

Legislative Assembly

Friday, the 27th November, 1959

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The **SPEAKER** took the Chair at 11 a.m., and read prayers.

LAND RESUMPTIONS

Mt. Yokine-Wanneroo

1. Mr. HEAL asked the Premier:
Regarding the matter of the Mt. Yokine-Wanneroo land resumptions of 1950—
 - (1) Did the Minister for Works of the day (Mr. Brand) and his staff of the Public Works Department act in a fair and just manner towards the six or seven hundred landowners involved, informing them of the proposed resumption prior to a public announcement?
 - (2) Did the Minister for Works of the day take adequate action to ensure that the valuations which were the basis of his compensation offers to the landowners were expertly and generally carried out in a manner which took into account

the full and undoubted potential of the land as an area for residential or other development?

- (3) Were the compensation offers to the landowners in some cases less than they had paid for their land some years beforehand?
- (4) Was an inaccuracy in the valuations of the Public Works Department proved when in the compensation case brought against the Minister for Works of the day by the Estate Development a compensation offer of £11,500 approximately was increased by the court to £26,000 approximately?
- (5) Did any of the previous landowners, although grossly dissatisfied with the Government's offer, accept because they were unfamiliar with, or financially unable, to fight their case under the limited provisions of the Land Resumption Act?
- (6) Is it a fact that many of the landowners involved in the resumptions have not yet been compensated at all because of either dissatisfaction with the Minister's offer or lack of knowledge that resumption of their land has occurred?
- (7) Is it a fact that many of the landowners have been deprived of using their land as a planned source of livelihood while still having received no compensation?
- (8) Has the Government made reasonable use of the land resumed, taking into account the area taken and that so far developed?
- (9) Has the Government's initial action and its action since in preventing development in the resumed area deprived hundreds of citizens of Western Australia of establishing their homes on what must be regarded as some of the most suitable building land in the metropolitan area?
- (10) Has the Government abided by the provisions of the relevant Acts for the resumption of land in its disposal of portions of the resumed land some of which has been disposed of at

fantastic prices when compared to the resumption values?

- (11) Was it necessary and right for the Government to resume and hold for its own purposes the large land area involved, in order to achieve a satisfactory town planning scheme for the region?

Mr. BRAND replied:

- (1) Yes; action was taken strictly in accordance with statutory and customary practice at the time.
- (2) Yes.
- (3) Not to the department's knowledge. Prices paid several years before resumption, whether high or low, would not necessarily be relevant.
- (4) No; the accuracy and fairness of the department's approach in negotiations was established by the court's decision.
- (5) Not to my knowledge.
- (6) All claims for compensation received have been settled, except four. Several owners may not be aware of the resumptions, as their whereabouts are untraceable.
- (7) No, with the possible exception of one, whose claim for compensation is now in course of settlement on the basis of the department's offer made several years ago.
- (8) Yes.
- (9) No. Firstly, resumptee had the legal right of objection and those with *bona fide* claims for home sites for their own or dependants' use had residential sites released from the resumption or were given replacement allotments after re-subdivision. Secondly, and since this Government took office, approval has been given to allow genuine home-builders to purchase a residential lot in this as well as other commission-held areas; and, in addition, State Housing Commission activities have accelerated the provision of service requirements in many areas.
- (10) Yes.
- (11) Since the land was resumed in November, 1950, the High Court of Australia has confirmed the validity of the resumption action; and, subsequently, various Governments, including the previous one, have endorsed the retention of the land by the State Housing Commission for the purpose of the State Housing Act, 1946.

SWIMMING POOLS*Establishment at Zoo*

2. Mr. FLETCHER asked the Premier:

- (1) Would he suggest to the Perth City Council that an attempt be made to arrange a lease of portion of the Zoo grounds for the installation of a swimming pool or pools?
- (2) Does he not consider this a favourable site in view of established botanic garden surroundings, parking space around all fences—proximity to Narrows Bridge, density of population south of the river, and the availability of existing artesian water supplies?

Mr. BRAND replied:

- (1) and (2) As the Zoological Gardens are within the South Perth City Council area, it is unlikely that the Perth City Council would agree to establish a swimming pool there.

RAILWAY APPRENTICESHIP BOARD*Representation and Allowances*

3. Mr. HALL asked the Minister for Railways:

- (1) What unions are represented on the Railway Apprenticeship Board?
- (2) Do members of the Railway Apprenticeship Board receive an allowance for days of sitting; and if so, what is the amount received by the members of such board?
- (3) Are members reimbursed for lost time when the board is sitting?
- (4) When do members of the apprenticeship board receive payment of allowances and lost time?
- (5) Was there a delay in payment of allowances and wages for lost time this year, after the apprenticeship board had sat early in December?

Mr. COURT replied:

- (1) Provision for an Apprentices' Application Board and Apprenticeship Selection Board is provided for in regulation No. 3 of the apprenticeship regulations pursuant to the Railway Employees' Award No. 34 of 1955. The following unions are represented:—
 - (i) Moulders' Union.
 - (ii) Bollermakers' Society.
 - (iii) Amalgamated Engineering Union and Australasian Society of Engineers.
 - (iv) W.A. Amalgamated Society of Railway Employees.
- (2) Yes. Fees paid to members are 10s. per hour with a minimum of 30s. per sitting.

(3) No.

(4) Fees are paid at the conclusion of sittings of the boards.

(5) Payment of fees is made by the Court of Arbitration through Crown Law and Treasury Departments. The Apprenticeship Selection Board sat on the 28th November, 1958; and the 1st-3rd December, 1958; and the 8th-11th December, 1958. Vouchers for these sittings were forwarded by the Court of Arbitration to the Crown Law Department on the 23rd December, 1958. These vouchers were subsequently forwarded to the Treasury Department on the 16th January, 1959. Cheques were despatched by the Treasury Department to members on the 29th January, 1959.

MARSHALLING YARDS*Resumptions at Cloverdale*

4. Mr. JAMIESON asked the Minister for Works:

- (1) Have valuations been assessed in respect of the marshalling yards at Cloverdale, and the connecting link lines resumptions?
- (2) If so, when will payment be made to the persons concerned?
- (3) Have any persons been fully compensated for resumptions in respect of the above railway developments?
- (4) How much has the resumption and/or purchase of land in respect of the above railway development cost the Government to date?

Mr. BOVELL (for Mr. Wild) replied:

- (1) Valuations have been made in respect of the marshalling yards, but not the link railways.
- (2) Payment can be made in respect of the marshalling yards upon agreement with the owners, but not in respect of the link railways until the way is finally cleared for resumption by resolution of objections lodged.
- (3) Yes.
- (4) £291,123.

FREMANTLE RAILWAY BRIDGE*Foundations of New Structure*

5. Mr. FLETCHER asked the Minister for Railways:

Is he competent to anticipate that no serious difficulty will be encountered in the matter of foundations for the proposed new railway bridge when he indicated in answer to a question on

the 18th November, that he has not yet received the report of the consulting engineers on the subject?

Mr. COURT replied:

Not being an engineer myself, I rely on the advice of railway technical officers who consider no serious foundation difficulties exist.

FREMANTLE HARBOUR

Future Development

6. Mr. FLETCHER asked the Premier:

- (1) On what engineering authority has the opinion expressed by Col. F. W. E. Tydeman on page 21, vol. 1 been rejected when the opinion referred to clearly outlines the advantages of seaward development of the port of Fremantle in regard to the largest ships afloat today or likely to exist in the reasonable future?
- (2) Is it the policy of the Government to restrict development to what it considers to be present-day needs?
- (3) Is he aware that the Minister for Works told the deputation from the ratepayers of North Fremantle on the 10th September that "there would ultimately be seaward harbour extension"?
- (4) Does he consider that additional berths are required immediately; and, if so, on what does he base that opinion?
- (5) Does he consider the cost involved in the resumption of property for harbour development and railway deviation to be warranted?
- (6) At what date is it anticipated that work will commence on the building of the proposed upstream berths?

Mr. BRAND replied:

- (1) The engineering authority which rejected the opinion expressed by Col. Tydeman on page 21, vol. 1 of the Report on the Port of Fremantle in 1948, was Col. Tydeman himself in the same paragraph and in his main recommendation, where, having weighed the pros and cons of upriver versus seaward extension of the port, he proposed important extensions of the inner harbour to be followed subsequently by extensions to the outer harbour.
- (2) The Government has accepted the policy in respect of the Port of Fremantle of limited inner-harbour development up to the existing road traffic bridge to be followed subsequently by development of the outer harbour.

(3) The trust is not aware that this statement was made; but if it was made, it is consistent with Government policy as stated in No. (2) above.

(4) Additional berths are required progressively to meet expanding requirements of the port of Fremantle. The Fremantle Harbour Trust is of the opinion and has convinced the technical sub-committee and the Government that at least two additional berths are required immediately.

(5) Yes.

(6) As the first work to be commenced on the proposed upriver extension of the inner harbour will be the training of the river by dredging, this work will have to be undertaken concurrently with the new bridge building and the old bridge removal programme. The first upriver berth can be built concurrently with this programme or subsequently as required.

Swan River Pollution from Upriver Development

7. Mr. FLETCHER asked the Minister for Works:

- (1) Has any scheme been formulated to deal with the increase in river pollution which must be expected from upriver development, or is it the policy of the Government "to hope for the best"?
- (2) Has the Swan River Conservation Board been consulted on the matter of river pollution?

Mr. BOVELL (for Mr. Wild) replied:

- (1) No increase in river pollution is expected from upriver development of the inner harbour. The widening and deepening of this portion of the estuary to form the proposed new inner harbour berths and to train the river upstream of the road traffic bridge will admit more water on each tide and so cause greater cleansing of the estuarial portion of the Swan River. In any case the pollution factor from ships in port is negligible.
- (2) The Fremantle Harbour Trust has not consulted the Swan River Conservation Board on this matter—
 - (a) in view of No. (1) above; and
 - (b) because this area of the river is outside its jurisdiction.

The Swan River Conservation Board will keep in close touch with the position.

FREMANTLE RAILWAY BRIDGE

Resumptions and Cabinet Decision

8. Mr. FLETCHER asked the Minister for Works:

In answer to a question submitted on the 18th November, the Minister for Works stated that a decision had been reached by Cabinet on the 9th November in regard to the resumption of property at North Fremantle for alterations to railway approaches to the proposed new rail bridge. On the same day, the Minister for Railways replied to a question on the nature of the strata encountered during testing operations by saying that details had been given to the consulting engineers who will design the foundations, for their consideration and advice. Will he explain how Cabinet can reach such a decision on resumptions before it has received the report of the consulting engineers in regard to the bridge foundations?

Mr. WILD replied:

Departmental officers anticipate no serious foundation difficulties. The report from the consultants will be on the design of foundations. The consultants' report is therefore not necessary before deciding whether resumptions will be made.

BENTLEY HIGH SCHOOL

Accommodation

9. Mr. JAMIESON asked the Minister for Education:

What accommodation is it anticipated will be available at the new Bentley high school at the beginning of the 1960 school year?

Mr. WATTS replied:

- 2 classrooms.
- 1 general utility room.
- 1 composite home science.
- 1 composite manual training.
- 1 chemistry laboratory.
- 1 library.
- 1 music and art room.

CAPE TULIP

Eradication Drive in 1960

10. Mr. W. A. MANNING asked the Minister for Agriculture:

- (1) In view of the reply regarding Cape tulip, would it not be possible to set the year 1960 as a year for a special concerted drive towards eradication, and by this means secure the co-operation of all persons and local governmental bodies concerned in an all-out campaign?

- (2) Would he take steps to inaugurate such a 1960 drive?

Mr. NALDER replied:

- (1) Regular, annual control measures are likely to be of greater value in the campaign against this weed than a special drive towards eradication in one year.
- (2) During the appropriate period each year practically all the Agriculture Protection Board weed control facilities and efforts are directed against Cape tulip, and the board will continue to do its utmost to obtain the co-operation necessary from local governing bodies and farmers.

GRAIN STORAGE

Establishment of "off line" Bins

11. Mr. SEWELL asked the Minister for Agriculture:

Has any progress been made with the proposal to establish "off-line" grain storage bins in farming areas situated in areas distant from existing storage facilities?

Mr. NALDER replied:

The Government is negotiating with Co-operative Bulk Handling Ltd. in an endeavour to reach agreement for the establishment of "off-the-line" bins in areas distant from existing storage facilities. Every endeavour is being made to reach an early agreement.

IRON ORE

Proposed Export

12. Mr. SEWELL asked the Premier:

- (1) Will he say what progress has been made in the Government's proposal to export a quantity of high-grade iron ore from Western Australia?
- (2) Has the Government taken any action to investigate the possibility of selling for export some of the lower grades of iron ore from Western Australia?

Mr. BRAND replied:

- (1) Tenders for the purchase of iron ore will close on Monday, the 30th November, at 12 noon. The Government will then give consideration to the proposals received.
- (2) This matter is being examined.

BUSINESS CONSULTANTS

Registration and Qualifications

13. Mr. CROMMELIN asked the Attorney-General:

- (1) Is it necessary for a person to register as a business adviser or consultant in this State?

- (2) If not, does the Government lay down any standard regulation as to the qualifications of such a person?
- (3) Is it possible for a man with no business experience at all to set up as a business adviser and consultant?
- (4) Could a man who had a criminal record set up as a business adviser?
- (5) If the answers to Nos. (3) and (4) are in the affirmative, what steps can be taken to protect members of the public from such people?

Mr. WATTS replied:

- (1) No.
- (2) No.
- (3) Yes.
- (4) Yes.
- (5) It would be possible to legislate in regard to the matter, but the only other alternative seems to be warnings to the public if and when necessary.

QUESTIONS WITHOUT NOTICE BULK HANDLING ACT AMENDMENT BILL

Introduction in Current Session

1. Mr. HAWKE asked the Minister for Agriculture:

Following the answer he gave to question No. 11, does he intend to proceed with the Bulk Handling Act Amendment Bill—by a co-incidence it is order of the day No. 11 on today's notice paper—during the present session of Parliament?

Mr. NALDER replied:

Not at present.

2. Mr. HAWKE asked the Minister for Agriculture:

The Minister's reply leaves me in some doubt. Can I ask a further question without notice in regard to the same point, Mr. Speaker?

The SPEAKER: Yes.

Mr. HAWKE: Does the Minister intend during today's sitting of Parliament to proceed with order of the day No. 11?

Mr. NALDER replied:

No.

SUPERPHOSPHATE

Handling by Railway Department

3. Sir ROSS McLARTY asked the Minister for Railways:

- (1) Do the railways anticipate being in a position to handle all the superphosphate requirements of

farmers for the coming season; and, in particular, have any arrangements been made to deal with the specific problem of bulk superphosphate?

- (2) What consultations have taken place and what efforts have been made to spread the deliveries of superphosphate over a wider period?
- (3) What are the results to date of any experiments or investigations that have been made regarding the handling in bulk of superphosphate by the railways?

Mr. COURT replied:

- (1) Yes. There is no apparent reason why the railways should not be able to transport all the super traffic, both bagged and bulk, consigned by rail during the forthcoming season. Special attention has been given to the problems of bulk superphosphate.
- (2) Consultations have taken place between the railways and representatives of the Farmers' Union, the manufacturers, the distributors, and the Department of Agriculture. There is evidence that through these discussions and the efforts of those concerned, a slightly better spread of deliveries will be achieved this season. The investigations have shown the difficulties of spreading deliveries to any great extent, and it is evident that it will take a considerable time to demonstrate to users of super the desirability and practicability of spreading the deliveries over a longer period. In this regard the Department of Agriculture proposes some valuable practical assistance which should eventually do much to achieve the desired result.

- (3) The prototype equipment tested and used at Boyup Brook last season for the unloading of bulk super has proved successful; and from the experience gained, the manufacturers of the machine are now putting a modified and cheaper version on the market.

It is pertinent to add that the Speaker, in his capacity as member for Blackwood, has been very active on the question of the bulk handling of super; and recently, as a result of a conference between the Speaker, representatives of the railways, the Farmers' Union, the distributors, the Director of Agriculture, and some other interested parties, an inspection was made of an elevator design for unloading super in bulk from rail.

As a result of these discussions and the inspection, a programme was worked out to start about the second week in December at the country centres of Kojonup, Williams, Dumbleyung, Cunderdin, Corrigin, and Wongan Hills. The respective dates are as follows:—

Kojonup—7th December.

Williams—8th December.

Dumbleyung—10th December.

Corrigin—15th December.

Cunderdin—16th December.

Wongan Hills—18th December.

David Gray & Co. have been in contact with Mr. Arnold Dent, who is the contractor at Boyup Brook who worked successfully last year in handling super in bulk, and I understand it is proposed that he should move around to the various centres carrying out demonstrations using one of the new-type machines. The demonstrations have been worked out on a basis involving co-operation between the Farmers' Union, the railways, the distributors, the Department of Agriculture, and the firm and contractor which propose distribution of super in bulk.

It is hoped that the greater acceptance and use of contractors undertaking top dressing through the medium of the bulk handling of super will automatically spread the deliveries over a longer period, with advantage to the railway economy, the users, and the State's economy generally.

ALBANY REGIONAL HOSPITAL

Tenders for Tiles

4. Mr. HALL asked the Minister for Works:

- (1) When the Public Works Department called tenders for the supply of tiles to the Albany Regional Hospital, what were the different quotes received and how many were received by the department?
- (2) How many firms tendering for the contract to supply tiles to the Albany Regional Hospital tendered the same quote?
- (3) Was the estimated profit the same in each case of tendering?
- (4) Who was the successful tenderer, and what was the quote submitted by him?

Mr. BOVELL (for Mr. Wild) replied: I was handed these questions only about two seconds ago, and I have not the statistical knowledge to pass on to the honourable member.

However, as it is anticipated that today will be the final sitting before Christmas, I will get the information for the honourable member, if possible. If it is not available while the House is in session today, I will ask the Minister for Works to supply the honourable member with the information by letter.

BUSINESS CONSULTANTS

Registration and Qualifications

5. Mr. CROMMELIN asked the Attorney-General:

Further to question No. 13 on today's notice paper, would the Attorney-General give consideration to having an inquiry carried out as to the number and standing of business consultants and advisers in this State with a view to having a report made to him, and basing his opinion on that report with a view to possible legislation?

Mr. WATTS replied:

I can only promise the honourable member that if it were practicable to do as he suggests I would be prepared to do it; but at present the information available to us as to where these people are is extremely sketchy. If the honourable member can contribute any information which would assist, I shall be glad to have it.

RAILWAY CARS AND WAGONS

Use of Bore Water for Washing

6. Mr. TOMS asked the Minister for Railways:

In view of the acute water shortage, will he have investigations made through the Railway Department for the purpose of installing a pump to obtain bore water for washing down cars, railway wagons, and the like? I believe a considerable quantity of water is used in that way, and this work could very well be carried out with bore water.

Mr. COURT replied:

I will have the matter investigated, realising, of course, that there may be some problems regarding the use of bore water because of possible corrosive properties.

OSBORNE PARK HOSPITAL

Date of Commencement

7. Mr. W. HEGNEY asked the Minister for Health:

Can he indicate the approximate date of commencement of the building of the Osborne Park

hospital? Some time ago a question was asked and the reply was that negotiations were taking place in respect of the acquisition of additional land. Can the Minister give any specific information at this stage?

Mr. ROSS HUTCHINSON replied:

I am afraid that at this juncture I am unable to give any specific date of commencement of the building of the hospital, but I reiterate the point that was made earlier to the honourable member. It is intended to proceed with the building of the hospital as soon as possible.

MANDURAH POLICE FACILITIES

Temporary Arrangements

8. **Sir ROSS McLARTY** asked the Minister for Police:

Is he able to state whether adequate temporary police facilities will be provided at Mandurah before the Christmas-New Year holidays?

Mr. PERKINS replied:

The position at Mandurah is difficult, but I am arranging to have special priority given to the conversion of the school building there as a police office. That is the ultimate solution. In the meantime we will have to make the best use of the makeshift accommodation available.

MONEY LENDERS ACT AMENDMENT BILL

Third Reading

MR. WATTS (Stirling—Attorney-General [11.21]): I move—

That the Bill be now read a third time.

MR. NULSEN (Eyre) [11.22]: I oppose the third reading of this Bill because this is the most atrocious piece of legislation I have seen since I have been here. With the retrospective provision contained in it we are even going so far as to deny the decisions of the court; we are just scrubbing them out. I have never heard anything like it before.

Mr. Hawke: It is shocking.

Mr. NULSEN: There is no question about the retrospective provision being one-sided; and there is no doubt that it protects the moneylenders. I see no reason why moneylenders should be protected merely because of section 9 of the Act, when that section is so easily understood; there is nothing difficult about it at all.

I have always been opposed to restrictive legislation. There are, of course, times and circumstances when it is necessary to have restrictive provisions; but not in a matter like this, to condone something which has been done by wrongdoers, particularly when they have no excuse, and when the provisions of section 9 are so easy to understand—despite what the member for Subiaco said about lawyers and judges being undecided because there was a majority decision of the High Court. When it is proposed to upset legal decisions, I will certainly not be a party to it. The whole thing is beyond my comprehension.

As I have said, I am strongly opposed to this legislation; and, even at this late stage, consideration should be given to amending it. If the Bill becomes an Act, it will set a precedent by restricting legal decisions that have already been made. I agree entirely with the opinions expressed by my colleagues on this matter. As the Deputy Leader of the Opposition pointed out, the Money Lenders Act exists to protect borrowers, not moneylenders. Now, however, not only does this Bill propose to protect moneylenders, but it also proposes to exonerate them for the wrong they have done in the past. It is intended to say to them, "See that you are good boys in the future and abide by the law when it is placed on the statute book."

I would not have minded the other provisions so much, but I certainly object to the proposed deletion of section 9 of the Act. I cannot understand why the borrower should not be entitled to the information that that section gives him. It is only necessary for him to obtain a memorandum or a note containing the full information, and in return give a receipt indicating that he has the necessary information, and that he knows what he is letting himself in for. In the case of two individuals, one would probably say to the other, "Look, old man, I am lending you so much on certain conditions. I will put those conditions on paper so that you will understand them. I want you to know exactly what you are up for so that there will be no doubt about my getting my repayments and my interest." In clause 2 we are saying, "If we give you too much information, you will probably not do business with us." I strongly oppose the third reading of this Bill and I hope that saner counsel will prevail.

Mr. Graham: Hear, hear!

Mr. NULSEN: As I have already said, this is the most atrocious piece of legislation I have ever seen brought to this House during my period as a member of it, which dates back to 1932.

