attacked while he is on the chain. I welcome the Bill. I am sure it will help the sincere dog lover more than it will hinder him. For my own part it would not worry me unduly if the registration fee for my dog were increased by 10 times the amount it is, because I value the companionship of the animal and as a result the monetary penalty would not worry me.

THE HON. I. G. MEDCALF (Metropolitan—Attorney-General) [5.27 p.m.]: I have listened with great interest to the comments made by honourable members, and I do appreciate generally the support those comments indicate.

I particularly recall when Mr Stubbs was Minister and was responsible for setting up a committee. I also recall his introduction of the Greyhound Racing Control Bill. I know the honourable member has taken a particular interest in dogs for a long time. I well remember the horrifying story he told about a cyst that weighed nine pounds; and I recall the shiver that went around the Chamber on that occasion. I notice, however, that members appear to be getting more hardened because on this occasion there was barely a murmur.

I know Mr Stubbs is a dog lover and that he knows a great deal about dogs and his comments indicating his support are sincerely appreciated.

I would also like to welcome the support given by other members who have spoken to the Bill.

On the question of registration; I doubt whether it would be possible to leave out the registration provisions; and though they will undoubtedly cause a lot of extra administrative work, we must have a master register, otherwise there will be no relationship between the disc on the dog and the question of the ownership of the dog. It is necessary to go by the disc attached to the collar of the dog—if one is attached—to detect the owner, and we must have a master register. I do not know how this can be avoided.

I appreciate the comments made by Mr Gayfer. I am sure the Government is well aware that this will add a further item of expense. It is of course necessary that the finances should as far as possible balance up, but it is anticipated, as Mr Williams pointed out, that it may be necessary to supplement the finances, to the extent of any shortfall, from other funds appropriated for the purpose by the Parliament. I am sure Mr Gayfer was joking when he asked from where would Parliament obtain those funds. He knows very well from where the funds will come.

Under the terms of the Bill the local authorities are given the task to administer the new legislation. Mr Gayfer has quite properly drawn attention to the cost factor.

I hope the costs of administration will not be excessive, and will be policed carefully by the local authorities to ensure that they will not be a burden on the ratepayers. We know that sometimes costs, such as these, can get out of hand. This is a matter about which the local authorities will have to be very careful.

Who else but the local authorities should administer a piece of legislation such as this? It is clearly legislation which should be administered by the local people and the local communities, and not by some central bureaucracy. It is not the type of legislation which we would want to be administered by some computer located in the Police Department. This is a matter which should be handled at the grass roots level. I am sure that is the only way we can give satisfaction to the local people.

It is difficult for an Act to please everybody. In this case we all realise there are dog lovers and dog haters in the community, but I do believe that on the whole this legislation has achieved a fair balance. I thank members for their support of the Bill.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (the Hon. Clive Griffiths) in the Chair; the Hon. I. G. Medcalf (Attorney-General) in charge of the Bill.

Clauses 1 to 13 put and passed.

Clause 14: Register to be maintained—

The Hon. H. W. GAYFER: I am still concerned about the administration of this provision. I am trying to visualise in my mind what sort of register will be kept, which can be viewed by the people. I want to know how it is intended that the records will be compiled.

I should imagine that in many cases a demand will be made on country shires to acquire photostat machines so that photostat copies may be made of details that appear in the register. I should point out that such a machine is not available in every country shire. I do believe that the keeping of the register, and the cost of relaying information from one shire to another will present difficulties.

I sincerely hope that a type of register can be designed with lift out pages, preferably in duplicate, which can be extracted and posted away. I can see many difficulties arising which may not have been contemplated. I hope that before this new legislation is put into operation careful research will be made into the paper work that is required to be undertaken by local authorities.

In this regard I refer to the Road Traffic Authority. When it took over the licensing of vehicles no-one can assert that any considered opinion had been given on the detailed paper work that was required to be undertaken by the shires. This caused many headaches, and brought about duplication of work. This was one of the reasons which caused some shires to hand over the licensing of motor vehicles to the central authority. It might have been designed in this way by the RTA in order to get control of the licensing of vehicles.

In the case of the Bill before us the boot is on the other foot; because many people do not want to license their dogs. The Minister has said that the only people who are capable of handling registration are the shire councils. It seems that nobody wants to be responsible for the keeping of the central register, but nevertheless such a register has to be kept.

We have not seen a sample copy of the proposed register; it is all up in the air, and in fact it is a nebulous thing. I can see difficulties in this regard. I would ask the Minister to make sure that arrangements are made to streamline registration, so that the shires can follow the sample register as a guide. I hope it will not be the usual type of arrangement that often emanates from Government departments.

The Hon. R. H. C. STUBBS: I cannot see any difficulties arising in this regard, for the simple reason that the wording of the provision in the Bill is virtually the same as the wording relating to the "authorised person" in the existing Act. Obviously the method of registering dogs under the new legislation will be the same as it is in the existing Act.

In the framing of the Bill the local authorities were consulted. I cannot say how many were, but they were well and truly represented on the committee which worked out the details of the provisions in the Bill. They must have taken this factor into consideration.

Looking at the existing Act, it will be noticed that the fines vary from $4 to $20. However, in the Bill before us the fines vary from $100 to $200. In my experience with local authorities I found that when a person was prosecuted it was the shire that benefited by retaining the amount of the fine. Under the provisions of the Bill the local authorities will derive much more money from these fines in the future. I emphasise again that the machinery that is laid down in the existing Act is virtually the same as the machinery that has been included in the Bill.

The Hon. I. G. MEDCALF: The point raised by Mr Gayfer has been answered very effectively by Mr Stubbs, who appears to be quite right in his comments. I should point out that there is a similar provision in section 15 of the existing Act, and there is no substantial change in the provision in clause 14.

Regarding the need of country local authorities to acquire photostat machines, whilst I share the concern of Mr Gayfer that the administration costs should be kept as low as possible—I can assure him the Government also shares this view—I do not think it would be essential for all local authorities to have a photostat machine.

I feel sure that Mr Gayfer has had many experiences of obtaining copies of documents on printed forms. The person supplying the copy simply writes in the details. In this case the details would be the number of the dog, the name and address of the owner, etc.

I think most local authorities will be careful in administering this new legislation. I am quite sure the Local Government Department, which has played such a major part in framing the Bill, will take every possible step to ensure that the provisions of the Bill do not impose a burden on the ratepayers.

The Hon. H. W. GAYFER: I thank Mr Stubbs and the Minister for their assurances that no difficulties will be experienced by local authorities in administering this legislation, or in undertaking the book work associated with it. Often in debates on Bills it is said that no difficulty will be experienced, but sometimes it does not turn out that way.

I merely rose to query the difficulties that might arise in this case. When a Bill is introduced all sorts of people put forward ideas. Having received an assurance from Mr Stubbs, who was a Minister in the previous Government, that the registration requirements set out in the Bill will not be different from those in the existing Act, and an assurance from the Minister that no difficulties will be experienced by local authorities because the provision is similar to that in section 15 of the Act, I can assure the 26 shire councils in my province that they will not experience any difficulty and that registration in the future will not be any different from the existing method.

The Hon. R. F. CLAUGHTON: One problem confronting the registration of animals and the raising of revenue by local authorities is the difficulty of ensuring that all dogs are registered. In the City of Stirling, for example, between 7 000 and 8 000 dogs are registered, but it is recognised that this number represents only a proportion of the dogs in the shire district. I have heard it said that the number registered is only the tip of the iceberg, although that comment might be an exaggeration. However, it is acknowledged that a large number of dogs in the City of Stirling district are not registered. That means if a local authority relies on registration to cover its costs in administering the new legislation, the burden of providing the finance will fall on the honest dog owners who adhere to the law and register their dogs.

That is one reason there might be value in abolishing registration, which makes it possible for those who register their dogs to recover their dogs when they are lost. In many cases these dogs are more valuable than the ordinary dogs one finds roaming the streets.

On the aspect of renewal of registration, under the terms of the Bill a notice has to be sent out. That procedure will incur a cost. If the owner of a dog does not respond to a renewal notice, what will happen? In the case of the City of Stirling will it be required to check on 2 000 or 3 000 dog owners who do not bother to renew their registration? I do not think local authorities will do that.

What is to happen in the case of the register to which Mr Gayfer has made reference? Are the records to be kept for a limited period, or will they be retained indefinitely? This presents a problem to the local authorities, particularly the larger ones. It would be a wise move to allow the legislation to operate for a while, before we turn our attention once again to the question of registration. However, there could be value in abolishing registration or reducing its stringency in some way.

The Hon. J. HEITMAN: I share the view expressed by Mr Gayfer that country shires and most of the local authorities in the State will be involved in a great deal of work in administering the new legislation. My reason for saying this is that the provisions of the existing Act have not been policed in some localities, because of the amount of book work involved and the need to keep a register.

In many districts not more than half a dozen dogs are registered. I hope the shires will not carry on as they did under the provisions of the old Act. There has been a gradual build-up of stray dogs in many country areas because as children grow up they do not continue to care for their dogs and the dogs start to wander. They leave the towns in packs and start to slaughter sheep on farming properties. The farmers are then able to shoot the dogs. A dog which has a licence disc can be traced to its owner, and the farmer may be able to recoup some of his expenses.

Although the policing of the Act will involve considerable work, I hope the shires will do a better job than has been done in the past, and that some control will be exercised over stray dogs.

The Hon. G. E. MASTERS: I think Mr Gayfer has exaggerated the whole problem. There is something wrong with a shire council which is unable to keep a decent register. It is ridiculous to suggest that such a register would cost a considerable sum of money.

The Shire of Kalamunda lost some $8 000 in attempting to control dogs last year. I believe the Mundaring Shire Council would have faced a similar loss in having to provide vehicles and rangers. Something like 10 or more complaints are lodged each day at Kalamunda, and if a proper register were kept owners could be more easily located. Without a register or record it will be impossible for local authorities to locate owners of offending dogs, and in those cases fines will not be imposed and the shires will continue to operate at a loss. Mr Gayfer has received an assurance that the proposed scheme will not involve a great deal of expense. I am sure this will prove to be so.

The Hon. I. G. MEDCALF: I understood Mr Claughton to say he thought there were 7 000 dogs registered in the City of Stirling, and that was only a quarter of the number of dogs in the area.

The Hon. R. F. Claughton: Since all dogs are not registered we do not know the total number.

The Hon. I. G. MEDCALF: The honourable member is suggesting there could be over 20 000 dogs which are not registered.

The Hon. R. F. Claughton: That could well be.

The Hon. I. G. MEDCALF: Then it is time we put the situation in order.

The Hon. R. F. Claughton: I agree.

The Hon. I. G. MEDCALF: We cannot continue to rely on a Dog Act which was passed 73 years ago. Obviously, it is completely out of date. The new Act has been discussed with the major local authorities and I know many of them are in agreement with its contents. It is an Act which they believe they will be able to enforce.

I hope the local authorities will try to administer the Act properly, and as cheaply as possible. There is great scope for improvement in the control of dogs.

Clause put and passed.

Clauses 15 to 17 put and passed.

Clause 18: Registration disc—

The Hon. D. W. COOLEY: This clause sets out that the registration disc shall be of a size, shape, and colour and material to be prescribed, and shall be clearly marked with the registration number. Subclause (2) sets out the conditions under which a person commits an offence. Amongst the dogs which are exempted is the foxhound which is to be registered separately under the provisions of proposed new section 7.

A foxhound, which could be registered in a pack of 10, might escape from its kennel. How will the apprehending authority know that that dog is registered in a pack of 10 when, apparently, there is no provision for its identification?

The Hon. I. G. MEDCALF: If a foxhound is found wandering at large the onus will be on the owner to establish that it is one of a pack of 10 which did not require registration. The onus will not be on the particular shire council. The problem will be that of the owner, and not of the local authority.

The Hon. D. W. COOLEY: There is to be no onus on the owner. He will simply be able to say that he has an exemption because the foxhound is one of a pack of 10. How will the authority be able to proceed against him if the dog does not carry any registration disc?

The Hon. I. G. MEDCALF: A dog which is roaming the streets is wandering at large, whether or not it has a registration disc. If the owner of the dog claims it is a foxhound, and one of a pack of 10, he will be charged with having committed an offence in permitting the dog to wander at large.

Clause put and passed.

Clauses 19 to 26 put and passed.

Clause 27: Licensing of approved kennel establishments—

The Hon. I. G. MEDCALF: I have an amendment on the notice paper in relation to clause 27. The Bill as it stands at present provides that where a person keeps on his property a greater number of dogs than the limit prescribed in the local council by-laws, the council may require him to apply for a kennel licence. This in effect means that the person must be keeping a greater number of dogs than is permitted, and also that the council be aware of the situation before the machinery for obtaining a kennel licence can operate. Under those circumstances an owner could spend a considerable amount of money on establishing kennels and maintaining a large number of dogs on his property only to find, subsequently, that he is refused a kennel licence.

The proposed amendment to clause 27 will require the owner to apply for and obtain a kennel licence before proceeding with any kennel development.

As a consequence of the amendment which I have mentioned, it is necessary to make minor alterations to the wording of subclause (2) of the clause. I move an amendment—

> Delete subclauses (1) and (2) line 23 on page 19 down to and including line 7 on page 20 and substitute the following—
>
> > (1) Where, pursuant to the provisions of section 26, a council imposes a limit on the number of dogs over the age of three months, or the number of such dogs of any specified breed or kind, that may be kept on any premises situate in a specified area, and a person proposes to keep dogs to

which such a limit applies in numbers exceeding that limit on premises that are not exempt from the limitation he shall apply for the premises in question to be licensed as an approved kennel establishment.

(2) A person who keeps, or permits or suffers to be kept, any dog over the age of three months of a breed or kind to which that licence applies at an approved kennel establishment otherwise than in accordance with the licence relating to that establishment commits an offence.

Penalty: One hundred dollars in respect of the initial conviction and thereafter ten dollars daily for so long as the offence continues.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 28 put and passed.

Clause 29: Power to seize strays, etc.—

The Hon. J. HEITMAN: This clause relates to the capturing of a dog by a member of the Police Force or any officer of a council authorised for the purpose, and sets out that the dog may be kept in a pound for 72 hours.

I have received a number of letters from various shires. It is considered that a period of 72 hours is far too long during which to keep a dog in captivity waiting for its owner to turn up, or waiting for it to be shot.

Local authorities in country areas believe that a period of 24 or 48 hours would be preferable. I do not wish to move an amendment, but I would like the Attorney-General to tell us the reason for the provision of a period of 72 hours. As we have said all along, it will be fairly costly for local authorities to police this legislation. It would be a different proposition if the dogs were to be held at the expense of the Police Department, but once a dog is captured it is kept in the pound of the local authority, and, therefore, the local authority is responsible for it until it is claimed or destroyed.

The Hon. GRACE VAUGHAN: A good deal of anxiety has been expressed by dog owners about the provision contained in subclause (13). Perhaps the Attorney-General can give us an assurance that this subclause will obviate the possibility of the shooting of a dog whose owner is almost within call. A Press report indicated that this is what happened recently.

I have had inquiries from constitutents as to whether the provisions in this Bill will protect dogs from the over-zealousness of some council officers. We believe that this subclause will cover a situation such as that described in the Press, but I would like to hear the Attorney-General say that this is so.

The Hon. I. G. MEDCALF: Firstly, in reply to the comment of the Hon. Jack Heitman, I suppose the decision on how long a dog should be kept in a pound is a matter of judgment. The old Act prescribed 48 hours or two days, and the Bill we are discussing prescribes 72 hours or three days. There must be a balance between the interests of the council which has to maintain and look after a dog, and the interests of the owner to ensure that he has sufficient time to claim his dog. Naturally local authorities do not want to keep animals any longer than necessary, but owners become very annoyed if their dogs are dealt with without their having had a fair opportunity to claim them.

If a dog is not claimed the council must bear the cost, and that is regrettable. However, if the owner comes to claim his animal, the owner is responsible for the cost of maintaining his dog as well as any penalties set out under subclause (4). Opinions will always differ to whether this period should be two days or three days.

In answer to the Hon. Grace Vaughan, I can assure her that genuine attempts will be made to notify the owners of captured dogs. Paragraph (a) of subclause (8) covers this situation, as the honourable member said. The prescribed manner and form of notification will be laid down in the regulations. I hope the local authorities do not rely on Australia Post because the notification may not reach its destination in three days! That is an aside only, and not quotable. In framing the regulations, I am sure local authorities will bear in mind the necessity to give effective notice to the owner to ensure that he has the opportunity to claim his dog.

The Hon. GRACE VAUGHAN: I thank the Attorney-General for his assurance concerning notification to owners. However, I am speaking particularly about a situation where a council officer or police officer is called in to deal with an emergency situation. Perhaps a dog has been found upsetting poultry in someone's backyard or wandering on someone's property. I am referring to a situation such as in the reported case where an animal was shot, although its owner lived only a few doors away. Questions were asked after the dog was shot. Does subclause (8) impose a restraint on such action?

I am cheered by the assurance of the Attorney-General that the Bill provides that a genuine attempt must be made to contact owners. The Bill will allow for more stringent controls and for regulations to be prepared in an endeavuor to get rid of the dog menace of uncontrolled wanderings, but, we must be careful to protect the rights of owners whose dogs may be at large due to some unavoidable occurrence such as a loose paling on a fence. Such a dog may not be used to wandering at large and if he goes into a neighbour's backyard, the neighbour may

complain and seek the assistance of a police officer to capture the dog. We do not feel such a dog should be shot before the owner is notified.

The Hon. I. G. MEDCALF: I believe I can give an assurance that no-one will shoot dogs out of hand. It is only on certain occasions that a dog can be shot; that is, if it is found actually mauling an animal or acting viciously or dangerously. A later clause of the Bill gives the authorised officer the right to destroy such an animal on the spot. However, the intention is that where a dog has simply strayed it should be either returned to its owner if it is wearing a disc—and this clause provides for that—or alternatively it will be impounded. It is then the obligation of the authorised officer to notify the owner and I am quite sure that is intended.

Clause put and passed.

Sitting suspended from 6.08 to 7.30 p.m.

Clauses 30 to 54 put and passed.

Title put and passed.

Bill reported with an amendment.

MAIN ROADS ACT AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by the Hon. N. E. Baxter (Minister for Health), read a first time.

THE CONFEDERATION OF WESTERN AUSTRALIAN INDUSTRY (INCORPORATED) BILL

Returned

Bill returned from the Assembly without amendment.

ALSATIAN DOG ACT REPEAL BILL

Second Reading

Debate resumed from the 19th August.

THE HON. R. T. LEESON (South-East) [7.36 p.m.]: I would imagine that several thousand dogs and several thousand people in Western Australia would welcome the introduction of this repeal Bill. Complaints have been levelled from various quarters at the discrimination shown against one particular breed of dog. I have not been closely associated with the Alsatian dog, although I am a lover of all tame dogs, but I feel this Bill should have been before the House some time ago.

No doubt, members know this Act was brought into being some years ago to restrict the breeding of Alsatian dogs in Western Australia. It was introduced in the days when dingoes were prevalent in this State, and the fear was that Alsatians might breed with dingoes and produce a big, wild dog.

I know that the CSIRO some years ago conducted tests, but were unsuccessful in their attempts to mate Alsatians with dingoes. Obviously, the Alsatians did not think there were too many "Marilyn Monroes" among the dingoes with which they were confined. Nevertheless, there is always the possibility that certain things may happen. However, one should also consider what may happen in regard to the other breeds of dogs in Western Australia. I refer particularly to some of those mongrels which chase Mr Stubbs' car along the street. All sorts of breeds could result from a mating with a dingo.

The Bill just considered by the House—namely, the Dog Bill—provides that "dangerous" dogs will come under regulations. However, we do not know the form such regulations may take; we can only guess. Over the years, for the reasons I have mentioned, the Alsatian dog has always been considered to be dangerous, and severe restrictions have been placed on that breed. I am a little concerned as to the restrictions which may be placed on any breed under the regulations to be promulgated once the Dog Bill becomes an Act. I trust the situation will be dealt with sensibly. I congratulate those responsible for the Bill, and support it.

THE HON. R. J. L. WILLIAMS (Metropolitan) [7.40 p.m.]: I have been waiting for 4½ years for this Bill to come before the House; it is a Bill which all dog lovers will welcome. For one thing, a breed of dog no longer is to be excluded from the list of permissible dogs laid down under the Act. It is a dog far more worthy of the name "dog" and friend of man than about 18 other breeds.

It might surprise you, Mr President—although I do not think it will, because you know about such matters—that in the list of viciousness, the German shepherd stands about sixth. Top of the list is the Dobermann, and it might surprise many members to learn that the second is the Labrador. However, we have accepted both breeds and discriminated against the Alsatian for a long time, on pure mythology.

The legislation was introduced in 1929 to prevent the importation of the German shepherd dog. It is not very polite to use the name "German shepherd". During the First World War, it was not very polite to refer to anything as "German", so the name was changed to "Alsatian". This dog was specially bred to act as a sheep dog in the pastoral areas of Germany. If members had the opportunity, as I did, to go to Germany and see these dogs working with the sheep, they would agree they are a magnificent animal.

The Hon. D. J. Wordsworth: What sorts of numbers are they working—five or six?

The Hon. R. J. L. WILLIAMS: As Mr Wordsworth would know, it is only in Tasmania that they have flocks of five or six sheep; there are far more than that in Germany. The ban was imposed in 1929

following representations from the Federal organisations of growers which claimed that the dog was vicious, had wolf blood in its veins and was a sheep killer and, if crossed with a dingo, would prove to be a menace. That has not been my view of the dog; nor has it been the view of the German Shepherd Dog Association in Western Australia, which has worked hard and long to vindicate the name "German shepherd".

If one goes to Europe or to New South Wales where there are large flocks of sheep, and where the dog is unrestricted, they will see it is not a sheep killer.

The Hon. H. W. Gayfer: Is it totally unrestricted in New South Wales?

The Hon. R. J. L. WILLIAMS: I am glad Mr Gayfer asked that question. In certain parts of New South Wales—

The Hon. H. W. Gayfer: In certain parts?

The Hon. R. J. L. WILLIAMS: I do not wish to hide anything from members. There are a variety of restrictions relating to German shepherd dogs. On a State by State basis, they are as follows: Tasmania imposes no restrictions; Victoria permits unsterilised dogs anywhere in the State; New South Wales imposes no restrictions on German shepherds in Sydney, Newcastle and approximately 24 Pasture Protection Board areas, while in the remaining part of the State, the German shepherds must be sterilised. New South Wales has the largest sheep population in Australia, yet permits unsterilised dogs to be kept over a wide part of the State.

The Hon. H. W. Gayfer: It is not unrestricted.

The Hon. R. J. L. WILLIAMS: I did not say it was; I said, "with reservations". In South Australia, unsterilised German shepherd dogs are permitted throughout the State, excluding the pastoral areas, Kangaroo Island, and the district council of Hawker, where both sterilised and unsterilised Alsatian dogs are banned. In Queensland, both sterilised and unsterilised Alsatian dogs are permitted in all but 54 of the 131 shires of that State.

In the Northern Territory the breeding of registered dogs is allowed in Darwin, Alice Springs, and Tennant Creek. Sterilised dogs are allowed anywhere in the territory.

It is the mythology we must get rid of when we repeal this Act, as I hope the House will see fit to do. As a guide dog for the blind the Alsation is the most widely used dog overseas. It is only our reluctance to have the dog in this State, and in others with certain restrictions, that has allowed the labrador to come to the forefront in Australia as a guide dog for the blind.

Alsatians are not vicious dogs—far from it. The Royal Australian Air Force, which trains these dogs for security reasons, will tell one that until such a dog is set upon it is not a vicious dog and its prime duty is security and the protection of its handler. An Alsatian will attack only on command to protect his handler when told to do so.

People who have had close association with these dogs would say that the one myth that must be put to rest—I challenge any member of this Chamber to give proof tonight—is that this dog will mate with a dingo. It has been tried at Lone Pine and it has not been successful. The only known mating of Alsatian dogs with dingoes took place in a private zoo and took two years to happen. If my information is incorrect I shall apologise to any member of this Chamber but first they will have to produce proof positive that these dogs mate with dingoes. I reckon that a German shepherd dog would be ripped to bits—as would any other dog—if it went near a female dingo in the wild.

The big thing that will happen in this State if the Alsatian or the German shepherd, as it should be rightly called, is allowed to become part of the canine family is that so many owners will not be taken for a ride. They should have a right to import the right sort of bloodlines. At the moment what happens is that a New South Wales breeder gets a litter and a person in this State has to buy a dog unseen. When such dogs are bought they cost $200 or $300. A lady in New South Wales paid approximately $30 000 or $40 000 to import a dog from Germany to improve the bloodlines.

I cannot think of a more lovable dog than the German shepherd particularly when properly trained.

The Hon. D. J. Wordsworth: Are you going to guarantee that every one will be properly trained.

The Hon. R. J. L. WILLIAMS: The honourable member should know that only interested people will buy a German shepherd of the strain about which I have been talking. I cannot give a guarantee about any dog's behaviour any more than I can give a guarantee of the behaviour of any member of this Chamber under any circumstances. I think the question is fatuous. But I will say this: A properly trained dog, be it German shepherd, labrador, kelpie or whatever, is a pure delight to the owner. Such is the price that one must pay for this breed that a person who did not train one of these dogs could afford to throw money away. They are known as one of the best assistants to mankind. It may not be known to the Chamber but in the Alps they are rapidly replacing the Saint Bernard for tracing people missing in avalanches. I was in Europe in October and saw them working; on one occasion they were tracing people who were missing and on another they were sniffing out drugs.