MR. HAWKE (Northam) [11.27]: When the member for Eyre uses the strong language he has in condemnation of this Bill we can, I think, realise how dastardly

is at least one of its proposals; and how dastardly will be its effect if Parliament approves it and it is put into operation. As we all know, the member for Eyre is not one who uses strong language, either in praise or condemnation of any proposition which comes before Parliament. Yet, today, he has said—and said with every justification—that this Bill is the most atrocious piece of legislation he has seen introduced into this Chamber during his years of service here.

Mr. May: That is very right, too.

Mr. HAWKE: I am almost able to believe that the Attorney-General himself is hoping this retrospective provision will be deleted from the Bill during the Committee stages in the Legislative Council. I cannot bring myself to believe the Attorney-General would be really in favour of a proposition which seeks absolutely to scrub out of existence legal decisions which have been made in our courts of justice.

It is no wonder the member for Eyre describes this Bill as the most atrocious he has even seen in this Parliament. The Attorney-General, by virtue of his office, should be the very last person in the State to bring forward to Parliament a proposal of this character. The other legal member of this Chamber, the member for Subiaco, should be the second last in this House to support a proposition of this kind.

We all know about the principle of equal responsibility in relation to Ministers in a Government; we all know that once a Cabinet decision is made it is equally binding on every Minister in the Government. Therefore, my criticism of the attitude of the Attorney-General is much less severe than it would normally be. I cannot believe that the decision to support this retrospective provision was made unanimously by the Cabinet. I cannot believe every member of the Ministry voted for it in Cabinet.

Nevertheless, the Attorney-General has a very special responsibility on his shoulders, in connection with it, even though he may have opposed the proposition in Cabinet. He is the head of the Crown Law Department—the head of what could, with equal logic and accuracy, be called the justice department of the State. He has a special responsibility to uphold the laws and to ensure that court decisions, when made, shall have effect and shall mean what the judge declares they shall mean.

The Attorney-General has admitted—and we know of our own knowledge—that some court decisions have been made by judges of the Supreme Court—at least one of them by the Chief Justice himself—and those decisions will be scrubbed absolutely and completely should this shocking retrospective provision in the Bill become law. I can imagine the rage which all Ministers of the Government and practically all

members on the Government side would develop if a Labor Government brought in a Bill, say, to amend the Industrial Arbitration Act, and included in the Bill a retrospective provision to wipe out judgments which had been made by the court, and which had not been favourable to one or more of the industrial trade unions within the State. The Minister for Health, for instance, would never stop howling about it. The Minister for Lands would stand up with justifiable anger, yet restrained anger, and attack the proposal and keep on attacking it.

Mr. Bovell: I don't ever get really angry.

Mr. HAWKE: The Minister for Railways would overwhelm us with words of admonition and would strain the Standing Orders to their utmost to ensure his speeches would go on and on and almost endlessly on. The Premier, in that rugged, forthright, straight-from-the-shoulder manner of his, would attack us. The morning newspaper would almost burn up the newsprint on which its leading articles would be printed, condemning the Government for destroying the decisions of the courts, and for reducing the courts of law to a shocking situation.

Let the Attorney-General give one reason, or excuse—he cannot give a reason—as to why Parliament in this present situation should push the judges in the face and wipe out the decisions they have made. Not only does this retrospective provision in the Bill push the judges in the face and scrub their decisions out of existence completely; it goes further. It proposes to give to those who lost the cases in the court, favourable decisions, as if the judges had made those decisions. That is how atrocious this proposal is. No wonder the normally peaceable member for Eyre, who is full of goodwill, should be moved to describe this Bill as the most atrocious Bill which has ever come into this Parliament.

The passing of this retrospective provision by Parliament will mean that the person or party which obtained a favourable decision from a judge in the court will have that decision wiped out; and the person or the party who lost the decision in the court will be given the decision by virtue of this provision in the Bill. That is a shocking situation. It is a shockingly inexcusable situation, and one in connection with which every Minister in the Government should be ashamed.

If I knew for certain that the Attorney-General voted for this decision when Cabinet approved it, then my criticism of his attitude would be ever so much stronger than it is; because it is unbelievable that an Attorney-General, who is a Minister for Justice, and who is there to uphold the law, to ensure the decisions of the courts shall be obeyed and carried out, should sponsor in Parliament a provision which would destroy utterly decisions by the courts and

give the decisions automatically to the persons or parties who had lost in the cases which had been decided by the judges during the period covered by the retrospective provision in this Bill. That is a terrible situation.

I might not have objected so much had the retrospective provision provided for the return of those cases to the courts, allowing the courts to review them in the light of some legislation which was passed subsequent to the decisions being made. However, there is no proposition in this Bill for the judges to have any opportunity again of looking at the cases: no opportunity whatsoever. The decisions are wiped out, as it were, by a stroke of the parliamentary pen. Those who lost the cases and had the decisions given against them are made the victors with full legal rights given by Parliament to go ahead and obtain their full pound of legal flesh.

It is a shocking situation; and should Parliament agree to the passage of this retrospective provision, in its present wording, it will undoubtedly be a disgrace to Parliament that such a thing could happen. It will show that Parliament has no respect for the courts of law—no respect for the decisions of judges. We hear the Communists condemned; we hear various other groups in the community condemned because they have no respect for the law and no respect for the decisions of courts of justice; and yet, here, we have the two Government Parties combining to pass through Parliament a provision in a Bill which not only has no respect for the law, and no respect for the decisions of judges, but goes a great deal further, and is a great deal worse, because it wipes out the decisions which the courts have made and gives victory to those who lost in the courts.

That is an unthinkable situation, and one which cannot, on any ground, be justified. I ask again that the Attorney-General should give us some plausible excuses for this proposition, because he is not in the race to give us any reasons for it. I hope that, even at this very late stage in our consideration of the Bill, the third reading of it will be defeated and the Bill will be kicked out, which it richly deserves to be, in view of the contents and the intention of this shocking retrospective provision.

MR. TONKIN (Melville) [11.43]: There is still time for this House to do the right and proper thing in connection with this measure by defeating it on the third reading. I hope that there will be sufficient members prepared upon reflection to take that proper course. I agree with everything which the Leader of the Opposition has just uttered against this legislation.

I regard it as amongst the very worst of Bills that has ever been introduced into the Chamber during the 26 years I have

been a member. It is impossible to justify it on any grounds whatsoever. I regret that I was called out of the Chamber to take a very urgent and important telephone call when we were in the Committee stage of this Bill, because it was my intention to make some remarks about clause 4, and to illustrate just how the Government has gone out of its way to help moneylenders in preference to borrowers.

The Bill, as it stands now, provides that if a person seeks to borrow money, or if he writes to somebody about borrowing money, or if he canvasses in any way, he can be fined up to £250. But the moneylender who lends money at excessive rates of interest can only be fined up to £100. The Attorney-General said that, in certain circumstances, his sympathies would be with the borrower. Just let us have a look at that provision and see whether it leaves him any room to be in sympathy with the borrower.

If a borrower writes about the possibility of getting a loan and invites someone to lend him money, the penalty is up to £250. However, if the moneylender lends at an excessive rate of interest the penalty is a maximum of £100. How can a provision like that ever be justified? A man in difficulty, whose circumstances oblige him to seek an opportunity to obtain money can, if he offers to pay a rate of interest in excess of 12½ per cent., be in trouble. That is, if he just offers to pay it, he is liable to a fine of £250; but for the man who actually lends the money at 20, 30, 40, or 50 per cent.—actually lends it—the penalty is £100. That is the legislation that the members on that side of the House are supporting.

The Attorney-General says that under some circumstances his sympathies are with the borrowers. I would like to know what those circumstances are. I agree absolutely with the Leader of the Opposition who said it is a very remarkable thing that the leader of the Bar in this State—the Attorney-General—should be the one to introduce legislation to nullify decisions which have already been made by the court. Why was the 1st of May selected? That is what I would like to know. What particular significance and importance is attached to that date? It must affect certain actions which the Government wants to ensure will receive the benefit of this legislation. Any action pending on the 1st of May or decided subsequent to it, is going to be completely wiped out. Those who have had favourable decisions in the courts will find that the decisions will now be of no value to them.

The unfortunate part of this matter is: What about those persons who have taken action on the judgments given? What position are they going to be in? Take a liquidator, for instance, who has appeared before the court and obtained a decision

in his favour, and who has acted in accordance with that decision. He will subsequently find that because of this legislation the decision is now of no value at all to him. The rights of innocent parties can be very considerably upset because of this; and innocent people, who in no way contributed to the original trouble, will find themselves out of pocket because of this legislation. Can that be justified in any way?

We are told that the purpose is to ensure that widows and orphans shall not lose their money. That was the reason advanced in this Chamber—that it was necessary to protect widows and orphans—and no other valid reason has been advanced at all. That is not a valid reason either. There seems to be no limit to the things that this Government will do, or attempt to do, relying upon its numbers. Imagine cracking the whip on private members on a matter of this kind, when numbers of them must be smarting because of the injustice of it!

I would take it that this is in accordance with the Government's policy. Otherwise it would not dare to attempt to discipline its members to such an extent that they have to vote on it *en bloc*. Is it the policy of the Liberal and Country Parties to introduce legislation of this type? It is as well the people should know if that is so. I have no doubt that whilst there are some happy men on the Government side, there are some very unhappy men. This legislation certainly suits some of them. But I venture the opinion that there are quite a number of them who are unhappy about it; and well they might be, if they have any consciences at all.

I repeat that there is yet time for the position to be retrieved by throwing this legislation out on the third reading so that it will not find a place on the statute book where it would be a blot for all to see. It would have been far better had it never passed the second reading stage. But it did, and we have to accept the situation. However, by defeating it on the third reading we can undo what has already been done and ensure that justice will continue to be done in the State, which will not be the situation if this Bill is passed. I strongly oppose it.

MR. WATTS (Stirling — Attorney-General—in reply) [11.53]: Neither the member for Eyre, nor the Leader of the Opposition, nor his colleague, the Deputy Leader of the Opposition, contributed anything to the debate which they had not contributed before; and I find myself in some difficulty in adding anything to what I have said previously almost *ad nauseam* in an endeavour to explain the situation. I have tried to impress upon them that most of the points they have raised in regard to this legislation are untenable.

So far as I am concerned, I will make it very plain—I hope for the last time—that the provisions of this Bill are not only supported by me but were strongly recommended to me—and up to two hours ago were strongly recommended to me—by the senior law officers of the Crown Law Department, for reasons I have been endeavouring, over the past few weeks, at intervals, to explain to this Assembly.

In regard to the retrospectivity, so called, of this measure, not to take some such steps as are proposed in this Bill would be to continue a state of affairs in the existing law which the Chief Justice—at the time, Sir John Dwyer—said was harsh and unconscionable. Therefore, as the provisions of the present law in that Chief Justice's opinion, having reference to section 9 of the Act, were harsh and unconscionable, are we not justified in bringing before this House an amendment to the law?

Mr. Nulsen: We do not agree with him.

Mr. WATTS: Members of the Opposition talked, and that is why I broached this topic, of the enormity of the offence of this Government in endeavouring to do anything with the judgments of the court which were made, let it be understood, not because they were wanted to be made—or the Chief Justice would not have referred to the law as harsh and unconscionable—but because, in effect, they were mandatory upon him. He had no option, under the law as it stood, but to give that judgment. The provision under the law as it stood was that the debt should be unrecoverable or the matter unenforceable. Therefore, he had no option but to give the judgment which he gave, and which, at the same time, he said was harsh and unconscionable. Surely that is substantial justification for an amendment to the law in the manner that is proposed in this Bill! Are we to perpetuate something which a Chief Justice of Western Australia has said is harsh and unconscionable?

I submit that there are very strong reasons for this measure; and again I repeat that up to the last two hours the senior officers of the Crown Law Department expressed themselves strongly in support of this measure as it was submitted to the House, and there is no possible or probable shadow of doubt in regard to that matter.

I would suggest, referring to the remarks of the Leader of the Opposition, that if the Arbitration Court had been compelled to do something by its statute which the president considered harsh and unconscionable, any reasonable being would be prepared to amend the law so as to prevent that state of affairs from becoming operative. Therefore, I suggest that there is no reason whatever why this House should oppose this measure.

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

Ayes—21.

Mr. Bovell
Mr. Brand
Mr. Burt
Mr. Court
Mr. Craig
Mr. Crommellin
Mr. Grayden
Mr. Guthrie
Dr. Henn
Mr. Hutchinson
Mr. Lewis

Mr. W. A. Manning
Sir Ross McLarty
Mr. Nalder
Mr. O'Connor
Mr. O'Neill
Mr. Owen
Mr. Perkins
Mr. Roberts
Mr. Watts
Mr. I. W. Manning
(Teller.)

Noes—20.

Mr. Bickerton
Mr. Evans
Mr. Fletcher
Mr. Graham
Mr. Hall
Mr. Hawke
Mr. J. Hegney
Mr. W. Hegney
Mr. Jamieson
Mr. Kelly

Mr. Lawrence
Mr. Moir
Mr. Nulsen
Mr. Oldfield
Mr. Rhatigan
Mr. Rowberry
Mr. Sewell
Mr. Toms
Mr. Tonkin
Mr. May
(Teller.)

Pairs.

Ayes.

Noes.

Mr. Mann
Mr. Nimmo
Mr. Wild
Mr. Cornell

Mr. Brady
Mr. Andrew
Mr. Heal
Mr. Norton

Majority for—1.

Question thus passed.

Bill read a third time and transmitted to the Council.

BOOKMAKERS BETTING TAX ACT AMENDMENT BILL

Council's Requested Amendment

Amendment requested by the Council further considered from the previous day.

In Committee

The Chairman of Committees (Mr. Roberts) in the Chair; Mr. Brand (Treasurer) in charge of the Bill.

The CHAIRMAN: The Council's requested amendment, on which progress was reported, is as follows:—

Clause 2, page 2—Delete all words after the figures "1954" in line 11 and substitute the following:—

- (i) On so much of that turnover as does not exceed twenty-five thousand pounds, at the rate of two per centum;
- (ii) on so much of that turnover as exceeds twenty-five thousand pounds but does not exceed fifty thousand pounds, at the rate of two and one-quarter per centum;
- (iii) on so much of that turnover as exceeds fifty thousand pounds but does not exceed seventy-five thousand pounds, at the rate of two and one-half per centum;
- (iv) on so much of that turnover as exceeds seventy-five thousand pounds but does not exceed one hundred thousand pounds, at the rate of two and three-quarters per centum;

(v) on so much of that turnover as exceeds one hundred thousand pounds but does not exceed one hundred and twenty-five thousand pounds, at the rate of three per centum;

(vi) on so much of that turnover as exceeds one hundred and twenty-five thousand pounds but does not exceed one hundred and fifty thousand pounds, at the rate of three and one-quarter per centum;

(vii) on so much of that turnover as exceeds one hundred and fifty thousand pounds at the rate of three and one-half per centum;

Mr. BRAND: I wish first to draw the attention of the Committee to the fact that this amendment has been returned from another place by way of a request; because it is not within the power of that Chamber to amend a money Bill. In agreeing to the change in the sliding scale which was incorporated in the Bill as previously before this Chamber, the Minister in another place made it clear that the new sliding scale was accepted conditionally upon the percentage referred to in each case being increased in accordance with a proposed schedule to be included by this Chamber, that situation being due to the fact that what is necessary could not be done in another place. In order to include the new scale, I move—

That the following alternative amendment be made to the amendment requested by the Council:—

Page 2, clause 2—Delete all words after the words "Control Act, 1954" in line 11, down to and including the words "per centum." in line 30 with a view to substituting other words.

If the amendment is agreed to, it will remove the existing scale and clear the way for its replacement by a new scale. In order that the matter might be made clear, I will circulate typed copies of the proposed new scale. In the case of the first bracket, where the turnover does not exceed £25,000, and where the flat rate was previously 2 per cent., it is proposed to substitute for that figure 2½ per cent. In the next bracket, the proposed new rate is 2½ per cent. In the third bracket, the proposed new rate is 3½ per cent.; in the fourth bracket, 3½ per cent.; in the fifth bracket, 4½ per cent.; in the sixth bracket, 4½ per cent.; while, in the last bracket, it will remain at 3½ per cent. I would point out to the Committee that a lower bracket has also been included—that of £25,000 turnover, where the rate is to be 2½ per cent.

I have had worked out the fact that the increase of ½ per cent. would mean £62 10s. per year for the bookmaker. I

have also had worked out what will be the average in the case of each of the remaining brackets of turnover. I will proceed to tell the Committee what will be the average or effective rate overall in the various brackets of turnover if the new rates are applied under the new sliding scale.

In the £25,000 bracket the average or effective rate would be $2\frac{1}{4}$ per cent. As members know, the original provision was $2\frac{3}{4}$ per cent., whereas the parent Act carried a flat rate of 2 per cent. In the £50,000 turnover bracket the nominal rate is $2\frac{3}{4}$ per cent. and the average or effective rate will be $2\frac{1}{4}$ per cent. The rate originally proposed is $2\frac{3}{4}$ per cent. On the £75,000 turnover bracket the proposal is that the rate shall be $3\frac{1}{4}$ per cent. and the effective rate overall will be $2\frac{3}{4}$ per cent. as against the 3 per cent. originally proposed.

In the £100,000 bracket $3\frac{1}{4}$ per cent. is proposed and the effective or average rate will be 3 per cent. The original proposal was 3 per cent. On £125,000 the proposal now is $4\frac{1}{4}$ per cent., and the effective or average rate will be $3\frac{1}{4}$ per cent., while the original proposal was $3\frac{1}{4}$ per cent. On £150,000 the amendment proposes $4\frac{3}{4}$ per cent., which will give an effective rate of $3\frac{1}{2}$ per cent., while the original proposal was $3\frac{1}{4}$ per cent., so there is a slight increase there. On anything over £150,000 it will flatten out at a rate of $3\frac{1}{2}$ per cent. as proposed in the measure as originally before this Chamber.

If the proposed scale is accepted, it will mean a loss of £8,000 from this source as against the original proposal. There have been attempts to reduce the scale by $\frac{1}{4}$ per cent.; and that was suggested in another place. If that were agreed to, it would cost over £45,000 for each $\frac{1}{4}$ per cent. by which the rate as a whole was reduced. We do not propose to accept such a reduction, in view of the resultant loss of income to the Government and to the clubs.

Amendment (to delete words) put and passed.

Mr. HEAL: What does the Treasurer mean by the words "effective or average"?

Mr. BRAND: It is intended to impose a rate of $2\frac{1}{4}$ per cent. on the first £25,000 turnover.

Mr. Hawke: And that would apply to the turnover of every bookmaker?

Mr. BRAND: Yes, up to £25,000. If a bookmaker had a turnover exceeding £25,000, but not exceeding £50,000, he would pay $2\frac{1}{4}$ per cent. on the first £25,000 and $2\frac{3}{4}$ per cent. on the next £25,000. If the $2\frac{1}{4}$ per cent. and the $2\frac{3}{4}$ per cent. are added together, it makes a total of 5, and half of that would be $2\frac{1}{2}$ per cent. on a turnover of £50,000. That is what I meant by

an average or effective rate. I now propose to substitute several paragraphs for the words that have been deleted from the Bill. I move—

That the following be substituted for the words deleted:—

- (i) Where that turnover does not exceed twenty-five thousand pounds, at the rate of two and one quarter per centum.
- (ii) Where that turnover exceeds twenty-five thousand pounds but does not exceed fifty-thousand pounds, at the rate of two and three quarters per centum.
- (iii) Where that turnover exceeds fifty thousand pounds but does not exceed seventy-five thousand pounds, at the rate of three and one quarter per centum.
- (iv) Where that turnover exceeds seventy-five thousand pounds but does not exceed one hundred thousand pounds, at the rate of three and three quarters per centum.
- (v) Where that turnover exceeds one hundred thousand pounds but does not exceed one hundred and twenty-five thousand pounds, at the rate of four and one quarter per centum.
- (vi) Where that turnover exceeds one hundred and twenty-five thousand pounds but does not exceed one hundred and fifty thousand pounds, at the rate of four and three quarters per centum.
- (vii) Where that turnover exceeds one hundred and fifty thousand pounds, at the rate of three and one half per centum.

The acceptance of this amendment will grant relief to the smaller bookmaker compared with the original proposal. As I pointed out, although there is $\frac{1}{4}$ per cent. increase in tax to be imposed on the bookmaker with a smaller turnover, even though he does not have a turnover of £25,000, the tax would cost him only £62 a year.

Mr. HAWKE: I want to make a suggestion to the Treasurer which would clarify the discussion on these proposals. I suggest that we treat each bracket or paragraph of the amendment as a separate amendment, as it were. I know the whole amendment is one, but if we confine our discussion to each principle in the amendment, it would be better if the Treasurer moved the first part of his amendment first; that is, of course, with your permission, Mr. Chairman. The first subparagraph seeks to apply $2\frac{1}{4}$ per cent. on so much of the turnover as does not exceed £25,000.

I hope the Treasurer will appreciate the merit of my suggestion; because if it is not adopted, we will have the debate roaming over a wide field. For instance, there would be some members of the Committee who would support some of these new suggested tax percentage rates, but would not support others. If we have to deal with the complete amendment in one discussion, we will be travelling from Dan to Beersheba, as it were, and will be getting confused between our support for one proposal and our opposition to another.

If that happened, the discussion would go on for a great deal longer than if we adopted the sensible course and took each proposal separately and confined our discussion to that new rate and any amendment that might be made to it; and, when the first proposed new rate of tax had been dealt with by the Committee, we could move to the second, the third, and so on.

The CHAIRMAN: Standing Order No. 177 reads as follows:—

The House may order a complicated Question to be divided.

In this case, of course, the "House" is the Committee.

Mr. BRAND: Naturally, I want to facilitate the discussion on these proposals. I do not desire, in any way, to create unnecessary problems. I want to approve of a line of debate to ensure that opportunity is given to members to discuss each point. I cannot see that there is any need for me to move one proposal at a time. Surely there can be discussion on Nos. 1, 2, 3, and so on, as has been done already with other proposals this session. I am quite agreeable to that.

The CHAIRMAN: Firstly, does the Committee agree to the proposals being put one at a time? There being no disapproval, the question is—

That subparagraph (i) be agreed to.

Mr. TONKIN: The schedule submitted by the Premier indicates that the Government now agrees that the rates which it intended to impose on smaller bookmakers are too high; otherwise it would not be prepared to reduce them. That point is well established. When the schedule was first introduced, the Government gave the impression that it was out to take from the various categories of bookmakers the maximum amount that could be taken. We on this side of the Chamber thought that what the Government sought to obtain was higher than could reasonably be borne by the bookmakers; but the Government believed that, in regard to each category, it should take the maximum. That being so, it is not entitled to load on to a section in the group something which has been taken off another section; because if the Government is of the opinion that it is all right to levy the maximum on the top group, it is not entitled to put more on top of that.