The German shepherd dog has consistently been one of the best friends that man has ever had because man has taken care of it. I consider it to be one of five noble breeds of dog. It is awfully sad to think that because of the myth that this dog attacks sheep flocks it has been banned from this State to the extent that it has not been allowed to reproduce.

I am grateful to the Government for bringing in this Bill. It does not exempt the Alsatian or German shepherd dog from anything. The Alsatian will become a part of the dog family under the Dog Act, which was discussed in this Chamber earlier this evening. I hope that members will support the repeal of this Act so that the Alsatian may be returned to the canine family as an entire, whole, and worthwhile part of the dog community. I support the repeal.

THE HON. D. J. WORDSWORTH (South) [7.51 p.m.]: It appears that there are a lot of supporters of this Bill and I am somewhat concerned to find that no-one here has spoken against the Bill to repeal the Alsatian Dog Act. I speak not only as a pastoralist but also as a member of the general public. I think the Government is doing the wrong thing by passing the responsibility for Alsatians onto local government. I think local government will have the greatest difficulty administering the Dog Act that we have just been debating. If local governments have this burden placed on them also it will be too much for many of them.

I will be one of the first to admit that the Alsatian should not be singled out as it has been in the past, but that does not necessarily make right the repeal of this Act. I think we should be considering placing limits on some other dogs, such as the Dobermann and other breeds which have been mentioned as being more vicious.

I think basically the dog is a hunter. There is no denying that dogs have had to hunt for their very existence for so long that it does not matter. While mankind looks after a dog it does not have to hunt, but I am very concerned that if there are greater numbers of larger dogs, such as Alsatians and Dobermanns, we will have trouble not only with people being molested by dogs—I do not think that is a hunting problem—

The Hon. Clive Griffiths: It is if you're the one being hunted.

The Hon. D. J. WORDSWORTH: I do not think they are molested because the dogs are hungry. It is all very well to say, "What about the smaller dog?" But the smaller dog is not able to hunt in the same manner and is not able to do as much damage.

The Hon. G. E. Masters: He probably hunts smaller things.

The Hon. D. J. WORDSWORTH: That might be the answer. A lot of emphasis has been put on the possible cross-breeding with the dingo. Strange as it may seem, I am not quite as concerned with that aspect of the matter. Admittedly, a cross between those two dogs could very well be vicious and cunning, using the cunning of the dingo and the viciousness of the dog. But I think we could get just as much trouble with a pure Alsatian.

The present system has put a lot of value on Alsatians, and I think that has been a very good thing. Everyone who owns an Alsatian is proud of it and looks after it with great care. When they become more common I wonder what troubles we will have. We have not yet seen the Dobermann and other large dogs come into this category, so it is hard to estimate what it will be like. A minor problem is what they will do to livestock on properties, but we have trouble from dogs in all areas. One instance concerns children being attacked in Esperance while they walked or cycled down the street. There are streets in Esperance where people dare not ride their bicycles. The dogs there do not appear to be greatly cared for. Certainly their owners do not appear to be controlling them.

The Hon. G. E. Masters: We have just brought in a Bill to control that situation.

The Hon. D. J. WORDSWORTH: That is right, and I think we are already putting too much emphasis on the shires handling this sort of situation. By the introduction of the Dog Act I do not think they will handle the matter any better than they handled it previously.

The Hon. G. E. Masters: That is your opinion.

The Hon. D. J. WORDSWORTH: I shall be interested to see what happens.

The Hon. G. C. MacKinnon: Do you think there is some indication that members here do not do much canvassing?

The Hon. D. J. WORDSWORTH: That might be, but I must admit that one way to keep a politician off one's property is to display a notice saying, "Beware of the dog."

The Hon. Clive Griffiths: Or put a bone in the front yard!

The Hon. G. C. MacKinnon: Some of the Labor people think people train their dogs to bite us.

The Hon. R. F. Claughton: They do it from natural instinct.

The Hon. D. J. WORDSWORTH: Postmen in England were given a liquid to pour on their trouser cuffs to keep the dogs off, but it did not prove successful. Recently I was at my local garage and stepped into the back to see whether the work on my car had been finished. I walked through the door and an Alsatian

flew at me. The proprietor said, "I have it trained. Anyone who goes behind the counter gets clobbered by the dog".

The Hon. H. W. Gayfer: Was it sterile?

The Hon. D. J. WORDSWORTH: I think that is entirely academic.

The Hon. Clive Griffiths: You do not think it was jumping at him for that purpose?

The Hon. D. J. WORDSWORTH: I am very concerned about this aspect. While we have a few dogs and they are being handled properly, I think they are excellent dogs. No-one likes dogs more than I do. I have always had dogs, but I wonder why one has to have such a large dog.

The Hon. A. A. Lewis: It is a matter of personal choice.

The Hon. D. J. WORDSWORTH: Why? Why must one have a dog that stands 4 foot high and has teeth 6 inches long in order to get a kick out of it? I believe one can get just as much satisfaction out of a smaller dog.

The Hon. Clive Griffiths: An Australian terrier would be more to your liking.

The Hon. D. J. WORDSWORTH: I do not know why there is this sudden need for a bigger dog. I do not know whether people want ego trips from allowing their dogs to growl at people—

The Hon. S. J. Dellar: My Buster would tear you to pieces and he is one of the Heinz varieties!

The Hon. D. J. WORDSWORTH: I think the public should be protected from the sort of pets that people are allowed to keep. I do not know whether I would be allowed to have a cheetah or a lion in my back yard.

The Hon. R. J. L. Williams: There is nothing to prevent you.

The Hon. D. J. WORDSWORTH: Do you think I should be allowed to keep one, even if I had him nicely controlled?

The Hon. S. J. Dellar: I do not think you would have many visitors.

The PRESIDENT: Order! The honourable member is straying considerably from the subject of the Bill.

The Hon. D. J. WORDSWORTH: I raise these points only because many people are freely supporting this Bill without looking at what I believe are very real problems. I appreciate that problems might arise from pure breeds. Dogs also have a habit of cross-breeding. Those people who have owned dogs, particularly bitches, know that they can mate over a long period. Whilst one can be as careful as one may, invariably they seem to escape one's attention for a few minutes and one may not know about it till three months later.

I am concerned that there will be more cross-breeds which will not be as big as the Alsatian perhaps, but certainly they will be vicious. If the Dog Bill we have just passed succeeds, everything will be fine. In this country dogs are considered to be almost holy. Perhaps the present situation stems from the old goldfields days when a dog was kept for the protection of one's possessions and tent. Dogs have always been part of our lives, but we must learn to control the animals a lot more than we have done in the past.

The Hon. G. E. Masters: That was what the Bill we have just passed was all about.

The Hon. D. J. WORDSWORTH: That is right, but I am expressing concern that it is now believed that as the previous legislation has been passed all our problems in this area will be solved. However, we have merely passed the buck to someone else. We are not giving the previous legislation a chance to work so that we can ascertain whether it will be effective.

The Hon. A. A. Lewis: Surely this legislation will not be proclaimed until the results of the previous legislation are known.

The Hon. D. J. WORDSWORTH: I certainly hope not, but I have my doubts.

I am not criticising those who currently own Alsatians. I think Alsatians are marvellous dogs, particularly when they are looked after and given a lot of attention. In those circumstances they are excellent. However, I am concerned that at times these dogs will join the more common group of dogs which are given less attention. Today half our troubles seem to arise in connection with stray dogs. A child is given a pup which grows too big for the household, and so it is encouraged to play in the street. I am not sure that at times the gate is not closed after the animal has gone out! I am very concerned that bigger dogs will continue to use the street as a playground. Consequently I speak with hesitation on the advisability of this Bill.

THE HON. H. W. GAYFER (Central) [8.02 p.m.]. To some degree I must support Mr Wordsworth. I will not say that the Alsatian will readily cross with a dingo because I do not know, but I will not say that it will not because I do not know that either. I think that the reports of the CSIRO, which someone here mentioned, indicated that it would not cross with a dingo when put with one, but I think that that statement was inconclusive because the trials undertaken did not produce anything positive in this regard.

I do not agree with Mr Wordsworth in his criticism of the fact that we will pass here tonight a Bill allowing the entry and free keeping of entire Alsatians in Western Australia and this step is being taken in conjunction with the Dog Bill we have just passed. In the process we are foisting the responsibility of the whole procedure

back onto the shire councils which will now pass their necessary by-laws. We have learned from the debate on the previous Bill that a copy of these by-laws will be readily available to them. The shire councils will then have to do a certain amount of policing and the legislation will certainly make them do this. However, it will not be an easy or cheap task. Nevertheless, the legislation will allow them to do something about keeping in check the number of dogs in a district.

I also go along with Mr Wordsworth in his belief that we are now allowing another large dog to enter the field. Whether or not it will mate with the dingo does not alter the fact that there is an ever-increasing danger that the larger dogs will run amuck, particularly in the areas surrounding the State forests. Because of the legislation we have just passed, one could say that this would not be likely because the shires have the power to get rid of them.

Earlier today I asked some questions. I will not read them all, but only those portions to which I wish to draw the attention of the House. I asked the questions because when it became known that the Alsatian Dog Act and the Dog Bill were to be considered in Parliament I took the opportunity to circulate the shires around the State forests—and I refer mainly to the Shires of Wandering, Brookton, Beverley, York, Northam and Narrogin—to ascertain their views on the Bill before us.

I received a definite reply from all but one shire; it said, "For heaven's sake do not allow it to be repealed." It could be said that they were not aware of what the legislation entailed, but they have a responsibility concerning dogs in those shires. In the answer to one of the questions I asked today I was told that in Serpentine-Jarrahdale, Wandering, Brookton, Beverley, York, Northam, Toodyay, Chittering, and Gingin—the shires surrounding the main forests outside the metropolitan area—the shire and APB contribution in 1975-76 was $14 559 and it was spent on patrolling the bushland adjacent to the farmland to control the dog menace on the farmland. It is obvious therefore that the shires view this problem with a great deal of alarm, as do I. The third question I asked was—

> Is there any predominant breed of dog, either wild or domesticated, that the department feels is a major menace to farmers adjoining Crown Land reserves as referred to in (1)?

Certainly I was not told that the Alsatian caused any trouble and therefore people might feel I have fallen on my face. However, there are not many Alsatians in the areas involved. The answer was—

> No. Dog packs which harass and attack stock are in many cases of farm origin and typically consist of a variety of breeds and cross breeds. In some areas dingoes or dingo crosses are implicated. Attacks by single dogs usually involve only the larger dogs.

Here we are making possible the introduction of a great sheep dog. Mr Williams has already said that the Alsatian is a great sheep dog.

The Hon. G. C. MacKinnon: Did he refer to a sheep dog or a sheep guard dog?

The Hon. H. W. GAYFER: Mr Williams referred to a sheep dog, and I am quoting his words.

The Hon. G. C. MacKinnon: I am curious.

The Hon. H. W. GAYFER: Consequently, farmers will possibly agree that the Alsatian is a great sheep dog and should be trained. Then it will not be long before we have other larger dogs in the State forest areas which will eventually attack the sheep, as do some of the other larger species.

The Hon. G. W. Berry: What other large ones attack them?

The Hon. H. W. GAYFER: The honourable member heard the answer to the question as well as I did. Perhaps I should have asked more specific questions because I was not told that. I was merely told that larger dogs do attack sheep. I know some of the farmers who live along the verge of that forest, and I myself have witnessed sheep which have been mauled by dogs and dog packs in the Dale area. I know the feeling which runs high among the farmers concerning the ever-increasing menace, not only of the dog packs, but also of the larger single dogs which pull the sheep about.

We are told the Alsatian will not do a thing like that because it is the kindest dog possible. I read a speech of a well-known Alsatian supporter in another House, but we are not allowed to quote speeches from another House, anyway. He said that the Alsatian was a quiet and a most lovable animal, and that the worst thing about it was that its tongue is messy when it licks one with loving kindness.

Nevertheless, farmers in those areas are concerned about what we are doing in respect of this measure, and I share their concern. I only hope that the experts who know more about the Alsatian than I do and have convinced the Government and the Opposition that it is right that these dogs should be released in their entirety in Western Australia, can give absolute and positive proof that our forebears who were responsible for the appointment of a Royal Commission in the 1920s, followed by the introduction of legislation in 1929, were wrong and that the Alsatian owners and lovers have been right all along.

The four letters quoted by Mr Williams contained the same arguments which were advanced when the rabbit and the fox were introduced years ago. People were told they would cause no damage at all.

The Hon. D. K. Dans: They brought the emus, too.

The Hon. H. W. GAYFER: I wish the legislation all the best. I do not support it. If someone calls for a division I will walk out because I am not happy about it. I must make my stand clear. I think the legislation could be fraught with danger, possibly the same dangers which involve the Dobermann and some of the other dogs Mr Williams mentioned. I do not believe that by introducing another species, the danger will be alleviated; neither will we right a wrong by doing that.

A lot of friends of Mr Williams and myself are definitely opposed to the Alsatian on the market, as it were, the same as many of our friends support the passing of this Bill. Only time will tell what is right and I sincerely hope that right is being done tonight.

THE HON. I. G. MEDCALF (Metropolitan—Attorney-General) [8.13 p.m.]: I listened with great interest to the comments made, and I thank Mr Leeson and Mr Williams for their support of the Bill. I am sorry that Mr Wordsworth was unable to give it the support he would have liked, being a loyal member of the Government and a worthy citizen. His main interest did not involve so much an opposition to the Bill as a dislike of large dogs. I suppose many people dislike large dogs because, like Mr Gayfer, they are probably frightened of them.

The Hon. Clive Griffiths: I am afraid of little ones.

The Hon. I. G. MEDCALF: I can well understand that, because they can be quite frightening on occasions and we must be particularly careful of them.

The Government has gone about the legislation extremely carefully, and I again remind members that the Bill we have just passed includes a power enabling dangerous dogs to be prescribed, and this involves any breed at all, including the six breeds to which Mr Williams referred. I will not go into that now because it would be improper of me to refer again to a Bill which has just been debated. However, that Bill does contain specific authority which will be exercised not by the shires but by the Government.

The Government of the day makes the prescription. The local authority does not have to take the responsibility of deciding what is a dangerous dog. It is the Government of the day which makes that decision, and it can make a decision in respect of particular areas, particular animals, or particular breeds of animals. If there were a problem in relation to large dangerous dogs in areas such as Esperance or the area around the forest country to which Mr Gayfer referred, the Government would have the power to prescribe those dogs as dangerous dogs and people in those areas would not be allowed to license or register them or to keep them as pets or let them wander, or anything else.

I believe there is a power. The points made by all members were well made and I can understand their concern.

The Hon. D. J. Wordsworth: Would the Government be able to list a dog under that power if there were just one or two?

The Hon. I. G. MEDCALF: Yes. I believe one or two dogs can give a bad name to a whole breed of dog, and that is what has happened in the past.

The Hon. Clive Griffiths: Can the Government prescribe an area?

The Hon. I. G. MEDCALF: Yes, the Government can prescribe particular areas, so long as there is some justification for it. I would not think it would be done lightly. Nowadays people would require some proper evidence that the dog was of a dangerous type or had dangerous tendencies or characteristics. Perhaps one or two incidents would be enough to satisfy public opinion, and if someone were savaged by a particular dog—not necessarily an Alastian—I daresay public opinion would have considerable influence on a Government in making such a prescription. At the present time, the only breed which has been classified is the Alsatian. It may well be other dogs are found to be dangerous, but that is a matter for the future.

We are trying to take a completely new look at dogs and start up afresh. If those problems arise, they will be faced up to at the time. I am not minimising the possibility that there will be problems, and I assure members the Government has a concern to ensure dangerous dogs are not allowed to wander at large.

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.

LOCAL GOVERNMENT ACT AMENDMENT BILL (No. 3)

Second Reading

Debate resumed from the 18th August.

THE HON. R. H. C. STUBBS (South-East) [8.20 p.m.]: Mr President, the Bill now before the House is consequential upon the Dog Bill which we passed earlier tonight.

Part VIII of the Local Government Act allows by-laws to be made, and the Bill seeks to amend sections 197 and 243 and to repeal section 207. Section 197 deals with the breeding of dogs and birds, and the amendment will eliminate all reference to dogs by deleting the words "dogs and" in three places, so that the section will then refer only to birds. The amendment to section 243 seeks to add the words "other than a dog" after the word "animal".

We support the Bill.

THE HON. I. G. MEDCALF (Metropolitan—Attorney-General) [8.22 p.m.]: I thank the Hon. Claude Stubbs for his support of the Bill. I am grateful to have his assistance, he being a former Minister for Local Government who is very familiar with this subject.

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.

BUILDING SOCIETIES BILL

In Committee

Resumed from the 19th August. The Deputy Chairman of Committees (the Hon. R. J. L. Williams) in the Chair; the Hon. G. C. MacKinnon (Minister for Education) in charge of the Bill.

The DEPUTY CHAIRMAN: Progress was reported after clause 25 had been agreed to.

Clause 26: Societies may amalgamate—

The Hon. R. F. CLAUGHTON: This is the first of the clauses dealing with the amalgamation of societies. There are two sets of circumstances under which amalgamation may take place; firstly, where it is approved by a special resolution of a society, with the approval in writing of the holders of not less than two-thirds of the whole number of shares in each society, which indicates a substantial measure of agreement of the shareholders must be obtained. Secondly, amalgamation may take place simply by the exercise of a power given here to the registrar, and there is no indication of the conditions under which the registrar would be required to exercise this power.

There is such a marked difference between the two sets of conditions that I would like the Minister to indicate in what kinds of circumstances it is envisaged the registrar may be required to exercise the power granted to him.

The Hon. G. C. MacKINNON: This is a matter for the individual societies if they wish to amalgamate, and it is purely a judgment of the registrar at the time. He would exercise discretion and common sense. It could be anything from the fact that the societies would be infinitely more successful if they amalgamated to the fact that by getting together they would save each other from bankruptcy. There is a wide range of circumstances and it is impossible for me to specify what the conditions might be at a particular time.

The Hon. R. F. CLAUGHTON: It is very difficult to regard that as a satisfactory answer because there is such a marked difference between the two sets of conditions. In one paragraph amalgamation requires that the holders of two-thirds of the shares be in agreement. As opposed to that, the registrar may decide on his own initiative that he will allow the amalgamation to take place.

The Hon. A. A. Lewis: It is quite a sensible move. There might not be time to employ paragraph (a) before either of the shows goes broke.

The Hon. R. F. CLAUGHTON: I want a reasonable indication of the kind of situation in which it may be necessary for the registrar to exercise this power.

The Hon. A. A. Lewis: I have just given you one.

The Hon. R. F. CLAUGHTON: Some assistance has been given to the Minister by Mr Lewis but I would have thought the Minister, with much better advice available to him, could provide a better answer.

The Hon. G. C. MacKINNON: The answer I gave was correct. It is purely and simply the whole range: everything from a greater degree of efficiency and expertise for the shareholders by amalgamation, right through to saving the shareholders, because as Mr Lewis pointed out rapid action could save them from bankruptcy and thereby save the invested funds of shareholders.

The Hon. R. F. CLAUGHTON: It seems we will have to be satisfied with that. I hope that shareholders at the time of such an amalgamation will be satisfied with the care with which the legislation is passing through this Chamber. I do not believe they will be. What circumstances, other than impending bankruptcy, could be the cause for such action by the registrar? Even an impending bankruptcy does not happen overnight, and it should be able to be seen beforehand.

The Hon. A. A. Lewis: That is an economist's view, and not the view of a practical businessman.

The DEPUTY CHAIRMAN (the Hon. R. J. L. Williams): Order!

The Hon. R. F. CLAUGHTON: If the honourable member has read the Bill he will know that societies are required to provide a monthly report to the registrar. I assume the registrar will give those conscientious attention, and if a society is approaching bankruptcy he will take action before that point is reached.

The Hon. A. A. Lewis: You are pointing out exactly what this clause says. He can take action.

The DEPUTY CHAIRMAN: Order! I would remind members that interjections are disorderly and will not be allowed.

The Hon. R. F. CLAUGHTON: The member is agreeing with me that with the registrar exercising oversight upon the societies there will be ample forewarning of impending disaster, and ample time for the holders of two-thirds of the shares to be advised. I accept that circumstances may arise in which bankruptcy could be impending, but there must be other circumstances which are able to be defined more clearly which would constitute reasons for the registrar exercising the authority given in this provision.

The Hon. A. A. LEWIS: Mr Claughton's theory is exploded in his own words. He said, as the Bill says, that the registrar will obtain a report every month. There may be occasion for action to be taken within a couple of days. I do not know how much Mr Claughton knows about getting shareholders together in a hurry. This all takes time. Therefore the registrar should have power to make a decision for the benefit of the people who hold shares in the society.

Mr Claughton said the registrar ought to be able to pick up what is happening from the returns. That is why this provision is here. Yet Mr Claughton says he has had no explanation. I cannot understand why we are fiddling around with a clause that is so clear.

The Hon. R. F. CLAUGHTON: I cannot let the last remark go unanswered. The fact is that the registrar will receive monthly reports, and he will be able to establish a trend in the manner in which a society is managed. I should hope he would take action before the society gets to the point of bankruptcy. However, I think that would happen only on extremely rare occasions; so what is the purpose of his office and the provision of monthly reports if not for that alone?

We are changing a great deal of the existing legislation and I believe we are putting societies in a position in which perhaps unwise investments may be made.

The Hon. A. A. Lewis: That is irrelevant at the moment.

The Hon. R. F. CLAUGHTON: It is relevant if we are talking about the registrar acting to amalgamate societies.

The Hon. A. A. Lewis: You don't think the results of those can come up within a month?

The Hon. R. F. CLAUGHTON: There are various provisions, and certainly I question the wisdom of some of them, to which I referred in my second reading speech. This Bill allows building societies to make investments in land development, and that can be a highly speculative and dangerous type of investment. Many seemingly reputable companies have got themselves into financial difficulty as a result of that type of investment.

I suggest that if the registrar cannot do his job to the point where he is required to exercise his power under paragraph (b) because there is a bankruptcy, then we should not allow the other alterations that are included in the legislation. I refer to the power to be given to societies to enable them to invest in land development. I think all Mr Lewis has done is to arouse greater concern about other provisions in the Bill.

Clause put and passed.

Clauses 27 to 33 put and passed.

Clause 34: Meaning of "special advance"—

The Hon. R. F. CLAUGHTON: Could the Minister explain to me the meaning of the term "exempt proprietary company" in paragraph (a) of subclause (1)?

The Hon. G. C. MacKINNON: Exempt proprietary companies, where a shareholder occupies a residence, are excluded from the definition. This change is introduced because it is felt that such a loan is to a member for his residence rather than to a corporation for employee housing.

The Hon. R. F. CLAUGHTON: I was trying to ascertain the meaning of "exempt proprietary company".

The Hon. G. C. MacKinnon: It is an exempt proprietary company within the meaning of the Companies Act. That term is defined in the Companies Act.

The Hon. R. F. CLAUGHTON: I am afraid I am not terribly familiar with the Companies Act.

The Hon. G. C. MacKinnon: It refers to the family type of company and that sort of thing. One example is the family type company for farms.

The Hon. R. F. CLAUGHTON: And such companies will be exempt?

The Hon. G. C. MacKinnon: Yes.

The Hon. R. F. CLAUGHTON: Paragraph (b) refers to the same sort of person and says the loan cannot exceed $50 000.

The Hon. G. C. MacKinnon: That is for blocks of flats or for more than one home or duplex.

The Hon. R. F. CLAUGHTON: The sum of $50 000 is not excessive nowadays. I assume the prescribed sum in paragraphs (b) and (c) will be prescribed by the registrar on the advice of the advisory committee.

The Hon. G. C. MacKinnon: Yes, it will be prescribed by regulations and the advisory committee comes into this.

The Hon. R. F. CLAUGHTON: A later provision refers to that. Paragraph (e) refers to buildings other than dwelling houses, and to more than one dwelling house. Could the Minister explain why under paragraph (f) the approval of the Minister is required, but there is no similar control in paragraph (e)?

The Hon. G. C. MacKinnon: What are you talking about?

The Hon. R. F. CLAUGHTON: About where there is more than one dwelling. What is meant by "more than one"?

The Hon. G. C. MacKinnon: That generally refers to a flat not being a dwelling house or a duplex.

The Hon. R. F. CLAUGHTON: Under special advances nothing is indicated apart from normal dwelling homes.

The Hon. G. C. MacKinnon: That is up to $50 000.

The Hon. R. F. CLAUGHTON: That is so.

The Hon. G. C. MacKinnon: It represents loans to local authorities for town planning schemes; it is purely and simply for accommodation; only for dwelling house and land.

The Hon. R. F. CLAUGHTON: The purpose, historically, of a building society has been a means to assist people to accumulate funds to build houses.

The Hon. G. C. MacKinnon: That is the same arrangement.

The Hon. R. F. CLAUGHTON: Does the Minister mean through a local authority? It is not an individual who is obtaining the loan, but a local authority. I ask this because a local authority has access to other sources of finance without having to approach building societies.

The Hon. G. C. MacKinnon: It is only 10 per cent and it assists local authorities to build houses under their schemes.

The Hon. R. F. CLAUGHTON: it could assist all sorts of things.

The Hon. G. C. MacKinnon: It could not, because it is limited to 10 per cent.