We are all in favour of reducing the burden of tax on the smaller bookmaker, because we argued that way in the first place. But at no stage did we argue that the amount taken off that man should be loaded on to another who, in our opinion, was being called on to pay a higher burden, under the original proposal, than he should. How does the Government justify that? The criterion in this matter should be not the amount of money the Treasurer seeks to get, but the ability of the taxpayer to pay. Where would we be in the application of taxation generally, if the Treasurer decided to levy taxation on the amount of money the Government wanted rather than on the amount of money it was entitled to obtain from the respective groups of taxpayers?

I do not think the Government can deny that it has now acknowledged that on the smaller bookmakers a rate that was too high was being imposed; otherwise it would not agree to accept a lower rate. That being so, how can it justify endeavouring to obtain the revenue so lost by increasing a rate on another group of bookmakers who we were told by the Government were to be taxed at the maximum rate? Surely that requires some explanation. In connection with the first group, it should be borne in mind that the Betting Control Board will not issue a second license in a district or locality unless it is satisfied that the turnover in that locality exceeds £1,500 a week. That is £75,000 a year.

So if we are dealing with a bookmaker whose turnover is less than £25,000 a year, we must have some regard to the point of view of the Betting Control Board, which believes that such a business is very small indeed; and, having regard to the existing rate of taxation, does not provide sufficient revenue to be shared by another. That applies on a turnover up to £75,000. So how can the Treasurer justify imposing an increased tax on the bookmaker whose turnover is less than £25,000 yearly?

I suggest we should accede to the request of another place in this matter; and, so far as the first £25,000 is concerned, impose the rate of 2 per cent. as was suggested by it, which, of course, means the current rate. We should take notice of the administration of the Betting Control Board, because it is the business of its members to be in close touch with the bookmaker and they should have more knowledge of his operations than anybody else, including officers of the Treasury. If they are of the opinion that a second license is not justified unless the turnover in a district exceeds £75,000 a year, £25,000 must indeed be a very small turnover.

One must have regard to the high rents which all bookmakers are called upon to pay, without exception. I am astonished at some of the rents which landlords demand for the premises simply because they are occupied by bookmakers. Why

not impose a tax on landlords of betting premises to assist the racing clubs? I suppose if that were done they would pass it on to the bookmakers. I suggest to the Treasurer that it is a reasonable proposition to accede to the request of the Legislative Council and, so far as the first group is concerned—that is, those bookmakers whose turnovers do not exceed £25,000 a year—it would take in all in that group. By that I mean there might be some bookmakers whose turnovers do not exceed £10,000 a year.

What justification is there for increasing the rate of tax on them when they are already paying a substantial tax? They will have to pay the additional stamp duty, which is a heavy impost, in addition to an increase of 2 per cent. on what they are already paying. I can see no justification for departing from the suggestion of the Legislative Council in regard to this group. I am therefore opposed to the Premier's proposal for an increase. I think the Government should be satisfied with an increase in the investment tax and the stamp duty. It should be prepared to allow the tax to remain at 2 per cent. on the turnovers of small bookmakers because that could embrace the man whose turnover does not exceed £1 a week.

What is the justification for imposing a further tax over and above the investment tax and stamp duty which they are called upon to pay now? That is what we should settle for, especially with those small bookmakers in one-horse towns. We want to encourage them to remain in business so that the position will not revert to what it was during the days of illegal betting. We should have regard to their ability to pay. It is fair to accede to the request of the Council in that respect, and we should not impose more than 2 per cent. on the lower category. The Government should be content with the revenue to be derived under the increased stamp tax and the investment tax.

Mr. BRAND: In the typing this morning of the amendments which have been circulated, the words "where the turnover does not exceed £25,000" were used. The wording used in the amendment of the Council is "On so much of the turnover." It may be that the wording used in the amendment of the Council is preferable. In order to ensure that the same wording is used, I propose that the word "where" be deleted from the typewritten amendment, and the words "on so much of" be inserted in lieu.

The CHAIRMAN: The Premier would have to seek leave of the Committee to change the wording. Two operations will be necessary: the first is to move for the deletion of the word "where" and for the insertion of the words "on so much of", and then to move for the insertion of the word "as" after the word "turnover."

Mr. HAWKE: I understand the Treasurer wishes to make the typewritten amendment read, "on so much of the turnover as does not exceed £25,000." That wording is suitable in respect of subparagraph (1).

Mr. TONKIN: We have already inserted in the relevant Act the various categories. The various categories have been set out, and all we have to do is to specify the appropriate rates of taxes which are to apply to those categories. If the categories are named, the appropriate rates will apply.

Mr. BRAND: I wanted to make sure that the correct wording was used. The Deputy Leader of the Opposition pointed out that the various categories have been included in the Betting Control Act Amendment Bill, and that would clarify the position. However, it might be preferable to use the same wording when inserting the various rates of taxes under the Bill before us.

It was clearly stated that the Government's intention was to increase the rate of taxes on a sliding scale, according to the turnover of the bookmaker. We believe they should pay more turnover tax. As was stated by the Deputy Leader of the Opposition, increased turnover tax could be borne by the bookmakers. Admittedly increased stamp duty on betting tickets is to be paid by bookmakers under another measure that has been passed. The increase in the turnover tax will only mean an additional £62 10s. a year in respect of a turnover of £25,000. I cannot agree that this is a great amount, especially as it was agreed that there should be an increase in the turnover tax. I cannot agree to the suggestion that the turnover tax should commence at 2 per cent. instead of 2½ per cent.

When this measure was discussed in another place and the scale of tax was agreed to, the Minister made it clear that the Government's acceptance of the amendment would be conditional upon the scale commencing at 2½ per cent. Although the Council could not make an amendment, the Minister made the position clear. The majority of members in the Council agreed to the new scale. Because it has not the constitutional power to amend money Bills, it has requested an amendment and suggested that the scale should commence at 2½ per cent. on the turnover under £25,000.

Mr. TONKIN: The total amount of tax which bookmakers will have to pay must be borne in mind. The Treasurer has not considered the effect of the increase in stamp duty on betting tickets. The existing tax is 1d. per ticket; but under the measure which has been passed, stamp duty will be 1½d. on tickets of less than £1, and 3d. on tickets over that amount. On a fair average the Treasurer will receive an additional 1d. on every ticket issued by a bookmaker.

Some bookmakers have shown that regularly 80 per cent. of their turnover was in respect of bets of 2s. 6d. each. The increase in stamp duty in respect of bets of 2s. 6d. will mean an increase of 3 per cent. on the turnover. This 3 per cent. increase will apply to the whole of the turnover. So the increase in stamp duty will impose on the bookmaker in the smaller category a further 3 per cent. on his turnover. Already he is asked to pay an additional $\frac{1}{4}$ per cent. under the turnover tax; that is, a total of $3\frac{1}{4}$ per cent. additional which he will have to pay on a turnover not exceeding £25,000.

We were assured by the Betting Control Board that before a new license was justified in a district, the existing bookmaker must be holding at least £75,000 a year. If we split this turnover of £75,000 between two bookmakers, each will hold £37,500. That is the absolute minimum turnover which will enable a bookmaker to continue, having regard to the expenses involved, without indulging in illegal practices.

A bookmaker may be holding a turnover of £8,000 to £9,000 a year. With the imposition of an additional $\frac{1}{4}$ per cent. on his turnover and a further 3 per cent. under the stamp tax, his position would be precarious. The Treasurer has referred to the increase in the turnover tax as an additional £62 10s. to be paid by the bookmaker with a turnover of less than £25,000. That is only in respect of the turnover tax. To arrive at the total increase we must take into account the 3 per cent. increase imposed under the Stamp Act. By multiplying the £62 10s., which represents $\frac{1}{4}$ per cent. of his turnover, by 12, which represents the 3 per cent. increase under the stamp duty, the bookmaker will have to pay another £750. Some would want to make 100 per cent. on turnover to pay this. After all, some punters do occasionally have winning bets. The report of the Betting Control Board in South Australia shows that most of the turnover is returned to bettors in winning bets. The difference is the gross amount which remains in the bookmaker's bag.

If we impose a high rate of tax on the total turnover, without relation to the amount that remains in the bookmaker's bag, it is conceivable that that rate may completely wipe out the gross profit. I have always held the view—I have not been able to test this—that a normal bookmaker, who did not gamble, would make 22 per cent. or 23 per cent. gross on turnover. That is as much as a bookmaker could expect to get. The figures in South Australia indicate a much lower gross percentage. From my observations the gross percentage would be 20 per cent. to 23 per cent. If the stamp duty and turnover tax amounted to 14 per cent. or 15 per cent. not much would be allowed for the high expense ratio of a bookmaker. A bookmaker's rentals are terrific and he

has to make contributions for obtaining race results; and he has telephone bills which must be enormous.

When one has regard for the expenses, one is forced to the conclusion that there is a definite limit to the amount of additional tax that can be imposed. Surely, with regard to the man whose turnover is less than £25,000, the Government ought to be content with the extra money it will receive from the stamp tax. That tax will be the same through all the groups because the rate has no relation to the volume of turnover. It is conceivable that the small man, in a locality where few large bets are written, will pay a higher rate of stamp tax than the man who is doing the large business.

For every ticket written for a 2s. 6d. bet, an extra $\frac{1}{4}$ d. will be paid in stamp tax; whereas on tickets for bets ranging from £10 to £100, the amount will be 3d. That represents an increase of 2d. The relative increase will not be nearly as great in its incidence on that man as on the bookmaker who is called upon to pay increased turnover tax as well as increased stamp duty. I wish to move to delete the words "and one quarter."

The CHAIRMAN: Before the honourable member moves in that way, it would be a good idea to have inserted the words "on so much of" which were previously mentioned.

Mr. J. HEGNEY: The Treasurer might withdraw his amendment and adopt the phraseology in the schedule proposed by the Council, and then insert his proposed amendment.

The CHAIRMAN: That is what I have just suggested.

Mr. BRAND: I move—

That the amendment be amended by deleting the initial word "where" at the beginning of each paragraph and substituting the words "On so much of."

Mr. J. HEGNEY: If we get down to the last paragraph with this amendment we might not be able to return to the first one.

Mr. Brand: I will be quite happy to go back to the first.

The CHAIRMAN: The Committee has the power to do that.

Amendment on the amendment put and passed.

Mr. BRAND: I move—

That the amendment be amended by inserting after the word "turnover" in the first line of each paragraph, the word, "as."

Amendment on the amendment put and passed.

Mr. TONKIN: I move—

That subparagraph (1) of the amendment be amended by deleting the words "and one quarter."

Mr. BRAND: I oppose the amendment. It is our desire to increase the tax by $\frac{1}{4}$ per cent.; and I have outlined the reasons for the increase. The Deputy Leader of the Opposition said that the stamp duty would amount to some £500 or £600.

Mr. Tonkin: I said 3 per cent.

Mr. BRAND: I have a screed here issued by the Premises Bookmakers' Association in which it is estimated that, under the old proposal, on a turnover up to £50,000, there would be additional stamp duty of £87. Somebody must be at cross purposes. Presumably these people know their own business.

Mr. Tonkin: You only think so sometimes.

Mr. BRAND: The association has given me this amount of £87, and the honourable member has suggested 3 per cent. This indicates that the Deputy Leader of the Opposition is right off the mark in his estimate of the costs.

Mr. TONKIN: When the Treasurer wanted to make a point then, he had no hesitation in accepting the statement made by the bookmakers.

Mr. Brand: I read it out.

Mr. TONKIN: Yes; and used it as an argument.

Mr. Brand: Of course.

Mr. TONKIN: Surely the Treasurer must believe it. The point is that the Treasurer will take from that screed so much as suits him, and will ignore the part which does not suit him. That is a fine way to argue! I do not care how the association computed the figures. I will compute them now in the presence of the Treasurer and his Minister for Railways. It is acknowledged that most of a small bookmaker's business consists of small bets—most of them being bets of 2s. 6d. If we increase the tax from 1d. to $1\frac{1}{4}$ d., it will mean an extra $\frac{1}{4}$ d. on every ticket issued. But on some tickets the tax is to go up from 1d. to 3d., which means an increase of 2d. Thousands of tickets are issued each week. The average bet would be less than 10s. in the case of many bookmakers.

Mr. Oldfield: It is 8s. in this category.

Mr. TONKIN: All right. They will be carrying, on the average, an impost of 2d., which will have to be added to the increased turnover. This will bring about a figure considerably greater than the one mentioned by the Treasurer. I can see it will not be quite as high as the one I mentioned, because I took a rough stab at the impost of 1d. on 2s. 6d., which is one-thirtieth, or about 3 per cent. Now it looks

as if it will be at least 2d. on 8s., which is one-forty-eighth. That is more than 2 per cent.

Mr. Court: You are referring to stamp duty?

Mr. TONKIN: Yes.

Mr. Court: How do you work it out to 2d. on 8s.?

Mr. TONKIN: At the moment it is 1d. on every ticket.

Sitting suspended from 1 p.m. to 2 p.m.

Mr. TONKIN: Before lunch I was endeavouring to show that the Government was imposing this tax without regard to the increased amount which would be obtained from the stamp tax; and the Treasurer quoted some figures from a submission made by the premises bookmakers, to show that the amount would not be anywhere what I had calculated it would be. Having checked my calculation, I will admit that it might have been a little high—but not much; and I still arrive at a figure in excess of that shown in the schedule presented by the bookmakers.

I will now quote from the schedule from which the Treasurer quoted—

The assessment of the increased turnover tax is a simple mathematical calculation. However, assessing the application of the increased stamp duty presents an entirely different problem.

Then they went on to show, in a number of categories, what they considered to be the estimated additional amount of stamp duty, and they quoted the figure of £87 on a turnover of £50,000. We must take into consideration the fact that the average bet of the smaller man is under 10s. and then we get a percentage figure pretty close to that which I used; and, after all, it is the percentage on the turnover which is the basis of the calculation. The Premier said that $\frac{1}{4}$ per cent. increase on the turnover tax for the man up to £25,000 would amount to about £62 per year.

I did not check the Premier's statement, but accepted it as correct; and if that is so it is clear, even on the bookmaker's own figures, that the extra percentage imposed because of the increase in the stamp duty is somewhere between 2 and 3 per cent. That means that if $\frac{1}{4}$ per cent. on turnover gives £62, 2 per cent. must give eight times that sum, or nearly £500. Assuming that $\frac{1}{4}$ per cent. means an extra impost of £62, that is the figure we arrive at; because, in relation to turnover, the stamp duty has a very close relationship, since, without bets made and the tickets issued, we could not arrive at the total turnover.

As a large number of bets are in the 2s. 6d. category, where $\frac{1}{4}$ d. on 2s. 6d. gives one-sixtieth of the total bet, we can see the taxation imposed on that bet alone and we get a number of those

bets for every £1. When we take the average bet of 8s.—it was stated before the Royal Commission that the average bet was 18s. and it was disclosed that approximately 12½ per cent. of the total bets were in excess of £1—that gives a ratio of 7 bets under £1 to each bet over £1 and brings it pretty close to the figures which I used earlier with regard to the percentage of business done by the smaller man, and it has relation to the bets of small denomination; and obviously the greater the number of smaller bets included in the turnover of up to £25,000, the higher is the tax imposed on that turnover; because each betting figure of under £1 carries an additional ¼d.; and so, if we have 8 betting tickets to the £1 it imposes on all of the pounds of turnover which are made up of bets of 2s. 6d. and the like, an extra stamp duty of 4d.

Every additional £1 in the turnover carries 4d. tax and 4d. in the £1 is one-sixtieth, so there is a heavy impost on the turnover which comprises the smaller bets; and because I consider that in the increased stamp duty the Treasurer is getting increased tax from these bookmakers, I say he should not try to get it in two ways; and that it would be reasonable to agree to the proposition of the Legislative Council with regard to this category, and accept the 2 per cent. suggested.

Mr. OLDFIELD: When this measure was before the Chamber earlier, I pointed out how the small bookmaker would be affected, and especially those in country districts; because when we are dealing with operators whose holdings are up to £50,000 per year, we are dealing with 98 bookmakers, which is almost 50 per cent. of the total of 202. I understand that there are about 40 bookmakers in the category of about £25,000 or less turnover. It follows that up to a holding of £1,000 per week the average bet written is 8s.

With those who hold up to £75,000 the average bet is 10s.; for a turnover of £100,000, it is 12s.; for a turnover of £125,000, the average is 15s.; and on £150,000, the average is 18s. The average increases until, with the top man, who is holding £800,000 per annum, the average bet is £3 10s. When dealing with the tickets tax, I said that I thought it was unfair. The turnover tax is the fair tax because, with the ticket tax, on an average bet of 8s. for a small man to hold £3 10s. it will cost him 1s., but for the big man whose average bet is £3 10s. it will mean a ticket tax of only 3d.

We must have regard for the fact that it costs the bookmaker just as much to write a bet worth 2s. 6d. as it does to write a bet for £200. With the big operators, most of the betting is done over the phone, and that business can be handled much more rapidly because it is only a matter of answering the phone and writing the bet

down, and it is entered up later on. The accounts are made out and settlement comes later in the week.

But with the small operator, whose main business is for cash, the clerk has to enter up the tickets while the punter waits, and then has to fiddle around giving change and so on. A man is employed for paying out purposes after each race, and so it would cost the small operator a lot more to write each bet. For the small operator to hold £3 10s. it will cost 1s. in ticket tax; whereas, for the big operator, it costs only 3d. because of the average of the bets each of them has. In the screed referred to by the Premier, which was put out by the premises bookmakers, the average bet was shown to be 18s. But I think they used the wrong basis on which to make the calculation.

Mr. Brand: Who would be in the best position to calculate it?

Mr. OLDFIELD: The average was arrived at by dividing the number of bets throughout the State into the total amount of money bet throughout the State, and it worked out at 18s. per bet. But that is not a fair example to put forward, because the small man averages 8s.; the middle man, 15s.; and the top man, £2 to £3 10s. I cannot understand why the bookmakers put forward as an average the figure of 18s., because the bigger operators and the smaller ones cannot be compared. Their businesses are entirely different.

We must also bear in mind that the small operator suffers the same inescapable costs as the big operator. He does not get his information from Tate's Press any cheaper; he pays the same broadcasting fees; and, probably, on a pro rata basis, his rent would be higher than the rent paid by the big operator. Generally speaking, bookmakers in country towns holding £400 or £500 a week are unable to increase their holdings, because there are no other avenues, and they are not in a position to make up these losses. They cannot pass them on and they have to bear the costs themselves. An operator holding £500 a week will have to pay about £7 10s. a week in ticket tax, and a man holding £1,000 a week will have to pay about £15 a week in ticket tax. So far as the small operator is concerned, the ticket tax would represent about 2½ per cent. of his turnover; whereas to the larger operator it would represent about ½ per cent.

We will impose severe hardship on the small operators if they are to bear the same charges as the larger operators. Having regard for the fact that ¼ per cent. represents only £62 10s. per annum, we could go on and say, "Why not another ¼ per cent.? It is only another £62 10s. per annum." But we could get to the stage where it would be the last straw. To say that the bookmakers will still carry on, and will not go out of business, is no argument at all.

If we reduced a man's weekly income from £25 a week to about £15 a week, he would probably reach the stage where he would say, "I might as well give up book-making and work for the road board or someone else in the town" because then he would have no worries or have to face the risks attendant on bookmaking. Immediately that happens the town is deprived of the services of a bookmaker. We know what that means. The local people will still want to place bets, and that will mean the establishment of an illegal bookmaker. This extra $\frac{1}{4}$ per cent. will only mean about £3,000 a year to the Treasury; but if it were not imposed, it would enable the small bookmaker to maintain a higher standard of living. I feel it should be left at 2 per cent.

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

Ayes—18.

Mr. Bickerton
Mr. Evans
Mr. Fletcher
Mr. Graham
Mr. Hall
Mr. Hawke
Mr. J. Hegney
Mr. W. Hegney
Mr. Jamieson

Mr. Kelly
Mr. Lawrence
Mr. Moir
Mr. Oldfield
Mr. Rowberry
Mr. Sewell
Mr. Toms
Mr. Tonkin
Mr. May

(Teller.)

Noes—19.

Mr. Bovell
Mr. Brand
Mr. Burt
Mr. Court
Mr. Craig
Mr. Crommellin
Mr. Grayden
Mr. Guthrie
Dr. Henn
Mr. Hutchinson

Mr. Lewis
Mr. W. A. Manning
Sir Ross McLarty
Mr. Nalder
Mr. O'Connor
Mr. O'Neill
Mr. Owen
Mr. Watts
Mr. I. W. Manning

(Teller.)

Pairs.

Ayes.

Noes.

Mr. Brady
Mr. Andrew
Mr. Heal
Mr. Norton

Mr. Mann
Mr. Nimmo
Mr. Wild
Mr. Cornell

Majority against—1.

Amendment on the amendment thus negatived.

Mr. TONKIN: The same argument I used in regard to the first group applies to the second. We should agree to the recommendations of the Legislative Council. The changed proposals of the Government result from clandestine meetings held after the Council agreed to the schedule. Members were pulled into gear in another place, and there were meetings between representatives of the Government in that place and those here, which resulted in the alteration being put before us.

Mr. Brand: If there was any pulling into gear it is nothing new either in this House or in another place.

Mr. TONKIN: Seeing the Government has a majority in the Legislative Council, the proposals that the Council recommend would be Government proposals. In this case the Government takes an entirely new attitude, and disregards completely the considered opinion of the Legislative Council before the whip started to crack.

Before the Government got busy and put pressure on Council members, on a proper consideration of the proposals they thought the Government's rates were too high; and although the Government has a majority in that House, its members agreed to the proposals.

Mr. Brand: We conceded the point that the sliding scale was improved.

Mr. TONKIN: The Treasurer conceded more than that. He also conceded that the proposals initially were too high for bookmakers in the lower brackets. The Treasurer took the attitude that he had imposed on all groups as much as they could bear, and accordingly there is no justification whatever for his levying on the top bracket the amount taken off the lower bracket. I am still of the opinion that the Government has not had prepared a calculation of what is involved in these proposals. In other words, it is experimenting, as the Treasurer indicated when he introduced the proposals. He said they were put forward by way of experiment; and by December, 1962, the Government will be able to see whether they were unreal, unfair, or unjust.

Mr. Brand: December, 1960; you are only two years out.

Mr. TONKIN: Yes; December, 1960. It does not matter whether they are unreal, unfair, or unjust in the meantime. The Treasurer has at his disposal the means to thoroughly examine and have a fair calculation made; but he is not prepared to do that. He will impose this rate, whether it is fair and just or not, and then see what the consequences are by December, 1960.