The Hon. R. F. CLAUGHTON: To me it does not seem to fit.

The Hon. G. C. MacKinnon: It is designed for owner-occupier housing and is limited to 10 per cent, and that is it. This is a new innovation in local authority town planning schemes; it is a perfectly proper sort of arrangement.

The DEPUTY CHAIRMAN (the Hon. R. J. L. Williams): I would ask members to direct their questions and replies through the Chair.

The Hon. R. F. CLAUGHTON: I can understand the position as it relates to a family company which might want to obtain a loan, but when it comes to a local authority it becomes extremely remote from what I would have considered to be the intention of building societies. Local authorities have access to other sources of finance; for example, insurance companies are required to lend a portion of their funds to such institutions.

The Hon. G. C. MacKINNON: It would be easier for the honourable member if he understood that paragraphs (a) to (f) have to be considered individually and separately and not taken as one affecting the other, or as being intermixed. In total they represent no more than 10 per cent; the other 90 per cent goes to the owner-occupier housing. These all go to housing in one form or another, but each one is part of a 10 per cent special advance which, I suppose, could be taken up with any one of these, but all of them together cannot exceed 10 per cent of advances.

The Hon. R. F. CLAUGHTON: What we are talking about is that 10 per cent of the funds available for lending in any year could be a substantial amount.

The Hon. G. C. MacKinnon: It would depend on the size of the company.

The Hon. R. F. CLAUGHTON: If it has $50 million or $80 million for lending, it would mean that $5 million or $8 million would go into this sort of home building.

The Hon. G. C. MacKinnon: And the 90 per cent which is $45 million would go into the other activity of owner-occupier.

The Hon. R. F. CLAUGHTON: The point is that it is a considerable expansion of what is in the existing legislation.

The Hon. G. C. MacKinnon: It is exactly the same; the 10 per cent has been retained as it was.

The Hon. R. F. CLAUGHTON: I am talking about the types of special advance loans that can be made.

The Hon. G. C. MacKINNON: The 10 per cent is as it was previously. There are a couple of new avenues, one of which happens to be the local authority, because they are becoming more involved in housing and it is considered reasonable in a modern piece of legislation that that be added to; but it has not been given another 5 per cent of the funds; it must be included in the 10 per cent that has existed all the time.

The Hon. R. F. CLAUGHTON: I do not want to delay the Committee stage because I have not been smart enough to sort this out. The Minister is saying that if the local authority develops, of its own volition, an area for residential allotments, individuals can then apply through the local authority to obtain a building society loan; or is it the local authority that is applying on behalf of one of its own employees?

The DEPUTY CHAIRMAN (the Hon. R. J. L. Williams): I would like to help the honourable member and say that clause 43 of the Bill explains perfectly the role of the advances to local authorities.

The Hon. A. A. Lewis: Clauses 43 and 44 do this.

The Hon. R. F. CLAUGHTON: Clause 43 only refers to the fact that a society can make an advance to a local authority.

The DEPUTY CHAIRMAN (the Hon. R. J. L. Williams): Under certain conditions.

The Hon. R. F. CLAUGHTON: The only condition is that it must have the approval of the Minister.

The Hon. G. C. MacKinnon: We are not discussing that at this stage.

The Hon. R. F. CLAUGHTON: Is it envisaged that the people will apply through the local authority for the building society loan, or will the local authority apply on behalf of one of its employees?

The Hon. G. C. MacKINNON: The local authority may have a town planning scheme and may want to develop some blocks. The building society can advance money for the purpose of developing those blocks, which will be put on the market to be sold. Someone can buy a block and approach the building society, or anybody else, and get money to buy a house. It makes blocks available. As Mr Claughton rightly said, this is an innovation, but the innovation does not allow for additional money; it is merely an innovation in that it is another area in which the building society can make a special advance which subsequently will be governed by certain features, but we are not up to that stage as yet.

The Hon. R. F. CLAUGHTON: So the most a building society can lend the local authority, a person, or anybody else for the purpose of land development is $50 000.

The Hon. G. C. MacKINNON: It can lend any amount provided it is within the 10 per cent; that it does not go over that 10 per cent.

The Hon. R. F. CLAUGHTON: This does not seem to be clear as expressed in clause 34.

The Hon. G. C. MacKinnon: Is it clear now?

The Hon. R. F. CLAUGHTON: The only limitation mentioned is the $50 000 in subclause (1)(b).

The Hon. G. C. MacKinnon: You must not confuse the one with the other; they are separate.

The Hon. R. F. CLAUGHTON: Each of these paragraphs provides that somebody can borrow up to $50 000—if it is a proprietary company—to build a house, a duplex, flats, and so on.

The Hon. G. C. MacKinnon: Except where the body corporate is an exempt proprietary company.

The Hon. R. F. CLAUGHTON: The Minister says there is no limit to the amount that may be lent to a body corporate, except the limitation of 10 per cent of the funds.

The Hon. G. C. MacKINNON: The amounts that may be lent under paragraphs (a), (b), and (c), are set out separately, and each has to be treated separately.

The Hon. A. A. LEWIS: The provisions in paragraphs (a) to (f) deal with six methods of lending. If three-quarters of the 10 per cent of the funds is lent under the provisions of paragraphs (a) to (e), then only one-quarter of the 10 per cent may be lent under the provisions of paragraph (f). All that a building society can lend out is 10 per cent of the funds. A local authority may obtain a loan of any proportion up to 10 per cent of the funds.

The Hon. G. C. MacKINNON: We should read each paragraph in conjunction with the others. We must read the provisions in clauses 34 and 35 to find out how the proportion is determined. I am explaining the provision in paragraph (a), but Mr Claughton is dealing with matters covered by clause 35. I suggest the honourable member should do his homework before he handles the Bill in the Chamber, and not while he is handling it here

The Hon. R. F. CLAUGHTON: Under the provision in paragraph (a) a body corporate may borrow any amount within the 10 per cent of the funds. If a building society is lending out $80 million a year then it can lend up to $8 million under the provisions in paragraphs (a) to (f).

The Hon. G. C. MacKinnon: On detailed examination you will find the Minister can reduce that amount.

The Hon. R. F. CLAUGHTON: I realise this is subject to ministerial approval, but it illustrates the extent to which the finances of a building society may become involved in land speculation.

The Hon. A. A. Lewis: I do not think you can accuse shires of being involved in land speculation.

The Hon. R. F. CLAUGHTON: I am not talking about shires being involved in land speculation. This applies to building societies, and that is where there is cause for concern. In Queensland where there were pending failures of building societies the Government had to step in; and the Government limited the areas of lending by building societies to finance for housing alone. They were not permitted to become involved in land development, and this aspect is mentioned in the Brotherson Committee report. At

page 3 the appendix to the report indicated that in relation to the position in Queensland, Cabinet had already decided that the legislation would be amended to ensure that the investment by building societies be limited to housing finance, except the finance required for administration.

Here we have a situation where the building societies will be allowed to undertake very dubious forms of investment. I question whether it will be of value to prospective home owners. I believe there will be a great temptation for a building society to encourage potential borrowers to acquire land in which the building society has an investment. That would help to ensure that the building society obtained a return from the sale of the land. It is a potential limitation on the choice of land by the home owner.

It would be wiser to allow others to undertake land development and thus enable a prospective home owner to have a choice of the blocks that are available. Having made his selection the home owner could approach a building society to obtain a loan.

The home owner should not be directed in this manner. A limitation should not be imposed on him to acquire land in an area where the building society has an investment. The Minister might claim that will not happen, but one would have to be very optimistic on how these procedures would operate to agree with that claim.

We all know that building societies have lists of approved builders. If a prospective home owner goes to one of the builders on the list to have his home built it will be much easier for him to obtain a loan from the building society. In this respect there is a limitation on the home owner. I do not think the Government will change the position by the introduction of the provision in the clause. I could not let the opportunity pass without making my views known on this matter. I am sure other members on this side support my views.

The Hon. G. C. MacKINNON: This is the greatest degree of hogwash we have heard up to date in the debate. What Mr Claughton has said is the complete reverse of the actual situation. Without the limitation in the clause the building societies could lend up to 100 per cent of their funds for the purposes mentioned; so, what we are seeking to do under the Bill is to limit them. The honourable member has used the term "dubious investment" in relation to the building societies. It is nothing of the sort. I repeat that he should read each clause separately to find out the actual situation.

Queensland does not have the powers that we in Western Australia have; and what powers Queensland has it does not police properly. Everything Mr Claughton has said ought to be totally and absolutely discounted, and if we did that we would get nearer the true position. I hope that no member opposite will support him. The powers of the building societies will be stringently and severely limited by this clause. There is no way in which the building societies can do the things which the honourable member says they can.

The Hon. R. F. CLAUGHTON: What the Minister is saying—

The Hon. G. C. MacKinnon: Is true!

The Hon. R. F. CLAUGHTON: —is that special advances of this nature can be made. If that is so I cannot understand why the Minister took the trouble to make the point in his speech.

The Hon. G. C. MacKinnon: I said the provision relating to special advances contained an alteration in detail compared with the existing Act.

The Hon. R. F. CLAUGHTON: The existing Act contains a small section which deals with special advances.

The Hon. G. C. MacKinnon: We have tightened it up.

The Hon. R. F. CLAUGHTON: The Minister has not; he has broadened it.

The Hon. G. C. MacKinnon: One could broaden a provision and tighten it up at the same time.

The Hon. R. F. CLAUGHTON: To change the situation where it is not possible to make loans for land development, to one where that is possible, is a considerable broadening of the existing provision.

Clause put and passed.

Clause 35: Limitation on special advances—

The Hon. R. F. CLAUGHTON: A limitation of 10 per cent is placed on special advances, but that percentage can be varied as prescribed. In theory it could be less or more than 10 per cent.

The Hon. G. C. MacKinnon: That is right.

The Hon. R. F. CLAUGHTON: The special advances could reach 25 per cent of the funds. If they do there is provision in the Bill to prohibit the building society from making special advances in the succeeding year. This provision is also a cause for concern, because it suggests that the control of the registrar will not be that stringent.

Earlier on we heard how a building society might go bankrupt, even though it had to furnish monthly reports. Now under the terms of the Bill building societies are to be allowed to make investments in land development representing up to 10 per cent of their funds. Under this provision

such advances can reach 25 per cent—the figure mentioned in the Bill. However, there is nothing to say that the special advances will not be greater than 25 per cent. Obviously this indicates a very loose arrangement. Perhaps the Minister can allay our anxiety by explaining how the special advances can reach 25 per cent, which is 15 per cent above the limitation mentioned.

The Hon. G. C. MacKINNON: There could be a sudden and an unexpected discharge of mortgages, thus leaving the special advances at a higher percentage. The 25 per cent is a limiting device. It is not a device to allow building societies to lend out more than they are permitted. If unexpected events occur to bring the special advances out of balance, then there is a further limitation of 25 per cent and the building society has to stop lending. It is not an easing of the lending powers of building societies; it is a limitation. Above all, this is still under the control of the Minister.

The Hon. R. F. CLAUGHTON: If the special advances reach 25 per cent then a clamp will be applied.

The Hon. G. C. MacKinnon: They do not reach 25 per cent; building societies could suddenly find themselves placed in that awkward situation through unexpected happenings.

The Hon. R. F. CLAUGHTON: I can appreciate that all of a sudden there is an upsurge in the discharge of mortgages and so on, when the percentage of the special advances rises unexpectedly. However, the Minister must admit that the increase to 25 per cent from 10 per cent is a big increase. The clause actually mentions that it is 10 per cent, or whatever is prescribed. There could be a situation where it gets to 25 per cent. It seems the Government has in mind that the special advances could reach above 10 per cent.

The Hon. G. C. MacKinnon: It has been in operation since 1970 and has never got within cooee of 25 per cent.

Clause put and passed.

Clause 36: Permission to make special advance to purchaser of a mortgaged property—

The Hon. R. F. CLAUGHTON: I have had some difficulty in understanding this clause.

The Hon. G. C. MacKINNON: The clause has been taken from section 19 of the present Act. In certain circumstances a society may, with the consent of the registrar, make a special advance to the purchaser of a property on which the society has foreclosed.

The Hon. R. F. Claughton: I am not sure that I understand.

The Hon. G. C. MacKINNON: The interest charges can be capitalised. An offer can be made to cover capital and interest charges, and a special advance can be made with the permission of the registrar. The provision was in the old Act.

Clause put and passed.

Clause 37: Restrictions on lending on vacant land—

The Hon. R. F. CLAUGHTON: What interest rates will apply on vacant land?

The Hon. G. C. MacKINNON: Just the normal commercial rate of 11 per cent. It can go as high as 12 per cent.

Clause put and passed.

Clauses 38 and 39 put and passed.

Clause 40: Liquidity—

The Hon. R. F. CLAUGHTON: This clause deals with what is to be taken into account in determining liquidity. The point is that 10 per cent of liquid assets, along with the other reserves that have to be made, indicate that a good deal of the societies' funds will be withdrawn from the home builder market.

I can understand that because of the great risk which societies will be involved in, through land speculation deals, some extra security is to be applied, one of which is this statutory reserve. Liquid assets are not the same as fixed assets. If the fixed assets of a company amount to $200 million, the liquid assets may be $50 million.

The Hon. A. A. Lewis: The company would be lucky if they were.

The Hon. R. F. CLAUGHTON: They would probably be much smaller. I looked at the statement for the Perth Building Society for 1971—the most recent statement I have—and the sum was over $1 million at that particular time.

I do not expect a reply from the Minister on this point. I am simply stating it is another safeguard which the Government is finding it necessary to make because of the ability which building societies will have to go into land speculation. That will reduce the funds available for home builders. If it were not for this sort of thing then the 10 per cent statutory reserve requirement may have been a sufficient guarantee. I do not expect the Minister to take up the time of the Committee in answering the point I have raised.

The Hon. G. C. MacKINNON: I am jolly determined to answer a couple of points that have been raised. One is the implication that the honourable member cannot get a later statement from the Perth Building Society than for 1971.

The Hon. R. F. Claughton: I did not say that.

The Hon. G. C. MacKINNON: That was the implication. The member can get a return or a statement within three months of the end of the year. If he had tried half as hard as should be expected of him he would have had last year's statement.

The second point I want to raise is that speculation in land is probably safer for a building society than any other investment because it is usually for a period of two or three years, whereas investment in housing is usually over 25 or 30 years. The investment is limited to no more than 10 per cent.

The Hon. R. F. CLAUGHTON: I must assure the Minister I meant no reflection.

The Hon. G. C. MacKinnon: Your comments could have read that way.

The Hon. R. F. CLAUGHTON: In fact, I receive a copy of the annual report of the Perth Building Society each year.

The Hon. G. C. MacKinnon: You will agree we have cleared that point.

The Hon. R. F. CLAUGHTON: Yes; it is my own fault that I did not have one more readily to hand.

The Hon. G. C. MacKinnon: You are forgiven.

The Hon. R. F. CLAUGHTON: I normally have them to hand, but I have been cleaned out. On the other point, I would not have thought it necessary to produce evidence of the frequency with which quite reputable companies and building societies —and banks for that matter—have found that land speculation has not been a safe investment at all. I hope the registrar is able to keep a close check on what the building societies do. He will not be God; it is inevitable that mistakes will be made and the shareholders will suffer as a consequence.

The Hon. G. W. BERRY: Will the figure of 10 per cent be altered from time to time by regulation? I cannot see any mention of any power to alter the percentage.

The Hon. G. C. MacKINNON: This point has been explained. The percentage has been increased from 7½ per cent to 10 per cent, and that can be increased. In fact, I think it is a fair while since the figure has been below 12 per cent. It could be changed to meet changing conditions, but not lower than 10 per cent.

The Hon. R. F. Claughton: I am glad the Minister agrees; it was 7½ per cent and it is now to be 10 per cent.

The Hon. G. C. MacKinnon: That is what I said.

Clause put and passed.

Clause 41 put and passed.

Clause 42: Reserve account—

The Hon. R. F. CLAUGHTON: The reserve fund will be one per cent of the total liabilities of a building society. There is also provision for a variation of the one per cent and I assume that is to cope with the fluctuation in the liabilities of the companies. Sometimes it will be more and sometimes it will be less; it is impossible to keep precisely to the figure of one per cent.

On the assessment of one per cent I assume the building societies will probably build up in the early part of the financial year to more than one per cent and then run the amount down at the end of the financial year. Again, that means a withdrawal of funds from home lending because of the need for some sort of safeguard due to land speculation. I am simply drawing the attention of members of the Committee to the fact.

The Hon. G. C. MacKINNON: I got the impression there was some sort of intention, on the part of the honourable member, that the reserves ought to be higher. They should not, because it is money at grass and more has to be charged to compensate for it. It is a new provision, but all building societies had reserves so it was decided to include the provision in the Act.

The Hon. R. F. CLAUGHTON: The point I was making is that this is a new provision. It is one of the other safeguards that becomes necessary because the societies are going into land speculation, so funds will be withdrawn from people who wish to build homes. After all, building societies are based on a co-operative principle. People join together to assist each other in the accumulation of funds to be used for home building. The whole concept is being changed in this piece of legislation.

The Hon. G. C. MacKinnon: You are totally wrong, but I think it is a waste of time explaining.

Clause put and passed.

Clause 43 put and passed.

Clause 44: Application of moneys advanced under section 43—

The Hon. R. F. CLAUGHTON: I rise to point out that this clause makes it clear that advances to local authorities are for land development.

The Hon. G. C. MacKinnon: For residential land.

The Hon. R. F. CLAUGHTON: That is a necessary correction, because the advances are for residential land. If the Government intends to broaden the scope of the Act for land development, then I do not see why local authorities should not be able to participate.

Clause put and passed.

Clauses 45 and 46 put and passed.

Clause 47: Investments—

The Hon. R. F. CLAUGHTON: Subclause (3) contains a provision for the assignment of mortgages. During the debate last Thursday we cleared up the situation that when land is sold the mortgage transfers to the new owner. Here

we are talking about the assignment of mortgages which may be a different matter. This provision envisages a mortgage market and a mortgage sold by one society to another. What is the relationship of the mortgagor to the company with whom he originally took out the mortgage? Does this person now deal with the society which purchased the mortgage?

The Hon. G. C. MacKINNON: Let us simplify the matter and call the mortgagor the householder, and his allegiance would be to the person who owns the mortgage. This device has been included in the Act to make it possible to implement a rescue operation. Had the Queensland legislation contained such a provision, some of the investors there may not have lost their money. The mortgage market situation could have been evened out if someone had been able to move in to purchase the mortgages. This provision is a device to float a rescue operation, but the simple answer to the honourable member is that the householder's allegiance must follow the man who owns the mortgage. It always has, and it always will, I guess.

The Hon. R. F. CLAUGHTON: I thank the Minister for that explanation. I am not sure whether this will be a good thing or a bad thing for the householder.

The Hon. G. C. MacKinnon: We hope it will never be necessary to use it. Such a provision has never been used yet.

The Hon. R. F. CLAUGHTON: We know it is envisaged that a mortgage market will be set up, and this is referred to in the document I have here. I would have thought that the provision was for more than a rescue operation.

The Hon. G. C. MacKinnon: We are not geared for any more. It may come, but it is a matter for the future.

The Hon. R. F. CLAUGHTON: However, the provision has been placed in the Bill at this time.

The Hon. G. C. MacKinnon: This provision was included because of what happened in Queensland. The provision will be necessary for a rescue operation. I know the other facility exists, but mortgages would have to be uniform in regard to conditions, terms, and so forth.

The Hon. R. F. CLAUGHTON: I can appreciate what the Minister is saying, and I am sure he would say also that with the excellent legislation the Government has now introduced, there will be no need for such a provision.

The Hon. G. C. MacKinnon: I never regard legislation as excellent; I always regard it as being subject to future amendment.

The Hon. R. F. CLAUGHTON: We must be careful because this legislation will be written into the Statute book, and it will be there if and when a mortgage market is set up.

The Hon. G. C. MacKinnon: Yes.

The Hon. R. F. CLAUGHTON: If a mortgage can be tossed around from one society to another, home owners will be wondering about what will happen to them. To what extent is it likely that such exchanges will occur?

The Hon. G. C. MacKINNON: It is extremely unlikely. Further amendments would be necessary before such action could be taken. In its present form the provision is a basis for a mortgage market in the future. At the present moment it is a facility for a rescue operation and little more.

The Hon. R. F. Claughton: Just to clarify this, further amendments would be necessary?

The Hon. G. C. MacKINNON: Yes, it is considered that further amendments would be needed.

Clause put and passed.

Clause 48: Borrowing powers, etc.—

The Hon. R. F. CLAUGHTON: The question I wish to ask on this clause is: Does this limit the obligation of the shareholder who has purchased a home with a building society loan? I am referring here to subclause (5).

The Hon. G. C. MacKinnon: No, it protects purchasers in that they will not have to see to the application of purchase money. It is taken from the previous Act.

Clause put and passed.

Clauses 49 to 52 put and passed.

Clause 53: Share capital—

The Hon. R. F. CLAUGHTON: This provides a limitation of corporate body shareholding to any one corporate body of 20 per cent, and a limitation on the total that may be held by corporate bodies to 50 per cent. In section 16 of the existing Act, these two amounts are prescribed as 10 per cent for an individual corporate body, and 40 per cent for the total shareholding of corporate bodies. Again I believe the existing provision is the maximum percentage desirable, and no good reason has been shown why these percentages should be doubled in one case, and lifted from 40 per cent to 50 per cent in the other. This provision again is a movement away from the principle of co-operative societies, and it places a large measure of the control of societies into corporate hands.

For instance, in the selection of directors of a society, a corporate body would virtually have a monopoly. Individual shareholders are dispersed and unorganised, and very often only vaguely aware of what is taking place in the management of societies. I do not think we would be doing a great deal of service to the home-buying public if we accept this amendment. Also, we are not providing any

further safeguards for the small shareholders. For example, probably many members in this Chamber have mortgages with building societies and also shares in a society. In my opinion we should not be taking this step and I would like the Minister to indicate the reason for this amendment.

The Hon. G. C. MacKINNON: I notice that members are following this debate carefully and I would like them to look at this clause in the Bill. I will read out the old Act and members will notice that this provision is a replica of a provision appearing there. I read from the old Act as follows—

(i) the shares held beneficially by any body corporate being in excess of twenty per cent of the subscribed capital for the time being of the society; or

(ii) the aggregate of the shares held beneficially by bodies corporate being in excess of fifty per cent of the subscribed capital for the time being of the society; or

The difference is that in the old Act this appeared as section 16(a)(i) and (ii) and here it is clause 53, subclause (10), paragraph (a), subparagraphs (i) and (ii). I do not know from where Mr Claughton got the idea there was to be a change.

The Hon. R. F. CLAUGHTON: I apologise to the Committee; I have been working from my electorate office using an out-of-date Act. The quicker I sit down on this clause, the better!

Clause put and passed.

Clauses 54 to 57 put and passed.

Clause 58: Age limit for directors—

The Hon. R. F. CLAUGHTON: I am inclined to question the lower age limit of 21 years, since the accepted age of majority is 18. However, I do not propose to discuss that point now. It is more important that the individual shareholders of the building societies be given greater opportunity to participate in the operations of the societies to bring them more into line with the original intention of co-operative movements.

The Hon. A. A. Lewis: Co-operatives also have directors.

The Hon. R. F. CLAUGHTON: That is quite right. We have seen that the influence of corporate bodies can be substantial. In fact, the Bill provides that all notices sent to shareholders are required also to be sent to the corporate bodies, which places them in somewhat of a privileged position, because the reverse is not the case; namely, notices sent to corporate shareholders are not required to be sent to other shareholders.

Also, the provision for different classes of shares in the societies seems to be quite foreign to the concept of a co-operative. I move an amendment—

Page 46—insert after subclause (2) the following new subclause to stand as subclause (3)—

(3) (a) The office of a director of a society shall be filled by means of a secret ballot of shareholders;

(b) in the conduct of such a secret ballot a society shall satisfy the Registrar that it has taken all reasonable measures to ensure that all natural persons who are shareholders—

(i) have received ballot papers; and

(ii) are given reasonable time to return the voting slips before the close of the ballot.

Point of Order

The Hon. G. C. MacKINNON: Mr Deputy Chairman, clause 58 relates to the age limit for directors, and it does not seem to be appropriate for Mr Claughton to move the amendment he has circulated. I ask for your ruling on the matter.

Deputy Chairman's Ruling

The DEPUTY CHAIRMAN (the Hon. R. J. L. Williams): I must rule in favour of the Minister for Education. Clause 58 does not seem an appropriate place for Mr Claughton to move his amendment.

Dissent from Deputy Chairman's Ruling

The Hon. R. F. CLAUGHTON: I move—

That the Deputy Chairman's ruling be disagreed with.

Clause 58 contains a number of other aspects relating to directors—

The DEPUTY CHAIRMAN: Order! In this matter, I am governed by Standing Order 320 which states—

If any objection is taken to a decision of the Chairman of Committees, the objection must be stated at once in writing. The Chairman shall thereupon leave the Chair and the Council shall resume. The matter having been reported to the President, and Members having addressed themselves thereto, the President shall give his ruling or decision, and if the President's ruling or decision be not challenged, the proceedings in Committee shall be resumed where they were interrupted.

On receipt of the objection in writing, I will vacate the Chair and report to the President.

[*The President (the Hon. A. F. Griffith) resumed the Chair.*]

The DEPUTY CHAIRMAN OF COMMITTEES (the Hon. R. J. L. Williams): Mr President, I have to report that during

the sitting of the Committee, the Hon. R. F. Claughton disagreed with my ruling.