If that method of taxation were adopted with any other group of people in the community, we would get pretty close to a revolution. Imagine trying to impose it on the cookies! Fancy the Government saying to them, "We are going to impose a rate of taxation on you; but we do not know whether it will be fair or unfair, or just or unjust. We will give it 18 months' operation and see how you fare at the end of that time." Imagine any Government trying to get away with a proposition like that with regard to, say, the farming community, lawyers, accountants, or sharebrokers!

This taxation gives one a number of new ideas. Why not put a tax on the sharebrokers to help the mining companies that are in difficulties? Sharebrokers are only gambling on shares, and are making no worth-while contribution to the industry.

Mr. Hawke: A very good point.

Mr. Craig: It is not entertainment.

Mr. TONKIN: It is the same principle. The racing clubs are in trouble, partly through their own fault; and to help them along, the Government imposes a tax on the off-course bettor and the off-course

bookmaker in order to provide revenue for those race clubs. It would be no different in principle to impose a tax on sharebrokers to help struggling mining companies. However, I do not imagine the Government is ever likely to approve of that one.

Mr. Brand: No.

Mr. TONKIN: Of course it is not!

Mr. Hawke: It would be over the dead body of the Minister for Railways.

Mr. TONKIN: Anybody who takes the trouble to examine the information which is available in connection with costs will know that these rates proposed are far too high. It is clear that the Legislative Council thought so until the Government got busy. Then, of course, force triumphed over reason and logic, as it does here so often, especially with Standing Orders. When the situation is like this, we have to accept it for the time being; but it will not always be so. I move—

That subparagraph (ii) be amended by deleting the words "and three-quarters."

Mr. BRAND: I am not going to accept this amendment, and I ask the Committee to vote against it. Under the new scale, the effective tax will be $2\frac{1}{2}$ per cent., which is $\frac{1}{4}$ per cent. less than the original proposal as introduced into this House. I believe the effective percentage tax of $2\frac{1}{2}$ per cent. on £50,000 turnover is quite reasonable, and one which could be well justified.

Mr. TONKIN: The Committee should have adopted the rates suggested by the Legislative Council; but instead of doing that, it decided on the rate of $2\frac{1}{2}$ per cent. I am prepared to make this bracket $\frac{1}{4}$ per cent. higher than the initial rate of 2 per cent.; and I am prepared to agree to the principle of a graduated scale. If I am successful in my amendment, I shall be prepared to ask the Committee to provide for the rate of $2\frac{1}{2}$ per cent. This will be half way between the Treasurer's proposal and that of the Legislative Council.

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

Ayes—18.

Mr. Bickerton	Mr. Moir
Mr. Fletcher	Mr. Norton
Mr. Graham	Mr. Nulsen
Mr. Hall	Mr. Oldfield
Mr. Hawke	Mr. Rowberry
Mr. J. Hegney	Mr. Sewell
Mr. W. Hegney	Mr. Toms
Mr. Kelly	Mr. Tonkin
Mr. Lawrence	Mr. May

Noes—20.

Mr. Bovell	Mr. Lewis
Mr. Brand	Mr. W. A. Manning
Mr. Court	Sir Ross McLarty
Mr. Craig	Mr. Nalder
Mr. Crommellin	Mr. O'Connor
Mr. Grayden	Mr. O'Neill
Mr. Guthrie	Mr. Owen
Mr. Hearman	Mr. Perkins
Dr. Henn	Mr. Watts
Mr. Hutchinson	Mr. I. W. Manning

(Teller.)

Ayes.	Pairs.	Noes.
Mr. Brady		Mr. Mann
Mr. Andrew		Mr. Nimmo
Mr. Rhatigan		Mr. Wild
Mr. Jamieson		Mr. Burt

Majority against—2.

Amendment on the amendment thus negatived.

Mr. TONKIN: In conformity with the line of argument I have been pursuing, I propose to attempt to reduce the tax applying to the group mentioned in subparagraph (iii); and my reasons are exactly the same as those I have already stated. I am prepared to maintain the graduated scale because I think it is desirable. I move—

That subparagraph (iii) be amended by deleting the words "and one-quarter."

If the amendment is agreed to, the rate will be 3 per cent., which is $\frac{1}{4}$ per cent. in advance of what has been agreed to in the previous group.

Mr. BRAND: For the reasons I have previously put forward, I do not propose to accept the amendment. Each time we reduce the scale by $\frac{1}{4}$ per cent. we bring about a loss of £45,000 in revenue. In the Upper House it was made quite clear that the new scale would be acceptable only on condition that the proposed percentage tax, which I have now put before the Chamber, was included.

Mr. OLDFIELD: It is obvious that the Treasurer does not intend to accept any amendments. It is also apparent that the Government has decided it wants to raise a certain amount of revenue from this source. When the matter was dealt with in another place, it was decided to establish the principle of having an escalator scale of charges—a principle fairer and more equitable than the one in the original Bill. It was decided, after a conference, to amend the Bill, so we have the scale that is now before us.

The further we go down the scale, the more trouble we get into. The conference evidently decided that some relief should be afforded to those holding less than £75,000, with the result that we have decided that a person holding £25,000 or less will be $\frac{1}{4}$ per cent. better off than he would have been under the original proposal.

In the second category, the average turnover tax will be $2\frac{1}{2}$ per cent., or $\frac{1}{4}$ per cent. less than the original proposal. In the third category, with which we are now dealing, the figure will be $2\frac{3}{4}$ per cent., or $\frac{1}{4}$ per cent. lower than the original 3 per cent. In categories four and five the percentage remains unaltered; but in category six, where the operator holds between £125,000 and £150,000 per annum, he will be $\frac{1}{4}$ per cent. worse off, paying $3\frac{1}{4}$ per cent., more than he would have been if he paid $3\frac{1}{2}$ per cent., as originally proposed. The very big operator is to pay $3\frac{1}{2}$ per cent.

flat, as originally proposed. Only category six will suffer, by paying $\frac{1}{2}$ per cent. more than was originally proposed. The three bottom groups will pay less, and the loss to revenue will be only £9,000 per year; so we can see how much will have to be paid by category six.

The Treasurer said last night that this business was not as lucrative as many people believed. He said he had been advised that the big operators could not stand more than $3\frac{1}{2}$ per cent. taxation, so we cannot load any more on to that group. I am afraid that under what is now proposed, bookmakers in category six may try to reduce their volume of business in order to secure a lower rate of taxation. Any tax which kills the incentive for a person to increase business; or, perhaps, even reduces his income, can result in loss of revenue to the Treasury. I do not think the Treasury will benefit from this tax to the extent which it expects.

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

Ayes—19.

Mr. Bickerton
Mr. Fletcher
Mr. Graham
Mr. Hall
Mr. Hawke
Mr. J. Hegney
Mr. W. Hegney
Mr. Kelly
Mr. Lawrence
Mr. Moir

Mr. Norton
Mr. Nulsen
Mr. Oldfield
Mr. Rhatigan
Mr. Rowberry
Mr. Sewell
Mr. Toms
Mr. Tonkin
Mr. May

(Teller.)

Noes—20.

Mr. Bovell
Mr. Brand
Mr. Court
Mr. Craig
Mr. Crommellin
Mr. Grayden
Mr. Guthrie
Mr. Hearman
Dr. Henn
Mr. Hutchinson

Mr. Lewis
Mr. W. A. Manning
Sir Ross McLarty
Mr. Nalder
Mr. O'Connor
Mr. O'Neill
Mr. Owen
Mr. Perkins
Mr. Watts
Mr. W. A. Manning

(Teller.)

Pairs.**Ayes.**

Mr. Brady
Mr. Andrew
Mr. Evans
Mr. Heal
Mr. Jamieson

Mr. Mann
Mr. Nimmo
Mr. Wild
Mr. Cornell
Mr. Burt

Majority against—1.

Amendment on the amendment thus negatived.

Mr. TONKIN: From this group onwards the grades have been increased by $\frac{1}{2}$ per cent.; so it is clear the Government is going to load on to these groups the amount taken from the lower groups, thus bearing out our contention that the criterion here is not ability to pay but the amount of money which the Treasury wants from this source. When the rates were originally imposed, the Treasury was to get some £70,000 less than it now proposes to get, because it was intended that that money should go to the W.A. Turf Club. The Legislative Council has provided that it shall go to Consolidated Revenue. As the Government will have £75,000 more than it anticipated, surely it is not justified in putting this extra loading on the remaining group of taxpayers.

We considered all along that the rate of tax was not warranted by the returns that could be obtained; but this makes the position infinitely worse; because, by rule of thumb, it is loading on to a group of taxpayers the amount that was lost by the reduction of $\frac{1}{4}$ of 1 per cent. on the other taxpayers. As the Government gave us to understand, when it brought these proposals before us initially, that it was levying the maximum rate on this group, how can it justify this additional impost?

Mr. Brand: Did we say that we were levying the maximum?

Mr. TONKIN: Yes. The Treasurer said that people outside thought that a much higher rate of tax could be imposed, but he was satisfied that this was the maximum amount that could be taken. That was the attitude of the Treasurer.

Mr. Brand: That was our decision.

Mr. TONKIN: Surely the Treasurer's decision indicates his attitude, or is his attitude one way and his decision another? It is quite patent that the Government did not introduce its proposals in the belief that it had imposed the limit on the smaller bookmakers and chosen the limit to be placed on the larger ones. Never at any stage was that argument advanced. So we are to assume that the rates which the Government proposed for the bookmakers in the various categories were the maximum rates which it believed could be imposed on those categories.

By shifting the burden in the way proposed, without recognising the ability to pay, and having regard to the initial circumstances, the Government shows that it had no concern about the ability to pay, but was concerned only with the amount of revenue to be derived. In that connection it should also take into consideration that it has now available to it money obtained from a source which previously it thought it would be paying away to the W.A. Turf Club. Therefore, it is in a position to forgo the revenue which it will lose from the bookmakers in the lower categories instead of trying to make it up from the bookmakers who will be taxed to the limit.

It is hard to justify the Government's proposals; and therefore I move—

That subparagraph (iv) be amended by deleting the words "and three-quarters."

If this amendment is agreed to, it is my intention to insert a figure which will be but $\frac{1}{2}$ of 1 per cent. in advance of the figure agreed to in the previous category.

Mr. BRAND: I oppose the amendment. I point out to the Committee that the scale of taxes added together will give an effective rate of 3 per cent. on a turnover of £100,000, working through the £25,000 brackets. The original Bill proposed a 3 per cent. tax, and I would like

the Committee to be aware that it is not proposed, in this bracket or the next, that the effective rate of tax should be increased over and above the rate previously introduced.

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

Ayes—19.

Mr. Bickerton
Mr. Fletcher
Mr. Graham
Mr. Hall
Mr. Hawke
Mr. J. Hegney
Mr. W. Hegney
Mr. Kelly
Mr. Lawrence
Mr. Molr

Mr. Norton
Mr. Nulsen
Mr. Oldfield
Mr. Rhatigan
Mr. Rowberry
Mr. Sewell
Mr. Toms
Mr. Tonkin
Mr. May

(Teller.)

Noes—20.

Mr. Bovell
Mr. Brand
Mr. Court
Mr. Craig
Mr. Crommelin
Mr. Grayden
Mr. Guthrie
Mr. Hearman
Dr. Henn
Mr. Hutchinson

Mr. Lewis
Mr. W. A. Manning
Sir Ross McLarty
Mr. Nalder
Mr. O'Connor
Mr. O'Neill
Mr. Owen
Mr. Perkins
Mr. Sewell
Mr. I. W. Manning

(Teller.)

Pairs.

Ayes.

Mr. Brady
Mr. Andrew
Mr. Evans
Mr. Heal
Mr. Jamieson

Noes.

Mr. Mann
Mr. Nimmo
Mr. Wild
Mr. Cornell
Mr. Burt

Majority against—1.

Amendment on the amendment thus negatived.

Mr. HAWKE: It is rather strange that subparagraphs (v) and (vi) provide for a higher percentage on the turnover of the bookmaker than does paragraph (vii). Bookmakers covered by paragraph (vii) are those with the highest turnover. There may be some explanation for the different rates of taxation being out of gear. One would think that the higher rate of tax would be applied to the bookmaker with the largest annual turnover.

The proposals of the Treasurer provide for a tax of 4½ per cent. where the portion of the turnover exceeds £100,000 but does not exceed £125,000; and then 4¾ per cent. on the portion which exceeds £125,000 but does not exceed £150,000. Then in subparagraph (vii) a flat rate of 3½ per cent. is imposed on the portion of the turnover which exceeds £150,000. This percentage will apply where the turnover is £175,000 or £185,000.

As claimed by the Deputy Leader of the Opposition, it is broadly correct that the Treasurer apparently instructed his officers to work out a scale to obtain a total amount of revenue from the turnover tax, and to work out the rates of tax for the various categories to bring in that amount. These rates of taxes were worked out for him. His main concern was that the tax should bring in the required amount; his secondary consideration was the proposed rates of tax. If he had a secondary consideration at all, it was only a minor one. He was satisfied as long as the tax produced the desired amount.

I do not disagree to any extent with the Treasurer's anxiety to obtain a total amount from the turnover tax, but we should be concerned with the question of equity in the imposition of the tax on the various categories of turnover. When the Treasurer spoke to us about his disappointment at the decision of the Legislative Council which deprived the Turf Club of £74,000 under the Government's proposal, and which directed that amount into Consolidated Revenue, he was shedding crocodile tears. In fact, he was very relieved and happy with the decision of the Council.

He was convinced by the remarks of the members of the Opposition that the Government was shockingly extravagant in its proposal to hand £133,000 to the Turf Club each year. I am sure he was relieved when the Legislative Council decided that the Turf Club was to get only some £60,000 of that amount and Consolidated Revenue was to receive the other £70,000 odd. Had he not been relieved and satisfied, he would have opposed the amendment of the Council. He did not oppose it, except in a half-hearted way by expressing disappointment and regret. As Consolidated Revenue is to receive £74,000 more than was anticipated, a much greater effort should be made to bring about the greatest degree of fairness possible in relation to the rates of taxes which are to be imposed on the turnover of bookmakers coming within paragraphs (v) and (vi) of the amendment.

The proposed rates appear to be out of balance. I cannot understand why bookmakers should pay 4½ per cent. and 4¾ per cent. on the portion of the turnover not exceeding £125,000 and £150,000 respectively, whereas the bookmakers coming within paragraph (vii)—that is, in respect of turnover exceeding £150,000—should pay only at the rate of 3½ per cent.

Mr. BRAND: In the original proposal, the maximum tax on the turnover of bookmakers was decided at 3½ per cent. It was considered by the Government that even bookmakers with a very high turnover would pay a flat rate of 3½ per cent. That was as much as the Government expected them to pay.

Mr. Tonkin: Did you not deny that a moment ago?

Mr. BRAND: The honourable member was referring to the 4¾ per cent. rate. The Government felt there should not be an effective turnover tax of over 3½ per cent. Arguments were put forward by the big bookmakers that the smaller bookmaker could not make a profit, and that under the original proposals the latter would go out of business. The smaller bookmakers contended that the bigger bookmakers could afford to pay an increased rate.

From inquiries made, the Government felt that the proposals, as submitted, were fair. We agree that the bookmaker with a turnover not exceeding £25,000 would find the increased turnover tax a great burden, and we decided to reduce that tax to $2\frac{1}{2}$ per cent.

On a turnover of £100,000, the nominal rate under the new scale is $3\frac{1}{2}$ per cent.; but taking the average of the percentage of tax, it will amount to 3 per cent. effective on a turnover of £100,000. That is in line with the Government's original proposal. The same remarks apply to the bookmaker with a turnover of £125,000. The nominal rate is $4\frac{1}{2}$ per cent., but the effective or average which this bookmaker will pay is $3\frac{1}{2}$ per cent. That is in line with the percentage under the original proposal. On a turnover of £150,000 the nominal rate is $4\frac{1}{2}$ per cent., and the effective rate is $3\frac{1}{2}$ per cent., although under the Government's original proposal it was intended that the rate should be $3\frac{1}{2}$ per cent. That is the category in which there has been an increase of $\frac{1}{2}$ per cent.

There are very few bookmakers with a turnover exceeding £150,000, although there is one with a turnover of over £800,000. The Government considered that these bookmakers should be taxed at the rate of $3\frac{1}{2}$ per cent. on the portion of the turnover exceeding £150,000. That was the reason why the Government decided to level the tax on turnover exceeding £150,000.

The Government is to lose some £8,000 under the new proposal. With one exception—where $3\frac{1}{2}$ per cent. is to apply on turnover from £125,000 to £150,000—the new scale does give relief to some bookmakers in the lower categories. The argument put forward by some members in this place and another place was that the smaller bookmakers were expected to carry too much under the Government's original proposals, and that the bigger man could carry the rates as they were proposed.

Mr. J. Hegney: This scale is unfair on the man who is getting the £15,000. He pays $3\frac{1}{2}$ per cent. and immediately he gets £2 or £3 above that, he pays $3\frac{1}{2}$ per cent., which seems to be very inequitable.

Mr. BRAND: He is only paying that on an average. For the first £25,000 he pays at the rate of $2\frac{1}{2}$ per cent.; the next £25,000 at $2\frac{1}{2}$ per cent.; and so on, until up to the point where he is paying $3\frac{1}{2}$ per cent., he is in fact paying $3\frac{1}{2}$ per cent.

Mr. J. Hegney: I cannot see that.

Mr. BRAND: The honourable member could if he added the amounts up and averaged them. The actual rate does not increase from then on, irrespective of the increase in turnover.

Mr. TONKIN: It seems to me that the Government has completely ignored a basic rule of economics. I am referring to the

law of diminishing returns. I make the forecast that the Treasurer is not going to receive anything like the sum of money which he expects to receive from these rates of taxes.

Mr. Brand: You said that before.

Mr. TONKIN: Now there is quite a lot of money which the bookmakers will take because the tax is not a high one and they can therefore still show some profit on the bets, although it may not be a large one. I am referring to the wagers between bookmakers themselves and between persons who are carrying out commissions in this State for owners in the Eastern States.

Mr. Brand: Will this be a reasonable and lawful way out?

Mr. TONKIN: Yes.

Mr. Brand: They will be quite justified in doing it?

Mr. TONKIN: Yes; but I am going to prove that the Treasurer in imposing a punitive rate will deprive himself of revenue and receive less. The rate should be a little lower to induce bookmakers to continue to take the money. It is the same as in any business. If a person can increase the volume of turnover and still make a profit on it, even though it be small, he will do so. It is for that reason that large retail establishments hold sales. They receive the volume of business and can take a lower ratio of profit.

That is why the bookmakers today do a lot of business which under these proposals they will refuse to take. I will give an example. If there is a man in Western Australia who is in touch with bookmakers or owners in the Eastern States, and he has been in the habit of carrying out commissions here, he will no longer take that money. He will say to the bettor here, "Put it on in the Eastern States. I do not want the money because I would not hold it anyway and I would therefore have to pay too much tax on it." That business will therefore go to the Eastern States and will cost the State tens of thousands of pounds because it is the turnover which will carry the highest rate of tax. I think the Treasurer will find that every bookmaker in Western Australia will have a reduced turnover because of this taxation.

Mr. Brand: Without knowing a great deal about the business, I should imagine that that is a fair assessment.

Mr. TONKIN: I believe that that is what will happen. With regard to some in the very high brackets, the drop is going to be substantial. It will not make a great deal of difference to those men the bulk of whose business consists of 2s. 6d. and 5s. bets. They are not going to send that business elsewhere. However, the business as between bookmaker and bookmaker will be affected tremendously.

One bookmaker who will want to lay off a certain amount of money, perhaps on a double coming up, as he will not want to risk the whole amount, will find that his colleague will not be anxious to take it because it would send his turnover up and so increase his rate of tax; therefore that business will be completely lost to Western Australia.

I have no doubt that immediate arrangements will be made to have contacts in the Eastern States so that money which local bookmakers are no longer prepared to take will be laid off in one or other of those States. As a result, some hundreds of thousands of pounds on which the bookmakers are now paying 2 per cent. will be completely lost to the Treasurer, and he will not get any percentage. Although the State will lose the money the wagers will still be made, but in places where illegal betting operates.

Mr. Brand: We will have to keep a close watch on them.

Mr. TONKIN: Keeping a close watch on them will not help the Treasurer, because they will be entitled to do it.

Mr. Brand: Illegally!

Mr. Hawke: In Melbourne.

Mr. Brand: I beg your pardon. I thought the honourable member meant here.

Mr. TONKIN: As a result of the business being sent elsewhere, far from the Treasurer receiving a higher percentage of the money, he will not even receive the 2 per cent. which is being paid at present. It is this angle which should have been examined in the first place, and which obviously has not been. In the law of diminishing returns, a point is reached where it no longer pays a person to carry on a certain business, because the margin of profit becomes so small as not to warrant the risk involved. As a result, the business is declined.

The same position applies to a carrying and forwarding agent. If he has a certain number of trucks to cope adequately with the volume of business which he undertakes and to take on any more business would require a substantial outlay on more trucks, he would quite possibly feel that the further business he would receive would not compensate him for this substantial outlay.

As sure as night follows day, that is going to be the position which will arise in connection with this matter, and therefore will cause loss of revenue to the Government. If the Government's only angle is revenue, irrespective of what happens elsewhere, that is a point which should have been taken into consideration. However, what has been done has been done on an experimental basis, and we are waiting to see the position by 1960. It will be scant satisfaction then for us to say, "We told you so!"

I therefore suggest to the Treasurer that it would be worth while his studying this matter again; and instead of imposing a punitive rate which would drive the business away it would be better for him to impose a reasonable rate which would result in his receiving more revenue in total than he would under these proposals. I move—

That subparagraph (v) be amended by deleting the words "and one-quarter."

Mr. HAWKE: I want to say a few words in support of the point of view expressed by the Deputy Leader of the Opposition. I could quite understand the Treasurer and the Deputy Premier and others if they were thinking to themselves, as he was talking, that no bookmaker would ever be likely to refuse to take money by way of wagers on horses. That would be a natural thought for anyone to develop in his mind; because a person would hardly believe that a bookmaker would be likely to refuse money as he would be sort of robbing himself since, in most instances, punters lose.

However, what the Deputy Leader of the Opposition stated as likely to happen in regard to this matter actually occurs today on the racecourses with on-course bookmakers. Every now and then on a race day they refuse to take any more money on a particular horse. They do not mind taking it on the outsiders; but when a horse has been solidly backed with an on-course bookmaker, and the money appears to be genuine money, then the bookmakers begin to reach a stage where they do not want to take any more money on that horse.

Mr. Brand: That is fair enough.

Mr. HAWKE: I know it is fair enough. I am not condemning the practice. I am merely saying it is something which happens, even though many people who might go to the races or know something about bookmaking would think that it could never happen. They would feel that every bookmaker on-course and off-course would be falling over himself to take every penny and pound which punters were prepared to wager.