The PRESIDENT: I will leave the Chair until the ringing of the bells.

Sitting suspended from 9.57 to 10.32 p.m.

President's Ruling

The PRESIDENT: The Deputy Chairman of Committees has reported that, the Minister for Education having requested a ruling as to whether the amendment moved by the Hon. R. F. Claughton to clause 58 was in order, and the Deputy Chairman having ruled the amendment out of order, the Hon. R. F. Claughton has objected to the ruling of the Deputy Chairman.

Having considered the amendment to clause 58 moved by the Hon. R. F. Claughton. I consider that it is not applicable to this clause and I therefore uphold the ruling of the Deputy Chairman.

Committee Resumed

The Hon. R. F. CLAUGHTON: The position now is that obviously I will not persist with that objection but I will move the proposed amendment as a new clause to follow clause 58 which will deal with the election of directors. That is what I propose to do at this time. I propose to move on page 47, concerning new clause 58—

Point of Order

The Hon. G. C. MacKINNON: Mr Deputy Chairman, as I understand it new clauses are taken after we have dealt with the last clause in the Bill.

The DEPUTY CHAIRMAN (the Hon. R. J. L. Williams): I understood the honourable member to say he would move it later.

The Hon. G. C. MacKINNON: I thought he was proceeding to move it.

The DEPUTY CHAIRMAN: Not at this time. It is against Standing Orders to do so.

Committee Resumed

The Hon. R. F. CLAUGHTON: That is my intention. There is a new clause to follow clause 58.

The DEPUTY CHAIRMAN: You cannot move it until we have finished with clause 95. It cannot be moved until that time.

Clause put and passed.

Clauses 59 to 86 put and passed.

Clause 87: Appeals and reviews of decisions of Registrar—

The Hon. R. F. CLAUGHTON: It is noticeable in the provisions of this Bill that while there is a process by which an appeal may be made against the decisions of the registrar, and later on a protest by which directors can apply to the registrar for an examination of the operations of a society, the means by which ordinary members of a society can obtain satisfaction for wrongs against them by the society are extremely limited. Although this clause does not deal precisely with that, I think I should make the point that often individual shareholders have complaints, and their only recourse is to make their complaints to the society that is inflicting the wrong.

The Hon. G. C. MacKinnon: It means any society or person, which means a society or a collection of individuals.

The Hon. R. F. CLAUGHTON: Yes, but that refers to decisions of the registrar; I am referring to complaints by individuals against a society.

The Hon. G. C. MacKinnon: This does not deal with that.

The Hon. R. F. CLAUGHTON: I pointed that out. I feel provision could have been made whereby a complaint may be lodged with the registrar to have an investigation made on behalf of a member or shareholder. The only other avenue available to members is under clause 92, about which I cannot speak at this stage, but they would have to have one-third of members in order to have action taken.

The Hon. G. C. MacKINNON: Mr Claughton is wrong again. It is almost a matter of common law that the registrar holds public office and his door is always open—quoting the Hon. J. T. Tonkin—to any person who feels he is aggrieved by a society.

The Hon. R. F. CLAUGHTON: The Minister managed to contradict himself by saying I was wrong and then that I was right.

The Hon. G. C. MacKinnon: No, you are wrong.

The Hon. R. F. CLAUGHTON: The clause refers to appeals and reviews of decisions of the registrar.

The Hon. G. C. MacKinnon: You are right in that respect; that is, the clause has nothing to do with what you have been talking about. I did not labour that because it could be taken as a reflection on the Chair. But you are wrong to talk about the matter on this clause.

The Hon. R. F. CLAUGHTON: There is no other clause on which I can speak about this.

The Hon. G. C. MacKinnon: Yes, clause 1.

The Hon. R. F. CLAUGHTON: Then if the Committee decided some alteration should be made to the Bill we would have to go back to the point at which it could be done. That is hardly the right thing to do. The Minister has advised that if a member has a complaint he can go to the registrar, who will look into it.

Clause put and passed.

Clauses 88 and 89 put and passed.

Clause 90: Associated charges—

The Hon. R. F. CLAUGHTON: This clause deals with matters upon which the registrar, on the advice of the advisory

committee, may take action. It deals with fixing maximum charges and prohibiting the imposition of a certain type of charge referred to.

This is one of the things that became a problem in Queensland, because in that State it was found that societies were undercutting interest rates and attempting to make it up by allowing higher charges which were, in effect, a concealed rate of interest. The Brotherson committee recommended that this action be taken forthwith, along with giving the advisory committee power through the registrar and the Minister to fix interest rates. Only part of that recommendation is contained in this Bill, and I have an amendment on the notice paper to include the other important part.

My amendment is designed to give flexibility to the decision of the registrar, and it provides that he must take into account certain matters. I believe this sort of provision will assist in smoothing out the problems of the building industry as it operates through building societies. Building societies themselves have at different times criticised the fixing of interest rates, but it is noticeable that the main complaint with the Queensland position is in respect of the fixing of the rate at which a mortgage could be lent; that is, on the rate to the final borrower. In New South Wales the rate at which a society can borrow funds is fixed, and that is found to be very flexible.

By the amendment I have proposed the registrar would be able to take account of both aspects and may or may not decide to fix the rate. The power would be permissive. I should imagine that in the main the advisory committee and the registrar would decide that they would allow market factors to operate. There are situations such as we have been through recently in which, through factors quite outside the control of the building societies, they have felt themselves forced into a position where they had to increase rates; and this led to a very serious imposition being placed on existing borrowers.

New borrowers would be aware of the rates at which they could obtain a loan and would be able to assess whether they fit within their budget. But existing borrowers are not in that happy position. They already have commitments and because of a very rapid escalation in rates they were forced to repay at levels for which they had no opportunity to make adjustments. I imagine that the registrar would decide to control rates to protect existing borrowers from unusual effects in the market and would fix a rate for the time being.

The societies have argued that it is better for the rate to follow the market at all times and that after a short period it would be reduced again. They argue that if that were not done people seeking a loan would have the ability to build deferred for a period of, say, 12 months. That must be taken account of, but whilst arguing that they are ignoring the effect on thousands of people who have already borrowed and are unable to take charge of their affairs in the way that a new borrower would be able to do.

If the repayments that would be required are too high for a new borrower he can decide whether to go ahead but an existing borrower would not be able to control that sort of situation. For those reasons I move an amendment—

> Page 74, after line 14, insert after paragraph (a) a new paragraph (b) as follows—
>
> (b) regulate and determine the maximum amount of interest at which societies may borrow or lend funds, and in determining interest rates the Registrar shall have regard to—
>
> (i) the supply of loanable funds and demand for mortgage advances;
>
> (ii) the general interest rates prevailing in the money market;
>
> (iii) the general level of interest rates applicable to building societies operating in other States of Australia;
>
> (iv) the likely effects of any proposed interest rate variations; and
>
> (v) the economics of building society management;

The Hon. D. W. COOLEY: I support Mr Claughton's amendment. I think what he has proposed is partly in line with the recommendations which were brought down in the Brotherson report in 1972. In our view it is a necessary requirement for building society interest rates to be regulated in some way. I do not think Mr Claughton's proposed amendment goes quite as far as we would like it to go, but it does have certain safeguards. I draw the Committee's attention to subclause (1) of clause 90 which states—

> 90. (1) The Registrar having first sought the advice of the Advisory Committee, may, from time to time with the approval of the Minister, by notice published in the *Gazette*—

There then follow the maximum charges and the proposed amendment.

It is well known that at present building societies regulate their interest rates in accordance with bank interest rates and this has a detrimental effect on borrowers who obtain the money through a

society for the purpose of home building. Building societies today have all the advantages of banks. Deposits can be made and withdrawn on short notice but almost invariably we find that building society interest rates are 1 per cent or 2 per cent higher than the bank rate in respect of the money they borrow. The consequence of that is that they must work on a margin of about 2 per cent and the amount that the borrower has to repay is reflected in the interest rates on the borrowings in which they engage. I think there would be fairer competition if there could be some regulation over these interest charges.

The money is being syphoned away from banks and in many instances banks are not in the position to make housing money available on loan at the lower interest rates. Sometimes lucky customers can get the lower interest rates from banks but in the main building societies control borrowings for home building. At present some building societies are attracting investors with an interest rate of 10.25 per per cent but the standard is between 9 per cent and 9.5 per cent. The upshot of that is that people who are borrowing money to purchase a house are paying in the vicinity of 11 per cent or 11.5 per cent which are exorbitant rates of interest and are too much to bear.

I made the point in my speech at the second reading stage that the control of interest rates would permit an intermediate rate to be given to people on relatively low incomes who go to building societies for their money. I instanced the case of a man on average weekly earnings who, on making application to a terminating building society, is able to get money at a fixed rate of 5¾ per cent. Another man who may earn only $2 or $3 more than average weekly earnings and is not eligible to obtain a loan from the terminating building societies has to go to a permanent building society and get a loan at 11 per cent. If there were a regulating power in this legislation the registrar, the Minister or the advisory committee could make an intermediate rate in respect of these people. We are trying to ensure that people are not hard done by in respect of the money they borrow, particularly for housing, because I think most of us agree that people should own their own houses as far as possible.

The Minister said that we were trying to bring about a socialistic method of determining interest rates. I suggest that the interest rate on which building societies are currently basing their rates is a socialistic rate because the Reserve Bank sets the rate for banks and I am certain that building societies follow in this respect. The interest rate on the money they attract is always a little higher than the bank rate. The borrower should be protected in these circumstances because he is the backbone of any lending institution. If there are no borrowers there will be no interest to pay to investors. So the principal concern when bringing down legislation such as this should be for the borrower.

The proposition put forward by Mr Claughton will enable that to be done. It is a most reasonable proposition. It simply indicates that there shall be regulation of the maximum interest rate which a building society may charge, and of the funds for mortgage advances, bearing in mind the general interest rate prevailing in the money market. Regard could be taken of the interest rates that are applicable in other parts of Australia.

At present we can find varying rates of interest in the different States. That is not a fair situation, and it would be better if the interest rate were uniform. The amendment put forward by Mr Claughton does not ensure uniformity, but at least it will enable comparisons to be made so that advice can be given to the Minister or the registrar on the making of regulations to fix the interest rate which may be charged by building societies. By and large it is a fair amendment, and it should be supported.

The Hon. G. C. MacKINNON: I sincerely hope that the Committee does not support the amendment, because the remarks of both Mr Claughton and Mr Cooley are totally and absolutely incorrect. New South Wales limits the interest rate at one end, whilst Queensland limits the interest rate at both ends.

Mr Claughton claimed that the limitation of the interest rate would allow greater flexibility. In fact, it would not. It would do exactly the opposite. The fact is that Western Australia has a greater amount of money in relation to its population invested in building societies, and these societies lend more money for housing and have a greater degree of flexibility.

Mr Cooley said that the building societies would compete with the banks. They do not; they compete with the credit unions and similar organisations. People investing in building societies want a quick return which is more comparable with the inflation that has been brought about by the unfortunate Whitlam experiment.

These people are not prepared to put their money into banks. Mr Cooley said that people in the socio-economic deprived group have a better opportunity of obtaining loans from banks. They do not. Many people have a better chance of getting money from building societies, although they charge a little more than banks. One is able to obtain money at a lower interest rate from banks, but the banks are tougher in these transactions and they do not lend as much

percentage-wise per house as the building societies. Of course, we all know that, except Mr Cooley and Mr Claughton.

I am totally opposed to the amendment. The bitter experience in Queensland arose from a lack of flexibility, which encouraged the building societies to be mischievous in their investment of funds and consequently they ran into difficulties. We do not want the building societies in Western Australia to be placed in the same situation, and thus place the people of this State at risk. I ask members not to support the illogical arguments of Mr Claughton and Mr Cooley.

The Hon. R. F. CLAUGHTON: The Minister is quite wrong in his comments. Either by accident or intent he has misunderstood what has been said by members on this side. Despite the experience in Queensland, the Government of that State did not abandon the fixing of interest rates. It changed the basis on which that was done, and it introduced more safeguards. The Government prescribed the charges which the building societies could make, so that competition could take place in that area. It also prevented the building societies from speculating in land development.

The proposition I have put forward is a flexible system. It will only be exercised when the advisory committee or the registrar considers it advisable to exercise it. It does not lay down the interest rate which shall be charged; it merely advises the registrar and the advisory committee of what is taking place in the market.

The Minister appears to be mistaken in what my amendment proposes. It will give added authority to the registrar and the advisory council in the action they can take to protect the home purchaser. It could very well be that the advisory council and the registrar would never exercise this power, but when unusual circumstances arise they could exercise it. Earlier, we heard the Minister talk about another provision relating to mortgages. He said it was included in the Bill to cover exceptional circumstances.