Mr. Burt: He is forced to take a certain amount.

Mr. HAWKE: Yes. Every bookmaker is supposed to be compelled to take a certain amount of money from punters at the price which is showing on his board. However, I am sure the honourable member is sufficiently realistic about this matter to know what happens on the racecourse on many occasions.

Mr. Burt: It is a rule of wagering.

Mr. HAWKE: Yes; but one which is got around very much. As a matter of fact, sometimes on the racecourse we see where a big punter goes to one bookmaker and puts on the maximum which the bookmaker is prepared to take at that price;

and, miraculously, almost every bookmaker on the course starts to turn down the price for the horse. That is the way it goes.

On the racecourse there is an outlet for money which the on-course bookmakers will not take, and that outlet is the totalisator. I do not know for sure, but I should think that some of the on-course bookmakers even put some of their money on to the tote when they are holding more than is good for them on a particular horse in a certain race. However with the off-course bookmaker that avenue is not available except that they might hurriedly, by means of the telephone, get some other person to put it on for them. If they have too much money on a particular horse, they get it invested on the course with the on-course bookmaker or the totalisator.

However, that has no relationship to the absolute refusal of an off-course bookmaker to take money. Where a bookmaker off-course has a reasonably good idea as to how his turnover is likely to work out during the year, by refusing some wagers which are offered to him he can take care to keep his total turnover under a certain maximum for the year and thereby keep down the total amount of turnover taxation which he would have to pay. Just how much this practice, if it does develop, would affect the income of the Treasury, I would not be able to say; nor would anyone else. But it is a factor which I think will develop, and only practical experience from the first year of the operation of this new taxation system on turnover will indicate the extent to which it has happened.

I support the amendment mainly, if not entirely, because it seems to me that the proposed rates of turnover tax in brackets (v), (vi), and (vii) are not properly related. Therefore, in relation to one another, they are not equitable. At least one group of those three groups is out of balance, and there is an obligation upon Parliament when imposing taxation to see that it is imposed equitably between one group of taxpayers and other groups.

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

Ayes—19.

Mr. Bickerton	Mr. Moir
Mr. Fletcher	Mr. Norton
Mr. Graham	Mr. Nuisen
Mr. Hall	Mr. Oldfield
Mr. Hawke	Mr. Rhatigan
Mr. J. Hegney	Mr. Rowberry
Mr. W. Hegney	Mr. Toms
Mr. Jamieson	Mr. Tonkin
Mr. Kelly	Mr. May
Mr. Lawrence	

(Teller.)

Noes—20.

Mr. Bovell	Mr. Lewis
Mr. Brand	Mr. W. A. Manning
Mr. Court	Sir Ross McLarty
Mr. Craig	Mr. Nelder
Mr. Crommelin	Mr. O'Connor
Mr. Grayden	Mr. O'Neill
Mr. Guthrie	Mr. Owen
Mr. Hearman	Mr. Perkins
Dr. Henn	Mr. Watkins
Mr. Hutchinson	Mr. I. W. Manning

(Teller.)

Pairs.

Ayes.
Mr. Brady
Mr. Andrew
Mr. Evans
Mr. Heal
Mr. Sewell

Noes.
Mr. Mann
Mr. Nimmo
Mr. Wild
Mr. Cornhill
Mr. Burt

Majority against—1.

Amendment on the amendment thus negated.

Mr. TONKIN: From now on the effective rate of tax is $3\frac{1}{2}$ per cent. on all groups. In this category the Government's original proposal was for $3\frac{1}{2}$ per cent., and now it is $\frac{1}{2}$ per cent. higher. This is the only category which will have a higher rate of tax under this new proposal, and to that extent it must be regarded as grossly unfair. Surely the Government will not admit that that particular group, with respect to all other groups, was undertaxed in the original proposals! If the Government has to make up the revenue which it forgoes because of reduced taxation on the lower groups, why select this particular group to carry it through? I suggest it would be reasonable to bring this into line so that the taxation between groups is completely equitable. I propose to test the Committee on this point by moving that subparagraph (vi) be amended by deleting the words "three-quarters" and substituting the words "a half." The position, if that amendment were agreed to, would be that no group under the amended proposals would be called upon to pay more than was originally proposed; and I do not think there can be any argument about the fairness of that proposition.

Why should this particular group of them all be called upon to make good the money which the Treasury loses because the Government saw fit to reduce the rates on the lower groups? I do not know whether members have followed clearly the case I am making; but originally the Government's proposal was that this group should pay overall $3\frac{1}{2}$ per cent., and nobody should pay beyond $3\frac{1}{2}$ per cent. It now proposes that nobody shall pay beyond $3\frac{1}{2}$ per cent.—so it retains its maximum—but it brings this group, which was previously at $3\frac{1}{2}$ per cent., up to $3\frac{1}{2}$ per cent., the same as those above it.

We will have the situation that a man whose turnover is, say, £130,000 will pay tax at the same rate as the man whose turnover is £400,000 or £500,000. There does not appear to me to be any equity in that proposition; and, although the Government would not agree to vary the rates, I think there is an even stronger case for the acceptance of this amendment because of the fact that it will bring the groups into line. Why should the bookmakers in this category—and they cannot by any stretch of the imagination be classed as the big men in the game—have to make good the taxation which was lost because the rates were lowered a little on those below them? I think it would be only common fairness to bring them into line with the rest.

When speaking earlier, the Premier confirmed my views; because I interjected that he had denied it earlier, but the statement he made was that the Government brought these proposals down to impose a rate of tax which it felt was the maximum which should be borne by the various groups.

Mr. Brand: No. Three and a half per cent. is the maximum which we believe could be imposed, irrespective of the turnover. That is what I said.

Mr. TONKIN: I do not think it was quite that; but if the Premier says it was, I will accept it. The point is that if we take the Premier's view as now expressed, that 3½ per cent. is the maximum which anyone ought to pay, surely he is not going to argue that it is fair to impose the maximum of 3½ per cent. on the man whose turnover is £130,000, as against the man whose turnover is £200,000!

Sitting suspended from 3.45 to 4.4 p.m.

Mr. TONKIN: I was endeavouring to establish that this was the only group thrown out of balance by the Government's new proposals where they imposed a rate of tax higher than that originally proposed. However unfair I think the Government might be—and I believe it is considerably unfair in many respects—I do not think it would be so unfair as to single out a particular group, and that a lower group, to shoulder a burden which the Government desired to take away from several groups.

This means that the saving effected from several categories of bookmakers is to be almost made up—not entirely—by the imposition of a rate of tax on this one section higher than originally proposed. To justify that, the Government must admit that in its original proposals this group was not being taxed in proportion to the other groups, and that now it is adjusting the matter as between groups. I do not think the Government would admit that. It would argue that in its proposals it had adopted a scale which it felt was fairly applicable to each category.

Because I think a mistake was made when the rates were being drawn up—I think this anomaly crept in without the Government being aware of it—I am now seeking to remove that anomaly by my proposed amendment. I move—

That subparagraph (vi) be amended by deleting the word "three-quarters" and substituting the words "a half."

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

Ayes—18.

Mr. Bickerton	Mr. Lawrence
Mr. Fletcher	Mr. Molr
Mr. Graham	Mr. Norton
Mr. Hall	Mr. Oldfield
Mr. Hawke	Mr. Rhatigan
Mr. J. Hegney	Mr. Rowberry
Mr. W. Hegney	Mr. Toms
Mr. Jamieson	Mr. Tonkin
Mr. Kelly	Mr. May

(Teller.)

Noes—18.

Mr. Bovell	Dr. Henn
Mr. Brand	Mr. Hutchinson
Mr. Burt	Mr. W. A. Manning
Mr. Court	Sir Ross McLarty
Mr. Craig	Mr. Nalder
Mr. Crommelin	Mr. O'Connor
Mr. Grayden	Mr. Owen
Mr. Guthrie	Mr. Watts
Mr. Hearman	Mr. I. W. Manning

(Teller.)

Pairs.

Noes.

Mr. Brady	Mr. Mann
Mr. Andrew	Mr. Nimmo
Mr. Evans	Mr. Wild
Mr. Heal	Mr. Cornell
Mr. Sewell	Mr. Perkins
Mr. Nulsen	Mr. Lewis

The CHAIRMAN: The voting being equal, I give my casting vote with the Noes.

Amendment on the amendment thus negatived.

Assembly's alternative amendment (as amended) to the Council's requested amendment put and passed.

[The Speaker resumed the Chair.]

Resolutions reported, the report adopted, and a message accordingly returned to the Council.

As to Reasons for Disagreement

Mr. TONKIN: Mr. Speaker, the message which came down to us from the Legislative Council was a request for certain amendments. We have not acceded to that request; but instead, we have submitted some amendments of our own. Do we have to submit reasons to the Legislative Council for not agreeing to its request, or is it an automatic procedure?

The SPEAKER: The position is that we do submit reasons when we disagree with amendments made by the Legislative Council. In this case the Legislative Council made a request to the Assembly, which was not acceded to.

TRADE ASSOCIATIONS REGISTRATION BILL

Returned

Bill returned from the Council with an amendment.

As to Consideration of Council's Amendment

Mr. COURT: I move—

That consideration of the Council's amendment be made an order of the day for consideration at a later stage of this sitting.

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

Ayes—19.

Mr. Bovell	Mr. W. A. Manning
Mr. Brand	Sir Ross McLarty
Mr. Burt	Mr. Nalder
Mr. Court	Mr. O'Connor
Mr. Craig	Mr. Oldfield
Mr. Crommelin	Mr. Owen
Mr. Grayden	Mr. Roberts
Mr. Guthrie	Mr. Watts
Dr. Henn	Mr. I. W. Manning
Mr. Hutchinson	

(Teller.)

Mr. Bickerton
Mr. Fletcher
Mr. Graham
Mr. Hall
Mr. Hawke
Mr. J. Hegney
Mr. W. Hegney
Mr. Jamleson

Noes—16.

Mr. Kelly
Mr. Lawrence
Mr. Nulsen
Mr. Rowberry
Mr. Sewell
Mr. Toms
Mr. Tonkin
Mr. May

(Teller.)

Pairs.

Noes.

Ayes.
Mr. Mann
Mr. Nimmo
Mr. Wild
Mr. Cornell
Mr. Lewis
Mr. Perkins
Mr. O'Neill

Mr. Brady
Mr. Andrew
Mr. Evans
Mr. Heal
Mr. Rhatigan
Mr. Norton
Mr. Moir

Majority for—3.

Question thus passed.

METROPOLITAN REGION IMPROVEMENT TAX BILL

Council's Requested Amendments

Schedule of two amendments requested by the Council now considered.

In Committee

The Chairman of Committees (Mr. Roberts) in the Chair; Mr. Brand (Treasurer) in charge of the Bill.

No. 1.

Clause 2—Page 1, lines 11 and 12—Insert after the word "thereafter" the words "up to the year of assessment ending on the thirtieth day of June one thousand nine hundred and sixty-two."

Mr. BRAND: It is proposed to accept this amendment because it will bring the taxing measure into line with the parent measure, which was called the "Metropolitan Region Town Planning Scheme Act."

Mr. Hawke: That is amendment No. 2.

Mr. BRAND: Yes; but I am referring to the fact that in the measure which was before this House a time limit was included, and this amendment will also place a time limit on the taxing Act. I move—

That the amendment be agreed to.

Mr. HAWKE: This is an amendment, as I understand it, which the Government has been forced to accept. It is a compromise proposition. Initially, the majority of members in the Legislative Council defeated the tax proposal altogether. Two Government supporters were largely responsible for bringing about that result. One was Mr. Mattiske, M.L.C., and the other was Mr. Watson, M.L.C. Strong efforts were made to pull them both into line to reverse their attitude. One of them allowed himself to be pulled into line, and the other refused. As a result of that, and without going into any more detail, this proposition was put forward as an amendment in the Legislative Council and was accepted there by a majority of the members.

Although members on this side consider there is no justification for the imposition of this tax on landowners in the metropolitan area in view of the fact that the Government has imposed heavy taxation in so many directions this year, we nevertheless quite naturally agree that this amendment is better than what was contained in the Bill when it left this House. The proposition in the Bill at that stage was for the imposition of the tax without a time limit. The acceptance of this amendment will mean the tax must come before Parliament for review in some 2½ years' time or thereabouts. Therefore, I have no opposition to the amendment.

Question put and passed; the Council's amendment agreed to.

No. 2.

Clause 2—Page 2, line 1—Delete the words "Town Planning and Development Act, 1928," and substitute the words "Metropolitan Region Town Planning Scheme Act, 1959."

Mr. BRAND: I move—

That the amendment be agreed to. It is simply one to change the title of the taxing measure and bring it into line with the control measure which passed through this House entitled the "Metropolitan Region Town Planning Scheme Act, 1959."

Question put and passed; the Council's amendment agreed to.

Resolutions reported, the report adopted, and a message accordingly returned to the Council.

ANNUAL ESTIMATES, 1959-60

In Committee of Supply

Resumed from the 19th November, the Chairman of Committees (Mr. Roberts) in the Chair.

Votes—Rural and Industries Bank, £5; Lands and Surveys, £827,676; Forests, £402,564; Bush Fires Board, £16,969 (partly considered):

MR. KELLY (Merredin-Yilgarn) [4.34]: By a strange series of calculations, the estimate for the Rural and Industries Bank comes down from £449,100 to £5.

Mr. J. Hegney: It is a discussion point.

Mr. KELLY: The Minister did not spread himself very greatly on these Estimates. I thought his remarks were rather tame and uninspiring, particularly when we remember that last session he brought forward practically every word in his vocabulary in commenting on the various aspects of land and land utilisation in the State. After hearing his remarks in connection with the Department of Lands, I felt that the department must have been reduced to something very negative in

recent times. The whole of his introduction centred more or less in the Surveyor-General's section. He mentioned the re-organisation of that section. It appears that in that branch he has created one new position; but apart from reshuffling various categories around, it appears little else has been achieved.

This department has always been kept busy; and, as my remarks of last year show, land movements in Western Australia have been colossal in the last decade. What I am saying applies back to the period of office of even the previous Liberal-Country Party Government. The work achieved by the lands section and the surveys section has been of a high order.

I was intrigued by one or two of the other remarks made by the Minister in connection with land selection. I am not quite clear what he was endeavouring to indicate in this regard. He said that approved applications since the 1st January, 1959, totalled 975. He then went on to say that the Land Board sat on 25 occasions and dealt with 275 parcels of land, for which there were 695 applications.

I am wondering why the Minister went back to the 1st January, because the activities of this department extended over 12 months. I thought he would have dealt with the matter over a period of 12 months; but instead of that, he went back to the 1st January, 1959. It is hard to follow his reasoning. Had he gone back to the 1st April, 1959, I would have realised that he was dealing with the present Government's activities. But instead of doing that, he included some of the period prior to his Government's taking office; but he did not give us anything like a clear picture of the total period—the period of review covered by these Estimates. So it is not possible to check the figures as I would like to.

What the Minister said indicates that there has been no acceleration whatever in the release of land; because in answer to a number of questions I asked the other day, I found included in the present Government's activities references to many parcels of land that were either partially surveyed or that had been dealt with during the previous Government's term of office. I thought the Minister was rather side-stepping the issue in answering these questions.

Summing up what the Minister has said, it would appear that the tempo of the department has not altered. There is no indication of any sweeping land policy. I rather thought from the criticism that the Minister levelled on a number of occasions during the last session of Parliament that he at least had a constructive policy and that he would have put it into effect very soon after taking office. But that has not been the case; the *status quo* of the department has been maintained, and nothing more. Irrespective of how the

Minister likes to bend the figures at his disposal, he cannot make anything better out of them—

Mr. Bovell: When did your Government, over a six-months' period, release over 750,000 acres for land settlement?

Mr. KELLY: I gave those figures to the House last year.

Mr. Bovell: But you never, in a six-months' period, released over 750,000 acres.

Mr. KELLY: We released over 11,000,000 acres in a year, which the Minister is a long way short of achieving.

Mr. Bovell: Not for agricultural development in the South-West Land Division.

Mr. KELLY: The Minister is not speaking of the release of land, but of land which, in some cases, is being surveyed.

Mr. Bovell: No.

Mr. KELLY: The Minister's answer to my question shows that.

Mr. Nalder: You are thinking of the land the Chase Syndicate got.

Mr. KELLY: I think I could show that that is because the amount of land that is to be released at some future period is still subject to survey. As a matter of fact, in some cases the decision to have these parcels of land surveyed has only just been made—some of the decisions were made as late as October—and nothing has yet been achieved. The Minister would have us believe that he has made colossal achievements in the six or eight months since he took office; but that is not the case. An analysis of the figures shows conclusively that the majority of the parcels of land had been under review prior to the Minister taking office. In some cases a survey had been completed; and, in others, the survey was being continued. It is disappointing that a great deal more has not been achieved.

An indication of the position was given recently in a notice in connection with land at Tone River. The Minister showed that a few acres had been released at Tone River—I think he said 15,700 acres. The survey in regard to that area was partly completed when the Minister took office. But the highlight in connection with the Tone River land was in a Press advertisement which stated that applicants must have some farming experience and reasonable capital; they would get no financial assistance from the Government.

That reads well coming from the present Minister for Lands; because members will have a vivid recollection that during the last session he busied himself in keeping up an almost constant barrage against the Government. As a matter of fact, he had something to say on the 26th October of last year, I think—about 15 or 16 months ago. During the period since then, he would have had ample time to put forward

something constructive. When the Minister was just the member for Vasse and was sitting on this side of the Chamber, he moved, on the 26th August, 1958, the following motion:—

That in view of the vital importance to this State's economy of progressively increasing primary production, this House calls on the Government to implement a comprehensive policy for civilian land settlement through—

- (1) availability of farms to approved applicants similar to the war service land settlement scheme;
- (2) attraction of capital investment from outside the State for individual land development in Western Australia;
- (3) encouragement of settlers from within Western Australia with own capital;
- (4) financial assistance to approved applicants with limited capital for development of virgin land;
- (5) financial assistance to existing farmers with limited capital and under-developed farms;
- (6) greater activity in survey, classification and subdivision of areas of Crown land.

Of those objectives the Minister, since he has been in office, has to some extent tried to implement only No. 6.

Mr. Bovell: You moved an amendment to my motion, and my motion was rejected.

Mr. KELLY: The Minister knows that he has no need to be guided by any such motion. At that time I pointed out that a lot of what the motion referred to had already been done or was under consideration. The Minister made a number of statements which led me to believe that he would have a very good policy for implementation at the appropriate time; because, in support of his motion, he said—

If the war service land settlement scheme is to be completed within a period of two years, it is, of course, the responsibility of the Government to start now to consider a scheme for civilian land settlement.

He said it was the responsibility of the Government then; but the present Government, which is to a great extent a rural Government and should therefore have an even greater responsibility in this regard, has done nothing to meet that responsibility. There are a number of passages in the Minister's speech to which I could refer; but I will quote only a few of them, because they are gems when one tries to relate them to the present activities of the Minister for Lands and his colleagues. I admit that occasionally a Minister cannot do everything he would like to do.

Mr. Nalder: You have had that experience also, have you?

Mr. KELLY: I would have thought the Minister for Lands would endeavour to put his ideas into operation by now. At the time of moving the motion to which I have referred, the Minister apparently considered that finance grew on trees, and that any worth-while agricultural settlement scheme could be implemented by a stroke of the pen, because he said—

In referring to this war service land settlement scheme, and the need for a similar civilian scheme, I want to say quite emphatically that it is the principle only that I advocate; that is, that funds necessary be provided from Government sources for the development of Crown Land.

That was all very nice; but the Minister now says there is not likely to be a civilian land settlement scheme, and he is prepared to allow it to go into the limbo of the lost for the time being. I indicated last session that I thought we should utilise all the available private capital before entering upon a scheme of the kind suggested, and the Minister was then very emphatic that the Government should find the necessary funds for a civilian land settlement scheme. There we have a further instance of the Minister's capacity to speak with one voice when in Opposition, and in an entirely different voice when he is in a position to take action.

Within the last few days I asked the Minister a question and made some comments. Apparently he thought that what I said was not correct; and he assured the Chamber that the Government had done a great deal more in the short period—eight months—since it took office than we had done. He said that in the few months during which the Government had been in office £70,000 had been made available to assist existing farmers having limited capital and under-developed farms. I think the Minister was a bit confused as to the tenor of my remarks, and he went on to give a few figures about Esperance and other areas. In reply to my comments he said—

As the honourable member knows, the Commonwealth Government has appointed a special Australia-wide committee to inquire into the dairying industry, and it is natural that the Government should await the result of that inquiry. Due to representations by the Government—and this included my own personal representations—we were able to get a Western Australian appointed to this five-man committee of inquiry.

The appointment of that officer relates further back than the time when the Minister had anything to do with it.

Mr. Bovell: There is no record of that in the department.

Mr. KELLY: There is. The scheme was first put up by my predecessor; and it was followed up in a different manner by me when I addressed the Agriculture Council for about 20 minutes on the subject, and later discussed it with the new Minister, who promised that he would endeavour to set up such a committee and said that the Prime Minister had indicated that he would be prepared to do it. He said that undoubtedly a Western Australian would be appointed, as we were one of the States in the greatest difficulties in regard to dairying. Of course no name was mentioned at that time, but the matter had reached a stage where it was definite that a Western Australian would be appointed.

I deplore the fact that the Minister is now endeavouring to take to himself all the credit for appointing a Western Australian to that committee; and if he refers to the reports of the Agriculture Council, he will find that what I say is true. I am afraid I have got a bit out of sequence with my comments, and my endeavour to analyse the £70,000 which the Minister mentioned. In that regard he said—

The honourable member forgets that although we have been in office for only a few months, the sum we contributed—£70,000—is in excess of what his Government did over two years.

The Minister's answer to my question disclosed that he knew very little about the matter. Part (3) of my question was—

What capital assistance has the Government given to settlers whose dairies come within the Dairy Farm Improvement Scheme since the 1st April, 1959?

And his reply was—

£19,981.

Part (4) of my question was—

What amount of capital was directed into this scheme prior to the 1st April, 1959?

To which the reply was—

£60,000.

So we find it was £60,000 for that scheme alone, without the other assistance which the Government gave in regard to agriculture and land generally. I do not think the Minister tried to mislead the House, but his remarks were misleading in regard to these matters, and so I thought it my duty to make the position clear. I assure the Minister that any criticism which I have offered has been offered on a friendly basis at present—

Mr. Bovell: I realise that.

Mr. KELLY: —but if he comes back here next year without having accomplished quite a bit, he will be in trouble. I think he should spend considerable time reading *Hansard*, because he will have to justify his comments by action. I can assure him that I will take out from *Hansard* one by

one all the lines he developed during the last 12 months, in particular; and that will be enough to keep him on a hot seat for the balance of his term of office.

MR. BICKERTON (Pilbara) [5.0]: I wish to bring to the notice of the Minister one or two matters in order that I may question him officially in the House in regard to subjects I have discussed with him in a general way outside the Chamber. The Minister could well look into the question of the subdivision of land for building purposes in some of the North-West towns. In Port Hedland and Point Samson particularly there are at least a dozen blocks required for building purposes immediately, but great difficulty is being experienced in trying to have the land subdivided. I am informed that the reason for the delay is that there is a lack of surveyors to carry out the work. I understand there is only one man available to conduct surveys in the whole of that area.

However, perhaps the Minister may be able next year to secure the services of an additional surveyor who can be assigned the duty of subdividing the land in north-western towns to provide building blocks for people who are anxiously waiting to erect homes on them. I know that there are at least three or four people who are seeking building blocks—there are more, of course—and they are prepared to erect homes on them immediately. The State Housing Commission is building many houses at Port Hedland, and this probably accounts for an insufficient area of land subdivided into suitable building blocks. Apparently, as soon as any tract of land is subdivided, the State Housing Commission erects homes on the blocks that are made available. In the past few years there have been some 20-odd houses constructed at that port.

I am aware, also, of course, that local governing authorities are often responsible for the delay in these matters, because if an area is any distance from the townsite the local authority is not in a position to connect it with electricity and water. Sometimes this is the greatest factor responsible for retarding the building of homes. However, I can assure the Minister that building blocks are urgently needed in the two North-West towns I have mentioned. It is difficult enough to try to encourage people to settle in those centres without making it any harder by creating obstacles such as the lack of suitable building blocks.

The method used to sell these blocks leaves much to be desired. In view of the shortage of building blocks, there is a tendency to submit for public auction any that are available; and in a place like Port Hedland, where there are perhaps seven or eight bidders for a block of land, the price of the land is increased considerably above what the real price should

be for a block in that area. For example, in Port Hedland people are paying as much as £200 for a building block, and I understand that is far too much; because, at the last auction that was held, blocks were being sold between £80 and £100.

If any person cares to build in a North-West town, in my opinion he should be granted a block of land free except, perhaps, for a charge to cover the cost of surveying the land. It is not fair to expect people to pay a high price for a block of land in that area. The only condition that should be imposed upon a person who is seeking a block is that the house to be erected on it should be completed within a certain time, and it should conform to the specifications laid down by the local authority concerned. If any person is prepared to build a house under those conditions, we should be only too willing to give him a block of land free—except, as I have said, for a small nominal charge to cover the survey cost.

The other matter I wish to raise is that relating to a meeting of pastoralists which was held at Port Hedland. In replying to my question yesterday, the Minister for the North-West said that investigations are still being carried out. The object of the meeting that was held was to see whether something could be done immediately about certain factors, and to aim at an overall improvement in the industry by means of a long-range plan. I can readily understand that the long-range plan method would require a considerable amount of investigation, but there were other measures in regard to which immediate assistance was asked so that help could be given to the pastoralists; and I was most concerned with those measures.

Among them was the problem of vermin destruction. I cannot see any necessity for a great deal of investigation to be conducted into a matter such as that, because I feel sure that those who have been in charge of vermin control for many years would be fully aware of the best way to handle it, and it would be merely a question for the Government to make the finance available to have the work carried out.

There were other matters such as rail freight subsidy and improved transport facilities. I am sure that on them the Government could give a decision one way or the other as to whether it was prepared to grant assistance. Taxation relief is a Commonwealth matter, but that is also a problem that would not require a great deal of research—in view of the cases that have already been advanced in the past—to ascertain whether the State Government could grant any assistance in that direction.

An additional water supply was another matter that was raised. That would involve, of course, the securing of another drilling plant. I think a decision, one

way or the other, could be made on those items without the necessity for a great deal of research, because the people concerned are requesting immediate assistance in regard to them. The Minister for the North-West said that these problems have existed for many years and the previous Government did nothing to solve them. That is the answer we always get, and I suppose we always will. Whenever there is a change of Government the buck is passed from one to the other.

These problems have been aggravated by a decrease in wool prices and the extremely dry seasons experienced in that area over the last seven or eight years. That is why a meeting to discuss these problems was held at Port Hedland. It was arranged well before it was known that there would be a change of Government. Therefore, I do not think the difficulties which the pastoral industry is facing can be blamed on the previous Government, on the Government before that, or even the Government before that again. The problems have all been brought to a head by an accumulation of many factors over several years. However, the pastoralists have just about reached the end of their tether, and consider that they should be granted some form of assistance so that they can remain on the land; some have already walked off.

I will admit that the Minister for the North-West directed his attention immediately to the problems associated with the pastoral industry. A committee of three people was formed to compile a report on the pastoral area, and that report was tabled in this House. I have a copy of it; and I admit it is a very good report, especially when one considers the short time the committee had in which to compile it. There are many suggestions in it the adoption of which could assist the pastoral industry, and there are other recommendations that could help the local people themselves.

With that information available there is no necessity for me to concentrate on that matter any further; but I think the Minister should look through the report again and select those items on which the pastoralists need assistance, so as to ensure that the report will not be pigeon-holed at any time. I am not saying that that would be done; but it sometimes happens after people have become enthusiastic at a meeting to discuss certain problems; and, as a result, nothing is done because the report is placed in the "too hard" basket and left there. I do not wish to detain the Committee any longer; but if the Minister could assist by reviewing those matters as soon as possible, I would be extremely grateful to him.

MR. BOVELL (Vasse — Minister for Lands—in reply) [5.10]: I wish to make one or two comments on the remarks by the member for Merredin-Yilgarn and the member for Pilbara. Firstly, of those

matters referred to in my motion last year, four have received attention. I refer to the attraction of capital investment from outside the State for individual land development in Western Australia. The Premier, when visiting the Eastern States, conferred with the representatives we have there. They have requested further information, and I have authorised the issue of larger and more descriptive maps and other data regarding rainfall and so forth to be made available to them. Generally speaking, we are moving in that direction with a view to attracting people with capital from the Eastern States to invest in land development in Western Australia.

The encouragement of settlers with capital within Western Australia is bearing some fruit. For example, the capital held by the 76 applicants for the last 26 blocks that were thrown open for selection at Esperance was in excess of £1,250,000.

Mr. Kelly: We had £3,500,000 available for 40 allocations.

Mr. BOVELL: That is what is happening now; and there is no dearth of applicants who, with their own resources, are willing to develop land in Western Australia. Financial assistance is also being granted to farmers with limited capital on under-developed dairy farms. As I have already indicated, we have made available funds of which £19,981 has been drawn to date; and the balance, up to £30,000, will be made available which, in the view of the committee, would complete the pilot schemes in Margaret River and Northcliffe.

Mr. Kelly: That is only a continuation of the previous policy.

Mr. BOVELL: That makes no difference. So far as the previous policy is concerned, if the honourable member will go back as far as 1950 and 1951, he will note in *Hansard* where I, as member for Vasse, advocated a scheme for dairy farm improvement; and the Hawke Government subsequently adopted a scheme on a modified scale for pilot areas in Margaret River and Northcliffe, which was based on the suggestions and recommendations I made in this Parliament in 1953. In the proposals included in my motion of last session, there was one to which the member for Merredin-Yilgarn referred; namely, greater activity in survey classification and subdivision of areas on Crown land.

On taking over my portfolio, I discussed with the acting Under Secretary for Lands and the Surveyor-General the proposals for reorganisation of the Surveyor-General's Department. They believe that such reorganisation as has been effected will provide for additional activity and efficiency. I do not appreciate the comments of the member for Merredin-Yilgarn that this is a reshuffle of various positions. After lengthy consideration, that reorganisation was put into effect, and greater activity has resulted.

The member for Merredin-Yilgarn disputed my statement that, since it assumed office, the Government has thrown open for selection 783,468 acres of land for agricultural purposes.

Mr. Kelly: I did not dispute that part. My contention was that a greater amount had been thrown open by the previous Government.

Mr. BOVELL: Any Government which can make available 783,468 acres of land for agricultural purposes, after seven months in office, can be proud of its achievement.

Mr. Kelly: A large portion of that land was in the course of being allocated or surveyed by the previous Government.

Mr. BOVELL: If that is so, why did it not take action to make the land available? Why was it not thrown open for selection? If the honourable member refers to the answer I gave to his question asked recently, he will see that this land extends all over the South-West Land Division.

Mr. Watts: The honourable member made his speech either a year too late or a year too early.

Mr. BOVELL: In relation to surveys, a number have been approved since this Government assumed office. In reply to a question asked yesterday, I informed the honourable member that approval had been given for surveys in respect of land at Scott River, in the north-eastern district, in the upper Great Southern, in the Geraldton district, and in the Hay River west area. This Government has been in office for as many months as the previous Government was in office for years. At least we are lifting the dead hand of ministerial direction in the Lands Department.

Mr. Kelly: Over 50,000,000 acres were released during the previous Government's term of office.

Mr. BOVELL: I suppose the honourable member included the 1,500,000 acres made available to the Chase Syndicate at Esperance, in respect of which the previous Government entered into an agreement.

Mr. Kelly: You have done nothing to alter it.

Mr. BOVELL: We have. The honourable member knows that the agreement is binding on the Government. The only way in which the land can be resumed is to issue notices of default. These are in the process of preparation. After their issue we will have to wait 12 months before taking action. The honourable member's Government condoned two breaches of the agreement with the Chase Syndicate by accepting a return of the land so that it could be subdivided and thrown open for selection.

In regard to the appointment of a Western Australian to the five-man committee which is now investigating the conditions

in the dairying industry in this State, I do not wish to discount what the member for Merredin-Yilgarn said, but a final decision was not made until some months after the present Government assumed office. Mr. Chessell's name was not mentioned until then. As far as I know, there had not been a suggestion of a Western Australian nominee. I accept the honourable member's statement that representations were made by him at the Agricultural Council meeting and in other places. This Government was successful, with the foundation laid before we assumed office, in having a Western Australian appointed to the five-man committee. I am quite sure that with Mr. Chessell's appointment the case for the dairying industry in this State will receive full consideration, and all aspects of the industry will be placed before the committee. This Government has made a genuine effort to stimulate agricultural expansion.

Regarding the comments made by the member for Pilbara, I shall give consideration to the matter of subdivision in his electorate. I would appreciate it if he would supply more definite proposals in writing, because his submission was very brief. Regarding the visit of the Minister for the North-West and myself to Port Hedland to attend a meeting of the pastoralists, the Government is doing what it can to overcome the problem. It is one of very long standing, and it cannot be solved overnight. I give the honourable member the assurance that the Government is using its best endeavours to overcome the difficult position there.

Votes put and passed.

Vote—Police, £1,809,043:

MR. PERKINS (Roe—Minister for Police, Labour and Native Welfare) [5.31]: In respect of the Police Department, the estimated expenditure of £1,866,582 for police services for the current financial year provides for an increase of £110,686 over last year's expenditure of £1,698,906.

The department is charged with providing police protection throughout the State as its primary duty. In addition, it is responsible for the licensing of vehicles and the control of traffic in the metropolitan area; the registration of motor drivers and the administrative control of traffic throughout the State; the administration of the Licensing Act, the Weights and Measures Act, and the Firearms and Guns Act; and the inspection of liquors.

Of the total amount required, £1,598,667 will be absorbed in salaries, or £85,339 more than last year's expenditure, the rates of salaries and allowances also having been increased by amendments to the police award approved by the Arbitration Court.

The authorised strength of 1,061 as at the 30th June is to be increased to 1,150 progressively by the end of the financial

year, to provide the additional staff required to permit of the working hours for members being reduced from 48 to 40 hours per week.

The contingencies item will require an amount of £216,449, this being an increase of £25,347 over the amount expended last year. No new expenditure is being undertaken, the total sum being required for the essential services enumerated only. Estimated revenue for the year is £354,581.

In respect of the Labour Department, incidental expenditure is expected to be £2,400 as against actual expenditure during 1958-59 of £1,846. The increase is due in the main to the fact that this department is now responsible for expenses associated with the office of the Minister for Labour.

In respect of factories, estimated expenditure is £7,145, as against actual expenditure for 1958-59 of £5,165. The main increases are—(a) £900 for office equipment, including purchase of a receipting machine required because of a reorganisation programme; (b) a further £700 (making a total of £1,000) for development and intensification of the industrial safety campaign; and (c) £340 provided for shop polls at Merredin, Kellerberrin, and Tammin. There is a general increase in the estimates for salaries on this item, because there will be 27 pay periods during this financial year.

An amount of £14,548 is expected to be spent on the item "Labour" as against £12,154 for 1958-59. The increase is due in the main to the responsibility of this department for the salaries of the staff of the Minister for Labour. There are also reclassification and incremental increases.

The estimate for the Factories Branch is £26,782, as against actual expenditure for 1958-59 of £28,214. This reduction, despite increased margins and basic wage increases, is due to a reduction of staff, which was made possible by a reorganisation of duties and methods.

Salary expenditure in connection with "Scaffolding," on present staff strength has been estimated at £7,343. On the revenue side, an amount of £17,000 is expected in regard to the item "Factories" which is in accordance with last year's revenue of £16,936; and income from scaffolding fees is expected to be £20,000.

I have here various details in regard to the State Government Insurance Office but I will leave those for the moment, and any member who requires the details can raise the question when that item is being considered. The report of the State Government Insurance Office has been laid on the Table of the House.

In the Department of Native Welfare, the estimated expenditure for 1959-60 is £343,749, which is an increase of £60,167 on the actual expenditure for 1958-59 of

£283,582. With the liberalisation of conditions under which natives may receive social service benefits the department will expand its services to provide the supervision and assistance to pensioners as required by the Commonwealth. Over £200,000 is at present being paid to native pensioners in this State; and, with the new provisions, it is expected that this figure will be increased beyond £500,000.

Apart from assisting the natives themselves, this introduces more spending money into the State, and will give relief to employers now providing for the aged and invalid themselves; allow missions to be recouped for their board and lodging; and save the provision of rations or payment of subsidies on their behalf by the department. The saving to the department cannot be estimated at this stage, but such saving will be utilised to give better services and provide accommodation for the native pensioners.

Improvements on native camping reserves will be continued. It is anticipated that facilities will be commenced on a further eight reserves this year plus extensions to present facilities on 17 reserves with a view to having each reserve equipped with hygiene facilities and shelter. Also, it is the department's intention, as soon as land is made available, to commence the intermediate housing scheme. This year we are pleased to announce that the department is in a position to assist 15 of the present 29 missions with grants in aid (£37,945 included in estimates). Action is being taken for the establishment of a third mobile clinic for duty in the North Central District (Murchison). With those remarks, I think I have covered the departments for which I am responsible.

MR. W. HEGNEY (Mt. Hawthorn) [5.34]: It is not my intention to deal with all the items under the jurisdiction of the Minister for Labour. I notice it is proposed to increase the expenditure by £595 in regard to the monopolies and restrictive trade practices control. In the light of discussions which have taken place in connection with a Bill introduced by the Minister for Labour, I suggest that it is very unlikely that the estimate of £595 will be reliable. I suggest that the amount of £9,082 will be reduced considerably. If the Bill is passed, I presume the Minister for Labour will have jurisdiction over the registrar of trade associations, and in that Bill there is no great expenditure involved in regard to staff. I understand that there will be further discussion on the Bill, because amendments made by the Legislative Council will be considered at a later stage of the sitting.

I am very pleased to note that the administration of the Scaffolding Act has been placed under the direction of the Minister for Labour, and I believe it would be advisable if one or two other Acts

were to come within the ambit of that Minister. For instance, I feel that the inspection of machinery should come under his jurisdiction; because he, no doubt, is responsible for industrial safety generally.

All I would like to say in regard to the State Government Insurance Office is that I think the Minister has found now that the administration of that office is very efficient and effective, and that all members of its staff are very anxious to make it valuable in the service of the community. Although the present Government was instrumental when in Opposition in defeating the Labor Government's effort to enable the State Government Insurance Office to engage in all forms of insurance, I hope that, as a result of the Minister's experience, he will alter his views at a subsequent date and recommend to the Government that the activities of the State office be extended by Parliament.

I do not intend to touch on native welfare; but in regard to the bracketing of labour and factories I might say that the Secretary for Labour has certain supervisory powers over the Factories and Shops Department and the Chief Inspector deals through the Secretary for Labour in most matters. I suggest to the Minister that he take an early opportunity of overhauling the provisions of the Factories and Shops Act, because there are—without introducing the political side—a number of provisions in the Act which are entirely outmoded. The Minister might suggest to his officers that some consideration be given to bringing the Act up to date without, as I have said, introducing anything of a controversial nature.

The 40-hour week has been the standard in all the States of the Commonwealth for some years; yet the Act still makes reference to the hours for adult males as being 48 per week; and for women and children, 44 per week. Section 33 of the Act makes reference to the minimum wage for factory workers in certain cases as 6d. per hour; and in other cases as 9d. per hour, which shows how outmoded it is in many respects.

I come now to the question of holidays. The Act provides as public holidays Christmas Day, Boxing Day, New Year's Day, Good Friday, Easter Saturday, Easter Monday, Anzac Day, the birthday of the reigning Sovereign, Australia Day, Foundation Day, and Labour Day; and there is provision that when Boxing Day, Christmas Day, New Year's Day, Anzac Day, or the birthday of the Sovereign falls on a Sunday, the holiday will be observed on the following Monday.

There are times when Christmas Day falls on Friday; and, in view of the changes that have taken place in the working week, Saturday is a non-working day for many people. This means that if Boxing Day falls on a Saturday, many workers lose a

holiday. In Victoria—by proclamation—Monday, the 28th December is observed as a holiday in lieu of Saturday the 26th, when Christmas Day falls on a Friday. In New South Wales, Monday the 28th is proclaimed as a public holiday, with a special holiday proclamation for Saturday the 26th for State employees and for the purposes of the Bank Holidays Act. The Employers' Association of New South Wales advised its members in a circular that it is recognising the 28th December as a holiday in lieu of Boxing Day in that State, and therefore the position is covered there. In South Australia, in a measure similar to ours, the 28th December is customarily observed as Commemoration Day.

In Tasmania, legislation provides that when Boxing Day falls on a Saturday, it will be observed on the following Monday. I am not certain, but I believe that legislation is being considered in Queensland to meet the position, and I thought that this Government might give the question consideration with a view to bringing Western Australia into line with the other States. However, I know the Government does not intend to do anything about the matter.

I presume that the Workers' Compensation Act now comes under the jurisdiction of the Minister for Labour. The Workers' Compensation Act is an important measure which should obviously be kept up to date. I recently asked the Minister for Labour whether he was aware that in some of the other States the provisions of the workers' compensation legislation were much more generous and advanced than ours, and he agreed; but he also indicated that the Government did not intend to do anything this session to improve the position.

Many people are today in grave difficulties; because, whereas in New South Wales and Victoria, as well as Tasmania, medical and hospital expenses in many instances are allowed up to a figure of £1,000, the figure here is much lower, and the worker who meets with serious injuries and has a long period of hospitalisation is legally bound to pay doctors and hospitals large sums of money for the services rendered.

No worker should be legally liable for expenses due to an injury arising out of his employment; and I hope that in the next few months the Minister will give that matter consideration. I hope he will have a look at both the Factories and Shops Act and the Workers' Compensation Act; because, if he called for an investigation and a report on both of them, he would find that they are both in need of amendment. I hope amending Bills will be brought down next session.

MR. SEWELL (Geraldton) [5.47]: I wish to bring to the notice of the Minister the necessity for new police quarters and a new gaol at Northampton. This matter has already been raised with the Minister, and the local authority at Northampton is very keen for the existing structure to be

demolished and new quarters for the police erected on the same site. If the department will not agree to that, I think the Minister will discover that the local authority is prepared to find an alternative site for the proposed new quarters. The expenditure of large sums of money on old buildings such as these is a dead loss. If the Minister examined the files and discovered the age of the present buildings and the cost of bringing them up to a standard such as a town like Northampton has a right to demand, I think he would agree that a new structure is necessary.

I agree with the member for Murchison in regard to the holiday on the 28th December. I think the Government's attitude on the question is very poor; and even at this late stage I hope the Government will change its mind and see that the workers are given the holiday to which they are entitled in lieu of Boxing Day.

Vote put and passed.

Votes — Labour, £16,948; Scaffolding, £10,208; Factories, £34,077; State Insurance Office, £5; Native Welfare, £343,749—put and passed.

Vote—Monopolies and Restrictive Trade Practices Control, £8,782:

Item No. 1, Salaries and Allowances etc., £7,332.

Mr. TONKIN: I think this is a bit of a farce, seeing that the Minister has dismissed most of the staff. This vote provides for an increase over last year's expenditure. It does not make sense to me. The expenditure on this item for last year was £8,737. The establishment exists in name only; it is a mere skeleton. Under the legislation before Parliament, nothing will happen; so how will this money be expended? It is an absurdity to put it there, and I draw attention to it to show the way the Estimates are placed before us.

Vote put and passed.

Votes—Chief Secretary, £116,925; Registry and Friendly Societies, £36,929; Prisons, £260,078; Observatory, £8,366; Medical, £4,085,927; Homes, £410,482; Public Health, £477,390; Tuberculosis, £629,400; Mental Health Services, £1,062,668—put and passed.

Vote—Fisheries, £76,000:

Item No. 2, Incidentals, £26,900.

Mr. SEWELL: I wish once more to speak on the matter of harbour facilities for the fishing fleet at Geraldton. This was discussed the other night, and the Minister gave us certain information. The position in Geraldton over the last two years has become almost chaotic because of the number of boats that are working from there. The fishing fleet means a good deal to the port of Geraldton, and to the State, but the boats are a nuisance to the larger ships that use the harbour.

I understand that the Minister for the North-West has made provision for certain dredging work to be done, and to provide the facilities for a new jetty. I only hope that he will see that the work is carried out as expeditiously as possible, and perhaps the jetty will be built much sooner than is anticipated.

Mr. ROSS HUTCHINSON (Minister for Fisheries): As I said the other evening, the Government is appreciative of the requirements of the Geraldton fishing fleet with respect to an adequate fishing harbour and the amenities and facilities that go with it. It is the wish of the Government to proceed as quickly as possible with the dredging work and subsequently, as funds are made available, with the actual harbourage facilities.

I doubt whether there is anything further I can add. Our wishes run along similar lines to those expressed by the honourable member. I think it is in the interests of the fishing fleet, and the industry generally, that a fishing harbour should be built at Geraldton, and that an adequate fishing harbour should also be commenced with all despatch at Fremantle. I think it would receive general approbation because of the dire necessity for the fleet to have safe and adequate accommodation. The industry has grown tremendously in recent years; and I am happy to say that the closest co-operation exists between other Ministers and myself, as Minister for Fisheries. In this regard the other Ministers have greater control over the expenditure of money and the decisions which have to be made than I have as Minister for Fisheries. However, that co-operation has existed, and it is to be hoped that something will be done to assist the fishing fleet.