In that area the Minister is prepared to accept that sort of proposition, but his illogical mind prevents him from seeing the advantages contained in my amendment. The Committee should have a serious look at the amendment, bearing in mind it was a recommendation of the Brotherson committee.

The Hon. G. C. MacKinnon: That was in 1972, but this is 1976. The conditions are quite different.

The Hon. R. F. CLAUGHTON: Not that different, as far as interest rates go.

The Hon. A. A. Lewis: Since 1972 we have had three years of the Whitlam Government.

The Hon. R. F. CLAUGHTON: Under the honourable member's own proposition he might have considered it desirable for the registrar to have this power at the time. That is speculation and not a sensible argument.

We are attempting to add to the powers of the registrar to enable him to deal effectively in the areas over which he has jurisdiction. One of the most important factors he has to deal with—and the Minister has acknowledged this—which governs the flow of finance into the home-building area through the building societies is the interest rate which may be charged. The Minister and Mr Lewis are unable to visualise a number of situations where this is desirable.

The Hon. A. A. Lewis: We can see this clearly.

The Hon. R. F. CLAUGHTON: The vision of the honourable member seems to be obscure in relation to interest rates.

The Hon. A. A. Lewis: It is extremely clear.

The Hon. R. F. CLAUGHTON: I am sure the members of the Brotherson committee were able to see the situation very clearly too, and probably with much more clarity than the honourable member who has interjected.

The Hon. D. W. COOLEY: I wish to correct some of the comments made by the Minister and those made by Mr Lewis by way of disorderly interjection. The logic of Mr Lewis and the Minister seems to be hampered by their ideology. Their party believes in the control of wages, but not in the control of the price of commodities, and, after all, interest is the price of money. It is very hard to comprehend why the Minister should say so illogically that building societies lend at greater risk than banks. I presume we are talking about money lent for home building purposes. Both institutions would secure their money by way of mortgage over the property involved.

It is also quite illogical of the Minister to say that the present-day trading of banks and permanent building societies is different. If there is a difference it is only marginal. If I went to a building society today and deposited a sum of money I could withdraw it tomorrow. The same situation applies to a bank. The difference is that at the building society I would get a greater rate of interest for my money than I would at the bank. As I indicated previously, that reflects the interest rate the borrower has to pay in respect of the repayments on his loan. The Minister must surely have misunderstood me, or I did not express myself correctly.

The Hon. G. C. MacKinnon: You did not express yourself correctly.

The Hon. D. W. COOLEY: The Minister has not heard what I intend to say.

The Hon. G. C. MacKinnon: I did. I heard you say—

The DEPUTY CHAIRMAN (the Hon. R. J. L. WILLIAMS): Order!

The Hon. G. C. MacKinnon: My apologies, Sir.

The Hon. D. W. COOLEY: I am speaking of the Minister's statement that the socio-economic group has greater access to the banks than more affluent people, but that is not the case. The point I was making is that the more affluent people have access to the bank and therefore obtain their money at a lower interest rate.

The person on a low income without a bank balance—in other words he is not a customer of the bank because he does not have any money to deposit—has as much chance of obtaining a loan from the bank as a snowball has of surviving in hell. The assertion the Minister made is quite incorrect, but, as I say, perhaps he misunderstood me or I did not express myself correctly.

Amendment put and a division taken with the following result—

Ayes—8

Hon. R. F. Claughton	Hon. R. T. Leeson
Hon. D. K. Dans	Hon. R. H. C. Stubbs
Hon. S. J. Dellar	Hon. Grace Vaughan
Hon. Lyla Elliott	Hon. D. W. Cooley
	(Teller)

Noes—14

Hon. N. E. Baxter	Hon. G. E. Masters
Hon. G. W. Berry	Hon. M. McAleer
Hon. H. W. Gayfer	Hon. N. McNeill
Hon. Clive Griffiths	Hon. I. G. Medcalf
Hon. T. Knight	Hon. J. C. Tozer
Hon. A. A. Lewis	Hon. D. J. Wordsworth
Hon. G. C. MacKinnon	Hon. V. J. Ferry
	(Teller)

Pair

Hon. R. Thompson	Hon. W. R. Withers

Amendment thus negatived.

Clause put and passed.

Clause 91 put and passed.

Clause 92: Special meeting and inquiry—

The Hon. R. F. CLAUGHTON: This clause provides that on the application of a majority of the board or one-third of the members of a society to the registrar, or of his own volition with the approval of the Minister, the registrar may call a special meeting to deal with a complaint related to the society. The serious drawback of the provision is that whoever complains may become liable for all the expenses associated with the calling of such a meeting.

A further drawback is that it would be an almost impossible task for one-third of, say, 1 000 members to carry out the provision. How would they go about getting that number of members to stipulate in writing that they wish a meeting to be called? The prospects of such a course of action being successful are almost too remote to even make the inclusion of the provision worth while. Certainly, when it comes to individuals, the prospect of any individual having the wherewithall to pay the unknown costs would be a further deterrent. The only value in the provision may be when a society is losing support and membership in which case the members may feel dissatisfied with the management and therefore try to do something about the situation.

It is not the avenue for individuals to make complaints. It will need to be a fairly serious situation for anybody to be able to get together one-third of the membership. It would be possible to get together a majority of the members of the board. Those members of the board would then have to decide whether they were prepared to be personally responsible for the expense involved of calling together a special meeting.

Clause put and passed.

Clauses 93 to 95 put and passed.

New clause 59—

The Hon. R. F. CLAUGHTON: I move—

Page 47—Insert after clause 58 the following new clause to stand as clause 59—

59. (1) The office of a director of a society shall be filled by means of a secret ballot of shareholders;

(2) in the conduct of such a secret ballot a society shall satisfy the Registrar that it has taken all reasonable measures to ensure that all natural persons who are shareholders—

(a) have received ballot papers; and

(b) are given reasonable time to return the voting slips before the close of the ballot.

I have previously mentioned the reasons for proposing this amendment. In brief, it is an attempt to draw into the society movement a greater interest from the natural persons who are shareholders—as opposed to corporate shareholders—who, because of the lack of communication between the society and its members, would not have a great deal of knowledge of its affairs or be aware of the process of elections in the management of societies. The amendment would ensure that the natural shareholders would receive notification of an impending election.

I would assume that enclosed with the ballot paper would be a list of the directors, or other persons, standing for the positions of directors. The members of the society would have an opportunity to express their opinion through the process of a ballot. It would be a secret ballot.

My suggestion is not unreasonable and I believe it fits in with the philosophy of the present Government, and it certainly is not in opposition to our own.

The Hon. D. W. COOLEY: It gives me a great deal of pleasure to support the amendment, and it should receive the approbation of members opposite because much has been said about secret ballots during recent weeks.

The proposed legislation covers casual vacancies, but there is no provision for the election of directors. The Legislature should provide some means whereby the shareholders have a greater say in the election of directors. I imagine that in the present situation building societies conduct elections of directors in accordance with company procedure where it is usual for a retiring director to be renominated for the position unless he indicates otherwise. Surely the members should be aware of the fact that there is a vacancy, or that the directors are coming up for election.

The amendment provides that the shareholders shall receive a ballot paper and that should create sufficient interest for people to vote. Everybody would have an opportunity to vote in the comfort of his own home without being influenced by people who may have a different opinion from their own. The amendment will provide a progressive manner for the shareholders to take part in elections. They would all be aware that an election was impending. It would be in the public interest to take that action because one society in this State boasts that thousands save millions in that society. So, its operations must affect a large number of people.

That society has tremendous assets. I think everybody associated with it should have a say in the election of directors and that no secret appointments should be made. "Secret" might not be the right word but no appointments should be made under the subterfuge of laws which do not give everybody an opportunity to participate.

The Hon. G. C. MacKINNON: This is not such a bad amendment and had it not been for one or two matters which I will explain we might have accepted it; but I hope in all the circumstances members will not accept it.

We have a tremendous amount of control over the building societies in this Bill. We do not want to tell them how to blow their nose. I remind members that clause 57 says—

> (1) The business of a society shall be managed and controlled by a board of directors to be appointed and hold office, subject to this Act, in accordance with the rules of the society, and for that purpose the board, subject to this section, shall have and may exercise the powers of the society.

Back on page 16 it is laid down under the heading "Division 3.—Rules" that—

> The Registrar shall not register any rules of a proposed society unless—
>
> (a) the rules contain the prescribed provisions and otherwise conform with the requirements of the regulations;

It lays down all the kinds of things the rules of a society must contain. One of them is that a director must be re-elected at the end of a five-year term; he cannot continue automatically. All the rules are subject to the registrar, and once a society has rules it should be allowed to carry on under those rules. I think that is fair and proper, and despite the reasonable nature of the amendment I hope the Committee will vote against it.

The Hon. R. F. CLAUGHTON: For a moment I though the Minister was going to be conciliatory—

The Hon. G. C. MacKinnon: I was but the proposal is just so unnecessary.

The Hon. R. F. CLAUGHTON: —and accept the very necessary amendment I have proposed. It is a pity he did not enlighten us on the one or two things he thought were wrong with the proposal. We have occasion to tidy up even amendments which come through the hands of the Parliamentary Draftsman. It seems to throw some doubt on the Minister's sincerity in what he was saying. The two clauses he quoted did not add a great deal to the debate.

Of course the directors would be expected to comply with the rules of the society and I hope if they did not the registrar would be quick to remind them to do so. In regard to the provisions on page 16, all we say is that among the things a society must make rules about is the holding of secret ballots for the election of directors.

The Hon. G. C. MacKinnon: If it is in the rules that they must have a secret ballot they can have it. Secret ballots are not banned by the legislation.

The Hon. R. F. CLAUGHTON: That is so. They are not required, either. As far as corporate bodies are concerned, the Bill lays down that they must receive all notices sent to natural members; but the opposite does not apply. It is not laid down that all notices sent to corporate bodies must go to natural persons. It may happen that the directors of a society decide they will send these notices only to corporate body members and not to natural members. That is not fair and I am sure the Committee would not want it to happen.

I hope the Committee will support the proposal. It can only be of benefit to the good management of the societies and will be one of the few things which the legislation requires societies to have in their rules.

New clause put and negatived.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

House adjourned at 11.37 p.m.

Legislative Assembly

Tuesday, the 24th August, 1976

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

WOOD CHIPPING INDUSTRY

Excision of Area: Petition

MR CARR (Geraldton) [4.32 p.m.]: I present a petition on behalf of 14 470 citizens of Western Australia. The petition reads as follows—

> To the Honourable the Speaker and members of the Legislative Assembly of Western Australia in Parliament assembled.
>
> We, the undersigned citizens of Western Australia do humbly petition the Parliament of Western Australia that it take such steps as necessary to:
>
> > Excise the Shannon River Catchment Basin from the woodchip license area (as has been recommended by the Conservation Through Reserves Committee of the E.P.A.) and make of it a national park; and
> >
> > place a moratorium on woodchipping until an appropriately constituted committee of inquiry determines a pattern of forest utilization which is both environmentally sound and takes into full account the needs of the community in whose name the forests are dedicated.
>
> Your petitioners humbly pray that you will give this matter earnest consideration, and your petitioners, as in duty bound, will ever pray.

As I have said, the petition bears 14 470 signatures, and I certify that it conforms with the Standing Orders of the Legislative Assembly. I have signed a certificate to that effect.

The SPEAKER: I direct that the petition be brought to the Table of the House.

The petition was tabled (see paper No. 347).

QUESTIONS (8): ON NOTICE

1. DIAMOND TREE-BUNBURY RAILWAY LINE

Wood Chipping Industry

Mr H. D. EVANS, to the Minister for Transport:

(1) What is the rail distance from the Diamond Tree woodchip siding and the loading facilities at Bunbury wharf?

(2) What is the tonnage of each specially constructed woodchip wagon fully loaded?

(3) What is the maximum speed of this line?

(4) Of what weight railway line is the complete track between Bunbury and Diamond Tree constructed?

Mr O'CONNOR replied:

(1) 157 km.

(2) 76 tonne.

(3) General traffic—75 km/h
Woodchip trains—50 km/h.

(4) 41 kg/metre.

2. MINING

State Forests: Kirup-Grimwade

Mr MAY, to the Minister for Mines:

(1) Has he received a recommendation from the Perth mining warden to approve an application for a mining tenement in the state forest between Kirup and Grimwade?

(2) If "Yes" has the Mines Department approved the application?

(3) If "No" will he indicate the current position?

Mr MENSAROS replied:

(1) Seven mineral claim applications between Kirup and Grimwade were recommended for approval by the warden of the south west mineral field on the 12th November, 1975.

(2) Five of those applications have been approved.

(3) Dealing with the remaining two applications has been postponed.

3. SOLAR ENERGY

Research

Mr MAY, to the Minister for Fuel and Energy:

(1) Has the special committee of the Energy Advisory Council set up to study solar research in Western Australia completed its investigation?

(2) If not, when is it anticipated the study will be completed?