Vote put and passed.

Progress reported till a later stage of the sitting.

(Continued on page 3795.)

TRADE ASSOCIATIONS REGISTRATION BILL

Council's Amendment

MR. BRAND (Greenough—Premier): Mr. Speaker, I move—

That the Speaker do now leave the Chair in order that the amendment made by the Council may be considered in Committee.

MR. GRAHAM (East Perth): Would the Premier be good enough to indicate the subject matter of the message? If it involves lengthy amendments, the Opposition should have the opportunity of perusing them, even if it is only for half an hour.

Mr. Brand: It is only a minor amendment.

Question put and passed.

In Committee

The Chairman of Committees (Mr. Roberts) in the Chair; Mr. Perkins (Minister for Transport) in charge of the Bill.

The CHAIRMAN: The Council's amendment is as follows:—

Clause 27, page 13, line 19—Insert after the word "whose" the word "principal."

Mr. PERKINS: I move—

That the amendment be agreed to.

This amendment embraces purely a drafting matter. Even without the word that is suggested being added to the clause, the interpretation of it would, in my opinion, still be the same. However, the addition of the word makes the clause clearer, and it certainly will carry out the intention of the Government.

Question put and passed; the Council's amendment agreed to.

Resolution reported, the report adopted, and a message accordingly returned to the Council.

LOAN BILL, £18,718,000

Message—Appropriation

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

Second Reading

MR. BRAND (Greenough—Treasurer) [6.5], in moving the second reading, said: There is no need for me to point out that the introduction of this Bill is purely a formal matter. The measure is to provide the necessary authority for the raising of loans to finance the items of expenditure detailed in the Loan Estimates. The procedure may be summarised in this way: No State may obtain funds by borrowing of its own volition. The initial authority to borrow is given by the Loan Council, in terms of the financial agreement between the Commonwealth and the State. The actual borrowing is done primarily by the Commonwealth Government on behalf of itself in every State. From the amount so borrowed, each State receives the amount allocated to it by Loan Council decision.

Although the Commonwealth is the primary borrower of the funds, the money which is paid over to this State becomes a debt for which it is responsible. The State in its turn, therefore, must have a statutory authority to borrow, given by Parliament; and this is the reason for the Bill. In this measure, authority is requested to borrow loan funds to the extent of £18,718,000 for the purposes set out in the first schedule.

On pages 12-15 of the Loan Estimates, the full details of the conditions of the various loan authorities are set out, together with the authorisations sought by this Bill and an estimate of the amounts of authorisation to be carried forward at the 30th June, 1960. Also detailed on these pages are the appropriations of the loan repayments received during the last financial year.

Another important clause in this Bill is the provision for the payment of interest and sinking fund moneys for these raisings. It charges these payments to the Consolidated Revenue Fund, and no further appropriation is required from Parliament. Under clause 6 of this Bill, authority is given to reappropriate an authorisation which is in excess of immediate requirements. The second schedule sets out the amount and the original Loan Act under which the raising was authorised. The item to which it is proposed to apply this amount is shown in the third schedule of this Bill. I move—

That the Bill be now read a second time.

MR. TONKIN (Melville) [6.8]: As the Treasurer has indicated, this is more or less a procedural motion to cover authorisation already approved by discussion on the Loan Estimates. This gives me an opportunity to deal with a matter which was not here early enough for it to be dealt with before; I refer to the Auditor-General's report in connection with KA wagons. Members will recall that earlier in the session I sought an opportunity to have a look at certain papers concerning the expenditure of substantial sums of loan money; but the Minister for Railways declined to let me have a look at the file unless I gave an undertaking that I would not disclose any of the information later on.

The Minister gave as his main reason for not acceding to my request the fact that it was not the practice to disclose details of public tenders. In the Auditor-General's report, which is now before us, those very details are disclosed. So it seems there was really no valid reason why the Minister for Railways should have denied me the right of having the papers tabled; because the information will now be published—that information which he said should have been withheld. It is quite clear that the Minister was trying to cover up the fact that there were estimates for expenditure considerably below the estimates to which he kept referring; and, in effect, that the Government would not make any saving at all by giving the contract to Tomlinsons, but that it would lose money—a substantial sum of money—even if the wagons are completely satisfactory.

Although the Minister went to some pains yesterday to indicate that he had made further inquiries; and although he

said there was nothing whatever wrong with the wagons, rumour still persists that there is a great deal wrong with them. I do not know whether it is true or not, but I heard they were first engaged in the wheat traffic; and because they would not hold the wheat, they were put on to the coal traffic.

Mr. Court: You will hear all sorts of things because of the campaign being engaged in at the moment.

Mr. TONKIN: That is the sort of thing that can be established. An examination of the trucks will show whether or not they can hold wheat; or whether or not the doors will close. If they do not close, then of course the trucks cannot hold wheat, and it is consistent with the statement to that effect.

Mr. Court: What do you think the inspectors have been doing? They have made their report.

Mr. TONKIN: They have not made any report to me.

Mr. Court: They have inspected the trucks.

Mr. TONKIN: They may have done so, because they were obliged to do it.

Mr. Court: Who was going to oblige them to do it?

Mr. TONKIN: The C.M.E.

Mr. Court: They think too much of their reputation. They are experienced in their work and have done the same type of work for the Commonwealth Government in connection with the Colombo Plan trucks.

Mr. TONKIN: Rumour still persists that all is not well with these wagons. Whether this is so or not can quite easily be established.

Mr. Perkins: The member for Melville may have been talking to the wrong people.

Mr. TONKIN: I have not been talking to anybody; that is a bad blue.

Mr. Perkins: You must have been talking to somebody to have heard.

Mr. TONKIN: One does not have to talk to hear. The Minister for Transport should learn his homework better.

Mr. Court: It seems you have a very receptive ear for rumour.

Mr. TONKIN: Not necessarily. I pay some attention to things I hear—things that I consider logical—and I will not be put off because Ministers stand up in their places and give denials. I have seen Ministers in this House get up and tell deliberate lies; and I have told them so.

Mr. Court: You are not suggesting this is a lie?

Mr. TONKIN: No I am not; I am only saying that I will not be put off because a Minister makes a statement, as I have known Ministers to tell deliberate lies.

Mr. Perkins: Perhaps there has been a change of Government since then.

Mr. TONKIN: Yes, twice. So one does not accept all one is told: not by any means. For example, the Minister for Railways said that the estimate for £1,400 was a proper estimate.

Mr. Court: What else was it?

Mr. TONKIN: It was not a proper estimate of the cost to the Railway Department for the manufacture of wagons.

Mr. Court: I am at a loss to find out what it was.

Mr. TONKIN: If the Minister reads the report he will find out.

Mr. Court: I have read that, too.

Mr. Brand: You must read the whole report, not merely little bits of it.

Mr. TONKIN: I have no intention of reading the whole report, though I have a perfect right to do so if I wish.

Mr. Court: The fair thing is to have the whole report.

Mr. TONKIN: I shall certainly read the relevant portions of the report, even though the Minister may not like it. With regard to this £1,400 so-called estimate upon which the Minister based his calculations that the Government was going to save £67 per wagon, the Auditor-General had this to say—

The following comment was made by the Railway Department when submitting the Loan Fund Estimates to the Treasury for 1959-60.

400 KA 4-wheel wagons—Previous construction of this class of vehicle was in 1939-1941. Costs plussed by basic wage increases, allowance for 40 hour week, etc., brings cost of each to £950. However, this is definitely low in the light of experience of recent years. GH and GM cost in 1953 was £1,743 and £1,592. In the absence of a properly estimated cost . . .

I would like members to mark that—

—it is suggested that £1,400 per wagon would be an equitable figure.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. TONKIN: Before tea I was referring to the figure of £1,400, which the Minister for Railways had endeavoured to assert was an estimate which he called the more reliable estimate of the Railway Department. It transpires it was not a proper estimate at all, and the Auditor-General says so.

Mr. Norton called attention to the state of the House.

Bells rung and a quorum formed.

Mr. TONKIN: The £1,400 mentioned by the Minister for Railways could, by no stretch of the imagination, be called an estimate; and the Auditor-General says so. He says—

As stated in the above comment, that was not a proper estimated cost but, at the same time, it was suggested the £1,400 per wagon was an equitable figure. It is assumed that the Railway Department was prepared to spend from the public account approximately £1,400 on each KA wagon. An officer of the Railway Department explained that the estimate was prepared on the understanding that the work was to be performed by private enterprise.

In other words, it was what they expected they would have to pay somebody else to make the wagons, and they anticipated that it was proposed to get somebody else to make them; and they, therefore, asked for that amount of loan money to cover the purchase. That figure was given in March. Several months later proper estimates were submitted to the Minister and he kept these dark.

Mr. May: Kept them dark?

Mr. TONKIN: Yes; he made no reference to them at all until drawn on the matter; and when I indicated to him I knew something of the possible existence of these estimates, he came back by saying the one he quoted was more realistic. In fact, it was not an estimate at all; and he did not quote the estimates. I quote from page 10 of the report where the Auditor-General says this—

The following minute dated 21st July, 1959, was addressed by the Chief Mechanical Engineer to the Secretary for Railways and the contents brought to the notice of the honourable the Minister. The estimated cost to construct KA wagons in these workshops on the above quantity basis, but exclusive of the cost of wheels and axles is, Wages, £179; Overhead, 80 per cent.; Material, £503; Capital charges, £33; making a total of £858.

As indicated "material" includes items of stores stock previously manufactured in these Workshops, as a debit to Manufacturing Account and which would be drawn and invoiced under the heading of "material."

I have been advised by the department that in some instances, for purely domestic purposes, estimates of the probable cost of the proposed works are prepared, in order to have the information available if required. In connection with the construction of 200 KA wagons I am advised that

in accordance with this practice an estimate as set out hereunder was completed on the 2nd June, 1959—

	£
Wages	32,436
Materials manufactured in workshops	53,658
Other material	30,467
Castings and forgings	9,379
Overhead 80% of wages	25,949
Total	£151,889

or an average of £759 per wagon. The difference between the amounts of £759 and £858 is as follows—

And it then sets out the discrepancies.

This estimate of £858 was not prepared until the 20th July, 1959, and was based on the estimate of £759 compiled on the 2nd June, 1959. Although tenders closed on the 25th June, 1959, and details were made available to the Railway Department shortly thereafter the papers sighted do not indicate that the department considered the tender of £1,068 was excessive. When compiling this estimate of the cost of construction of 200 KA wagons the Railway Department—

- (a) Listed the materials manufactured in the Workshops, required in accordance with the specifications, and applied the prices determined when the article passed into store.

Then the Auditor-General details the listed materials, the estimate for the work, and labour costs.

Mr. Court: Are you going to read the comments of the Auditor-General on the top of page 12?

Mr. TONKIN: The Minister can read them.

Mr. Court: You are trying to miss the important points made by the Auditor-General.

Mr. TONKIN: No I am not!

Mr. Court: You are!

Mr. TONKIN: I will leave it to the Committee to judge that. I will proceed as I was doing.

Mr. Court: I was hoping you would deal with it more comprehensively, as the answer is in the report.

Mr. TONKIN: I am dealing with it.

Mr. Court: Just those parts that suit you.

Mr. TONKIN: The Auditor-General goes on, and under paragraph (b) has shown listed materials. Paragraph (c) states—

Included in the estimate a direct labour content assessed by the technical officers. The wage rates applied were award rates.

It is not possible for the Audit to say whether the assessed times are reasonable.

- (d) Applied a percentage of 98 per cent. on direct wages to cover overheads.

A calculation made by the Audit after examination of the relevant factors resulted in a total of 117.2 per cent. The percentage applied was therefore short by 19.2 per cent.

In other words, he believes that there should have been included in the estimate a bigger percentage of direct wages than there was. I have taken the percentage which he calculates; and that makes a difference of £26. So a further £26 should have been added to the total in order to comply with what the Auditor-General calculated. Then he goes on to say—

For the reasons stated in this report, the Audit Department is not in a position to supply an estimated price at which the Railway Department could construct wagons. Unless the costing system is so designed as to include all elements of actual cost and a proper allocation of overhead charges, any estimation must be treated with considerable reserve.

As I am not in a position, for the reasons already stated, to arrive at an estimate of the probable cost at which the wagons could have been constructed at the Midland Junction Workshops, it follows I am unable to say what estimated saving, if any, would have resulted if the wagons had been constructed by the Government.

I found some difficulty in reconciling that last statement of the Auditor-General with one which appears on page 8, and I quote—

From Railway Department records it has been ascertained that the policy of a limited costing system is actuated by—

- (a) the absence of necessity for a full costing system, as the workshops are essentially a maintenance undertaking;
- (b) an absence of necessity as the railway workshops are not in competition with outside interests;
- (c) the score of expense;
- (d) union resistance.

The Production Control Officer stated that where he considered it necessary to question the time taken by any employee on any particular job, he was precluded from doing so by agreement between the commission and the unions.

The Audit, while reporting the facts, has no strong objection to the departmental policy.

Mr. Speaker, I put it to you: If the Auditor-General has no strong objection to the departmental policy in which he points out deficiencies, how can he come to the conclusion that for the purpose of arriving at a reliable estimate, the system is worthless? Because that is, in fact, what he says.

Mr. Court: If you study his report more closely, you will see there was no objection in the Audit Department to departmental costing policy.

Mr. TONKIN: What is the good if it is worthless?

Mr. Court: He does not say so. He says it is all right for their particular purposes.

Mr. TONKIN: What purposes?

Mr. Court: When you finish, I will explain.

Mr. TONKIN: I will be glad to hear what purpose it will serve, for it does not allow anybody to arrive at a reliable estimate to make anything. There is supposed to be a costing system here to which the Auditor-General says he has no strong objection.

Mr. Court: He did not say the system was all right.

Mr. TONKIN: The Minister will have his opportunity to speak later on.

Mr. Court: You asked me a question.

Mr. TONKIN: No, I did not.

The SPEAKER: Order!

Mr. TONKIN: I am not addressing the Minister at all; I am addressing the House. The Auditor-General says—

The Audit, while reporting the facts, has no strong objection to the departmental policy.

The Audit Department view is that instead of waiting to analyse the figures after the event, an investigation should be made by the department during the operations to satisfy itself that there is efficiency and economical production. This is particularly so if it is considered that the expense of a full costing system is not warranted. What is a costing system for? Its purpose is to enable a concern to arrive at a reliable estimate of the cost to it of certain articles, especially if it proposes to sell those articles subsequently and wants to add to the cost a reasonable proportion of on-cost so that it can get its gross profit.

The Railway Department would not be wanting to make a gross profit, but it would want to know, if it had a costing system, what certain things were costing it to make. If the department does not know, then it is time it did; because if it is costing more for the railways to make these wagons than to buy them outside, they ought to be bought outside. On the other hand, if the department can make

them cheaper than they can be bought outside, it ought to do so. If the costing system is so unreliable that it cannot arrive at a proper estimate, or if it cannot estimate the true cost of making an article, what is the good of the costing system?

I cannot reconcile the two statements of the Auditor-General. In the first place he says that the Audit Department has no strong objection to the policy, and then he says that the system is so inefficient that it does not enable him to arrive at the figure at which the department could construct the wagons. So we have this situation: that although the Railway Department has, according to the Auditor-General, a costing system which should enable it to arrive at the cost of manufacture of articles or the repairing of items, when it comes to a question of using the figures they cannot be used because they are not sufficiently reliable. There is room for some action there.

Mr. Court: Action is being taken, don't you worry!

Mr. TONKIN: Either we have an efficient costing system, for which we are paying, or we should scrap the system completely. It has to be one thing or the other. It has to be a costing system, if we are paying something for it; and it seems that it is costing quite a lot. I would like the Minister, when he replies, to tell us what value the existing system has if it does not supply sufficient information to allow anybody with a knowledge of the subject to form a reliable estimate of the cost of manufacturing KA wagons.

It is significant that the second estimate, which was some hundred pounds in excess of the first one, was given subsequent to Treasury approval of the tender. The tender was recommended for acceptance on the 15th July; and on the 26th July, I think it was, the second estimate came along, of which, of course, the Minister gave us no details.

When I was dealing with this matter and was endeavouring to show that I had knowledge that figures had been prepared which were considerably below the amount which was to be paid to Tomlinsons, the Minister declined to disclose any of that information—he would not make the files available. Instead, he trotted out a figure of £1,400, which the Auditor-General clearly points out was never a proper estimate.

Mr. Court: It was on the estimates.

Mr. TONKIN: It was not an estimate at all. He says so.

Mr. Court: You skipped over the paragraph which refers to the estimate.

Mr. TONKIN: I did not skip over it at all; I read it very carefully. If the Minister will indicate what I skipped over, I will read it.

Mr. Court: You read from page 13. The last paragraph before the dots on that page refers to the matter as an estimate.

Mr. TONKIN: I read all the relevant information on page 13.

Mr. Court: It is referred to as an estimate.

The SPEAKER: I think the Deputy Leader of the Opposition had better get on with his speech and not worry about interjections.

Mr. TONKIN: The Auditor-General said—

As stated in the above comment—

That is, the comment of the Railway Department itself—

—this was not a proper estimated cost.

I cannot do any more than just read that. At the same time it was suggested that the £1,400 per wagon was an equitable figure. Then we know that an officer of the Railway Department—I would like to know which officer, and I hope the Minister will tell me whether it was the commissioner or the C.M.E.—explained that the estimate was prepared on the understanding that the work was to be performed by private enterprise. In other words, it was a guess at what the department would probably have to pay for wagons if it got someone outside to build them. It was never at any stage suggested by anybody that this was the figure it would cost the Railway Department itself to make the wagons. There is not a line of the report which would suggest that idea.

Mr. Brand: How would they be able to assess what it would cost the Government outside?

Mr. TONKIN: Quite easily; because the department had knowledge of what it previously paid outside for wagons.

Mr. Court: Not this particular one.

Mr. TONKIN: If these two estimates were so wide of the mark—the estimate of £759 on the 2nd June, and that of £858 on the 26th July, subsequent to the granting of tenders, which makes it a bit suspicious to me—why is there not some pertinent reference to it? Instead, all we get is a suggestion that the amount taken for overheads is about 19.2 per cent. too light—and that amounts to about £26 on a high estimate—and that some of the other items charged into the store cannot have their prices properly calculated.

This brings me back again to the costing system. If one cannot even take the cost of an item, that has been costed into store, as being reasonably correct, what on earth does the costing system achieve?

Mr. Court: Not as much as I want it to.

Mr. TONKIN: Does it achieve anything?

Mr. Court: I will explain to you later.

Mr. TONKIN: I hope the Minister will.

Mr. Court: The Auditor-General has tried to, but he has not made his point with you.

Mr. TONKIN: He has not made it the way you want me to read it.

Mr. Court: He has made it in the proper technical way.

Mr. TONKIN: All I am doing is quoting from the Auditor-General's report. I am not reading into it words that are not there.

Mr. Court: All I want you to do is read the lot.

Mr. TONKIN: The Premier did not want me to read the lot. Before I started, he asked me not to do that. So I cannot please both of you.

Mr. Court: That is unfortunate.

Mr. TONKIN: I come now to the conclusions to be drawn from this situation. Firstly, as all the information I desired to obtain has been supplied by the Auditor-General, what justification was there for the Minister refusing to table the file? Obviously he was not aware of the action which was open to me to ask for the Auditor-General to make this inquiry. The Minister took the line in the House that if he could get the numbers to support him to prevent the tabling of the papers, there the matter would end.

Mr. Court: I readily agreed to the Auditor-General's inquiry.

Mr. TONKIN: The Minister had no option. Just imagine the Minister standing up in the House trying to refuse such a request. His position would have been a very rocky one in those circumstances!

Mr. Court: Not at all. Wait until I tell you something about it!

Mr. TONKIN: I will wait all right; but the Minister will tell us what he told us before.

Mr. Court: I will tell you what action you took about disclosing even successful tenders.

Mr. TONKIN: What action I took?

Mr. Court: You or your Government.

Mr. TONKIN: Now the Minister is changing a bit.

Mr. Court: You were a fairly influential member in that Government. It did not do much without your blessing.

Mr. TONKIN: We have heard before what the Minister is going to refer to. He has already mentioned it; it will not be news.

Mr. Court: That is interesting, because I have not said this in the House yet. You must be reading my thoughts.

Mr. TONKIN: I think the Minister has said it all right. However, we will be able to tell whether he has or not when he deals with the matter. But the fact remains that he was not frank with the House when he dealt with this question. He tried to have it smothered up.

Mr. Court: Not at all.

Mr. TONKIN: If we make full allowance for the 19.2 per cent. which the Auditor-General suggests should be added; if we make due allowance for the fact that the costing system is not worth very much, although the Auditor-General says he has not very strong objections to it; and if we make due allowance for the fact that we have to add something on to the cost of the various articles into store, but not for wages because they are paid in accordance with the award—

Mr. Court: You have your rising wages to be added to that estimate, because the tender is let on a fixed price, whereas the railways work on current wages.

Mr. TONKIN: The Railway Department made its estimate on the level of wages at the time.

Mr. Court: Back in March or whenever it was.

Mr. TONKIN: This was in June or July.

Mr. Court: Wages have gone up a lot since then.

Mr. TONKIN: Yes; but they had not gone up at the time I raised this question. We have to keep this point in mind. When I quoted certain figures, the position was comparable as between Tomlinsons and the workshops.

Mr. Court: Except that one is on the basis of a fixed price and the other on cost price.

Mr. TONKIN: The Minister made a public statement that the contract with Tomlinsons would save the State money.

Mr. Court: Yes; which the Auditor-General said, too.

Mr. TONKIN: He did not say that at all.

Mr. Court: Yes he did—£67 per wagon.

Mr. TONKIN: He did not say that at all. What he said was—

As I am not in a position, for the reasons already stated, to arrive at an estimate of the probable cost at which the wagons could have been constructed at the Midland Junction Workshops, it follows I am unable to say what estimated saving, if any, would have resulted if the wagons had been constructed by the Government.

There is no getting away from that. It does not say that in the Auditor-General's opinion a profit of so much per wagon would have resulted. That tells us that

he is not in a position to say what would have been the result. I repeat: I find the greatest difficulty in reconciling that statement with the one he made previously—that he took no strong objection to the costing system in operation.

Mr. Court: You read it in the way it is in the report. He didn't say the costing system; he said the policy.

Mr. TONKIN: I will leave it to the Minister to explain it to me.

Mr. Court: It is a different thing altogether.

Mr. TONKIN: Policy! What a worthless sort of policy if there is a costing system that they cannot make use of!

Mr. Court: It is the one we inherited from your Government and we are trying to put it right.

Mr. TONKIN: Now we are off on another tack. First of all the Minister refers to the fact that the Auditor-General said that he is satisfied with the policy; and then the Minister complains about the policy and wants to put it right. The Auditor-General said he took no strong objection to it. If the Minister says it is policy, then the Auditor-General takes no strong objection to the policy. What is the Minister complaining about?

Mr. Court: The policy and the system are two different concepts. You have enough accountancy experience to know that.

Mr. TONKIN: We will hear from the Minister as to whether the Auditor-General was satisfied with the policy and not the system being operated under it. Personally I cannot work it out.

Mr. Court: He says he is not satisfied with the system.

Mr. TONKIN: I might be deficient in concentration, but I cannot work that one out. How can anyone be satisfied with the policy and yet the system that is operating under it be all hay-wire? That does not add up to me. I think that any unbiased and reasonable person reading these figures must conclude that the letting of the contract to Tomlinsons will cost this State some tens of thousands of pounds which need not have been spent. The only way to test it out, of course—and this is a plunge the Minister is not prepared to take—is to have some of these wagons constructed by the Government and then compare them for quality with those constructed by Tomlinsons.

I understood the Minister to say the other evening that the wagons which have been delivered were not shunted off to the bush, but it was desirable to use them on the wheat traffic. He said we could not use them on coal first as that would make them dirty, so it was desirable to use them on the wheat traffic; and that is why

they went to the country. I would like the Minister to tell me whether, having tried to use them on the wheat traffic to keep them clean, it was found that they spilt so much wheat that they had to be brought back and used for coal.

Mr. Court: I would not know; I have been too busy in the House today to drive a train.

Mr. TONKIN: That is a pretty effective answer for the time being, seeing the House will rise tonight. The Minister said he did not know; I think I would know.

Mr. Court: Do you mean to say that if you were the Minister for Railways you would know day by day where every truck in the railways was?

Mr. TONKIN: I would know whether the trucks which had been delivered by Tomlinsons and sent out to the country to cart wheat had to be switched over to cart coal because they were constructed so badly that too much wheat was being lost.

Mr. Court: They would not let me know where they sent them to.

Mr. TONKIN: Maybe not.

Mr. Jamieson: Why are they on the coal run now?

Mr. Court: If they are put on to carry wheat, you complain; and when they are put on to coal, you complain.

Mr. TONKIN: The explanation the Minister gave to the House was a perfectly good one at the time; and that was that they were sent to the country to handle the wheat first because had they been put on to coal they would have got dirty and it would cost money to clean them up.

Mr. Court: That was the explanation I gave last night. You can't win whatever you do!

Mr. TONKIN: The Minister cannot get out of it by saying that he cannot win. Either the trucks were used for wheat for the reasons he gave; or they were used for wheat to get them out of the road, but then it was found that they could not successfully be used to cart wheat. Now the Minister dodges the issue by saying that he does not know whether it is a fact or not.

Mr. Court: I cannot tell what every truck is doing day by day. Fair go!

Mr. TONKIN: The Minister is a pretty hard-working Minister. He is on the job early and late, and this will be the first occasion which I am prepared to believe, if I do believe it, that he has not had time to find out anything about this.

Mr. Court: I found out for you last night to put your mind at rest.

Mr. TONKIN: Instead of putting my mind at rest, the Minister is agitating it further. The Minister could easily have

found out; all he had to do was to ring the C.M.E. The Minister had heard these rumours; he knew very well that it was being said that these trucks had been switched over from wheat to coal because they would not hold wheat.

Mr. Court: I knew nothing of the sort.

Mr. TONKIN: Yes you did. You heard that story.

Mr. Court: I have heard so many stories about these trucks that I am getting giddy.

Mr. TONKIN: The Minister heard this one, too.

Mr. Court: It is all part of a campaign; I told you that. I have not heard that one—about their going back to cart coal—but I have heard plenty of others.

Mr. TONKIN: I think the Minister should check up on his memory because he told somebody in this House earlier that he had heard that rumour.

Mr. Court: I did nothing of the sort. I told somebody that I had heard so many rumours that there could not be too many left.

Mr. TONKIN: I suggest that the Minister think over this matter pretty carefully to make sure that he has not had a mental aberration.

Mr. Court: No.

Mr. TONKIN: Such statements are being made; and, strangely enough, up to date, they seem to add up; because the first statement was that the doors would not fit—they would not close properly. The Minister denied that. Then, in answer to the charge that the C.M.E. had instructed that they be sent to the bush out of the road, he said it was desired to use them on the wheat traffic, and they could not be used on coal first because that would dirty them, and that was the reason they went to the country. It would be logical to say that if the doors would not fit, and if they tried to handle wheat with them, a lot of wheat would be lost and C.B.H. would have something to say about it. I cannot imagine that the Government, under those circumstances, would continue to use them for that purpose.

So one could logically assume, under the circumstances, that they would be put on to the coal traffic because the doors would have to be a pretty bad fit for the trucks not to be able to hold coal. The Minister says he does not know whether that is so or not. It is a pity the House is not meeting on Tuesday, because I could put a question on the notice paper and he could find out in the meantime.

Mr. Brand: I do not think so.

Mr. TONKIN: The whole business shows that right from the start the Minister tried to cover up.

Mr. Court: Not at all.

Mr. O'Connor: Would you have asked him that question if the House had been meeting on Tuesday—the question you have asked him?

Mr. TONKIN: I do not quite follow the honourable member. I would have to ask the question without notice, because I could not put it on the notice paper now. But I would foreshadow the question so that he would have ample time to get the information in the meantime. The Minister is not one to be put off by ordinary obstacles. If he finds the door of his office shut he kicks it open; so a few obstacles do not mean very much to him if he really wants to get on with the business. But, of course, if one does not want to find out, one does not bother.

It is pretty clear from this that if the Minister had nothing to hide he would have produced the papers at the time, because the information which he says should not be disclosed to the public is contained in this report. And what harm will it do? I am going to read the information, and then members can ask themselves what possible harm it would do. At page 7 of the report, the Auditor-General had this to say—

Tenders were called, the closing date being the 25th June, 1959. Tenders were received by the Tender Board from the following and submitted to the Railway Department on the 26th June, 1959, for recommendation—

Commonwealth Engineering Co. Ltd.—£1150 each.

Vickers Hoskins Ltd.—£1086 each.

Tomlinsons Steel Ltd.—£1067 12s. each.

*Subject to escalator clause.

The Comptroller of Railway Stores, on the 15th July, 1959, recommended to the Tender Board, that the tender submitted by Tomlinsons Steel Ltd. be accepted. On the 17th July, 1959, the Tender Board advised the Under-Treasurer of its approval of the acceptance of this tender, and the Honourable Treasurer signified his approval on the 23rd July, 1959. Executive Council approval was given on the 5th August, 1959.

I cannot see any great harm, or any harm at all, that would result from that information being known. That was the reason the Minister gave here for not tabling the files. Of course, what he wanted to cover up were these two estimates—the one under £800 and the one under £900—and the dates of the estimates, because he had already made a statement to the public that in paying £1,067 each for the wagons the Government was going to save money. If that is how it saves money, it is a new method to me—by paying more than £100 per wagon more than

is needed. If the Government goes on saving money at that rate, it will be bankrupt by Christmas.

MR. COURT (Nedlands—Minister for Railways) [8.13]: I feel that I should say something in reply to the Deputy Leader of the Opposition. At the outset, I wish to say that I have no thought that I might convince him in the matter; because once he has made up his mind on one of these particular matters, nothing in the world will shift him.

Mr. Heal: You are like that.

Mr. COURT: No matter whether it was the Chief Justice, the Auditor-General, or any other independent person like that who made a report on one of these matters that the honourable member raises, he would still interpret it to suit his convenience. The fact still remains that by resolution of this House the Auditor-General was asked to conduct an exhaustive examination of the costing system in operation at the Midland Junction Workshops; and he made an exhaustive examination of this and certain other questions that he had to answer as a result of a resolution of this House. But that does not stop the Deputy Leader of the Opposition from reflecting on the report of the Auditor-General. He has expressed concern at what he considers to be inconsistencies in respect of the costing system and the costing policy that is adopted at the Midland Junction Workshops.

I shall deal firstly with the question of the disclosure of information. I gave certain reasons why I did not want to table the files. Those reasons are still valid. Much of the information which should not be made public has still not been disclosed. The figures that are contained in this report are not of great importance so far as disclosure is concerned. Through the Deputy Leader of the Opposition getting, this way, the information which he apparently wanted there has not been caused a disclosure of some information which, in the case of future tenders, might bring embarrassing results.

If I may, I will briefly explain one part of the information not disclosed. It refers to the fact that when the two lowest tenders were being examined, they were made on a slightly different basis. Both the two lowest tenders were in accordance with the conditions of tendering; but as is often the case with tenders of this kind, the tenderers both made statements as to how they could undertake the work. It took the railway officers quite a few days to sort out in their minds which tender should be recommended to the Government, although from the figures it seemed to be obvious that it would be that of Tomlinsons. That is the information the details of which one is not keen to make public because there is always another day when tenders will have to be called again.

It was the policy of the Hawke Government not to disclose this information. It is true that, in the department administered by the Deputy Leader of the Opposition, when he was Minister, information on contracts used to be disclosed; but at the Government Stores the answer is that they do not disclose this information. Subsequent to the last debate on the KA wagons, I received a request from an association in this city to meet a deputation which desired to request me to reverse the policy that applied in the Government Stores whereby not even the amount of the successful tender was disclosed. I immediately said that I could not imagine such a system prevailing. However, I called for a report and I found that that is quite true.

I might mention that up to this time we have not departed from this policy, for some very good reasons. On investigating this particular complaint I found that, by direction of the previous Government, tenders are called for the supply of certain goods, a tender is accepted, and the goods bought, and not even the successful tenderer's price is disclosed. That is quite lawful. The reason why the previous Government gave that direction, on the advice of the department concerned, was that it was fearful if some information were made public and the price that was tendered by the successful tenderer were disclosed, it might prejudice the department in getting as good a price the next time it called for tenders for that article. That is factual; and if the honourable member wants to substantiate it by letter from the chairman of the board which considers these matters, I am quite prepared to obtain it for him.

Mr. Graham: What do you think of that procedure?

Mr. COURT: When I first heard of it I did not think it could last; but, of course, like many things, when they are explained, one finds that there is a very good reason for the procedure. Up to now, neither the Treasurer nor I have met this deputation. But I have written to my correspondent stating the circumstances quite frankly and suggesting that if the deputation still wants to wait upon me I will receive it; but I have not heard anything further.

Mr. Graham: They want nothing disclosed?

Mr. COURT: No; they want everything disclosed.

Mr. Graham: I think that is proper, too.

Mr. COURT: But by a direction issued by the honourable member's Government not even the successful tenderer's price is disclosed in respect of this particular department, and that decision was made after proper deliberation by the Government of the day and still stands.

Mr. Graham: I made a decision and gave an instruction to the contrary in my department.

Mr. COURT: That is so; and so did the Deputy Leader of the Opposition issue a similar instruction when he was Minister in charge of his department. Prices tendered for various buildings are always posted up on a board to enable all tenderers to see them; but in the letting of certain contracts, by direction of the Government of the day only the amount of the successful tenderer was disclosed in regard to some contracts; and, in regard to others, the successful tenderer's price was not even disclosed, but his name was disclosed. Whether we will change that procedure I do not know. On the surface it seems wrong to me that we do not make public the amount of the successful tenderer so that all the unsuccessful tenderers can make representations if they feel that there has been unfair play in regard to the tenders.

I make this observation for the benefit of the House; to reinforce the views I expressed on a previous occasion; and to inform members that it is not so much eyewash and nonsense so far as I am concerned. The Auditor-General's report confirms the statement I made in this House on the costing system, about which I was not satisfied. I am still not satisfied; because these statements—unqualified statements—by the Auditor-General are disturbing, and indicate that these are not new complaints on his part; they have been going on for some time and the Governments of the day have known it from the various reports submitted by him. The fact remains that up till now we have not made any sweeping changes in that system, because to change the costing system in a place as large as the Midland Junction Workshops is a major task, which has to be performed with great care.

There is one significant part in the Auditor-General's report which will bear repetition, because it represents part of the reason why it is not easy to change the Midland Junction Workshops' costing system. It is the part that refers to the production control officer. It appears on page 8, paragraph (d), and reads as follows:—

Union Resistance.

The Production Control Officer stated that where he considered it necessary to question the time taken by any employee on any particular job, he was precluded from doing so by agreement between the Commission and the unions.

I submit that if such a situation prevails in a workshop, there is no chance of maintaining an effective costing system; and this point will be the subject of discussion between the Commissioner of Railways and myself when the House rises, because we have already had a complaint

from one or more of the unions. I am not sure whether it is from an isolated union or from several unions; but it deals with the question of keeping time sheets by shop stewards when engaged on union business. These are old-established practices that have grown up in the Midland Junction Workshops, and they have been allowed to continue. This brings me to the point of costing policy.

I am sure the Deputy Leader of the Opposition, with his knowledge of accountancy, will appreciate that there is a great difference between a non-competitive workshop such as the Midland Junction Workshops and an engineering shop like Tomlinsons, Vickers-Hoskins, and any of those firms which operate in a very competitive world and which tender for specific items. If their tender is too low they lose on the job; or if they tender too high they do not get the job. So those firms have to be scientific in their methods of costing, not only in the recording of their materials and labour, but also in the recording of this very difficult problem of overhead.

So they become very selective and very careful with their costing. However, in the case of the Midland Junction Workshops, the primary function is that of maintenance; and therefore those in charge accept, as a matter of costing policy, overall figures for particular departments. They do not have to particularise to the same extent for one particular job. If the foremanship and the departmental supervision are good, that system is quite effective, because to have a detailed costing of every maintenance job done in the workshops would be a tremendous task and the cost would be prohibitive.

It comes down to the detailed supervision at the foreman level, the shop level, and the overall workshop level. It is possible to measure the effectiveness of a workshop fairly accurately on a general basis rather than have all the detailed costing against each particular job. But when it is a question of manufacturing a specific item—such as a coach or a wagon, or something of that nature—it presents complications within workshops such as the Midland Junction Railway Workshops.

The Auditor-General has said that he does not object to the policy. He is stating that the system is not good enough. In fact, he said that the system leaves much to be desired; and I agree with him. However, he is not objecting to the policy that is being followed, and it is quite competent to improve the effectiveness of the system without altering the costing policy. At this stage of the session I do not want to weary the House by entering into a long technical discourse on costing systems, because I am sure that members would not think much of me if I did.

Mr. Toms: You are battling now.

Mr. COURT: If the honourable member would like me to, nothing would suit me better, because it happens to be something about which I know a fair amount.

Mr. Jamieson: Would you not say that the system of costing prevailing in the Midland Junctions Workshops would be the same as that prevailing in the Midland Railway Company on a lesser scale?

Mr. COURT: I know nothing of what prevails in the Midland Railway Company, because I have no access to it and I have enough worries with the Government railways. The fact remains that the Auditor-General has stated that the system leaves much to be desired, and he has questioned very severely the accuracy of the information that has been submitted. I will just pick out one figure here in particular. It is very pertinent and shows the unabsorbed costs which, I am afraid, are almost inseparable from a system which deals with the overall function of maintenance within the workshops, unless we get down to a very costly system of detailed costing. If reference is made to page 10 of the Auditor-General's report, his reasons for this will be shown. They are as follows:—

There is a further element which affects the accuracy of the cost of manufactured articles issued to Capital Works. The Manufacturing Account is reviewed annually by departmental officers. The review for the 1958-59 year showed that the assessed value of "Works in Progress," was less by £32,946 than the balance shown in the Controlling Account. This means, that, during the year there has been an understatement of the values placed on manufactured articles, details of which cannot be ascertained.

There are inaccuracies in the system where costs have been under-absorbed in costing items into the store. Those items have to be borne by somebody. It is quite conceivable—in fact, most probable—that many of the components normally used in KA wagons have to absorb a considerable part of the £32,946. The extent to which we are prepared to extend the costing system, to get down to the detailed costing of every function in the workshops, I do not know at this point of time. There may be some writing off and some tolerance made every year in the interests of overall economy.

It is no good putting on £20,000 of clerical force to save £10,000 a year. The clerical force has to be economical these days, just as a manufacturer of goods has to be economical. Therefore it is a nicety of judgment to determine the point at which the spending of money on clerical supervision or accepting some loss which

creeps in through malpractices, inefficiency, clerical inaccuracy, and the like, should rest.

The figure quoted by the Auditor-General on page 10 of his report is at the very root of the inaccuracies that are shown up in the costing system, and they must be reflected in these KA wagon estimates. The estimates which have been put forward are purely estimates at this stage. The Auditor-General has referred to grave inaccuracies in those figures. He has not been able to get to the bottom of them. The only one he has been able to pinpoint with any degree of accuracy is where costs have been under-absorbed.

During most of the life of the previous Government the workshops costed at 120 per cent. Then all of a sudden, for some reason I have not been able to determine from the files, they changed it to 80 per cent. Here the Auditor-General is pointing out that the figure of 80 per cent. is grossly inadequate and should be adjusted.

A further point which the Deputy Leader of the Opposition did not touch on was the fact that Tomlinsons' quote is a fixed price. The last basic wage rise, the present marginal adjustment, any future basic wage rise, and any future marginal adjustments all have to be borne by Tomlinsons. But the Railway Department would not be penalised by such increased cost, because it would pass them on. Goodness only knows what the KA wagons would have cost before they were finished, if constructed in the workshops! It would be in the lap of the gods, and it would be determined on how good was the supervision on the direct labour factors; how good was the supervision on the issue of materials; and how quickly the work was done in the light of steeply rising wages, which, in the view of the announcement made today, look like being very severe. The quote of Tomlinsons is a fixed price tender, and the firm can get no relief. That is a risk which it took.

Mr. Fletcher: Railway wagons were built in the workshops long before Tomlinsons started building them.

Mr. COURT: What has that got to do with this question? I did not say that the workshops did not build railway wagons long before Tomlinsons did. That is quite irrelevant to the case. A firm could start tomorrow and become more efficient than the lot of them. It is a question of management and technical know-how.

I am disappointed that the Deputy Leader of the Opposition, having got this report prepared by an independent authority, did not give the full facts in the report. I recommend that members take an early opportunity to read it, because it is very enlightening. One of the situations which creeps into any Government concern is that it does not have to meet

competition. It does not have to stand or fall on its profit or loss. The taxpayers just pay any loss.

Probably unwittingly the Deputy Leader of the Opposition has done a great service by moving his motion, because it is the Auditor-General who is referring to these inadequacies and inaccuracies in the costing system; and, more important, people will probably take more notice of the Auditor-General's statement on the matter than anything I might say. For that reason we should be indebted to the Deputy Leader of the Opposition for having brought this matter before the eyes of the public, much more effectively than if I had made such a statement myself, because the Auditor-General is removed from all political considerations.

The final point I want to touch on relates to the allegations made in respect of these trucks. I have not been able to check with the officers concerned, and the commissioner is at the moment in the bush making some inspections. He is due back tonight. With Parliament sitting practically the whole day, there is a limit to what one can do. I did check up last night and got the answers which I passed on to the House.

It is unfortunate that for some reason or other there is a campaign being waged in respect of these trucks. That does not do the Railway Department any good. What the Deputy Leader of the Opposition has done in this matter has brought no good to the railways. It has certainly not done any good to the morale of the officers in the Railway Department—a department which is fighting with its back to the wall at the present time. The railways are fighting with their backs to the wall against other forms of transport in this State. It is a system which has been unimaginative for far too long in the role it should play in transportation in this State.

Mr. Graham: That is why you are re-instituting two railway services.

Mr. COURT: For a good reason; and on a trial basis under special conditions.

Mr. Graham: It was a political move.

Mr. Heal: Will you be able to cost those lines accurately?

Mr. COURT: Although the matter is irrelevant, I can assure the member for West Perth that they will be very accurately costed lines. The Treasury will pay if there is a loss, and is watching the position closely.

Mr. Graham: Eventually the Treasury will pay.

Mr. COURT: This is one case where the lines will be accurately costed.

Mr. Graham: You want to cover your mistakes.

Mr. Nulsen: Is there any part of the railway system which is paying?

Mr. COURT: It depends on the yardstick used to measure the cost. If we take only the operating costs, there are parts of the system which are paying. It is another story when depreciation, interest, and sinking fund are added. There are parts of the system which do show an excess over operating expenses.

That is all I want to say on this debate on the Loan Bill in answer to the Deputy Leader of the Opposition. It is a pity he did not deal with the whole report, because he selected portions of it to suit his particular case. There is a complete story and it is a complete vindication of the Government's stand on two previous occasions.

Mr. Graham: Are you not going to lecture us on the question of morale in the railways?

MR. MAY (Collie) [8.38]: Two or three years ago an announcement was made by the S.E.C. that it proposed to build a new power station at Muja with the idea of supplying electricity to the Great Southern, Albany, and other towns around the district. Whenever I tried to obtain information as to when this power house would be commenced, I was unsuccessful. I am taking this opportunity of asking the Premier why the commencement of the new power house had been delayed for so long.

Surely if the S.E.C. was able to make an announcement on the project some 3 years ago, something should have eventuated and the new power house should have commenced! I understand the transmission line has been erected from Muja to Albany Highway, and it is well along the way to Albany. Unless steps are taken to erect a power house in the near future, I might point out that the capital for erecting the transmission line will be lying idle. The expenditure is lying idle, awaiting the erection of the power house. I cannot understand why so much has been spent on the transmission line, and no action has been taken to construct the new power house.

The idea of building a power house at Muja was very commendable. It is proposed to build it on top of a coal seam, and a great deal of expenditure will be avoided by so doing. I want to know when we can anticipate a commencement of the power house. This project means a lot to the Collie district, and I suppose also to the settlers along the Great Southern right down to Albany. I take this opportunity to inquire from the Government whether it intends to build a power house; and if so, when it is likely that a commencement will be made.

MR. BRAND (Greenough—Treasurer—in reply) [8.41]: I should have had notice of the question asked by the member for Collie. The fact is that the commission and the Government are not likely to build a new power house when the present capacity is not fully utilised. The policy of the Government is to provide generating capacity ahead of consumption. Generally speaking the consumption is assessed in these days at an annual increased demand of 10 per cent. Over recent years it will be found that that percentage increase in demand was not reached. In the event of a power house being constructed at Collie it will ultimately become part of the group system. It will be linked up.

Mr. May: The power house will be at Muja.

Mr. BRAND: It is a few hundred yards from Collie.

Mr. May: It is 18 miles, to be correct.

Mr. BRAND: I understand the previous Government intimated the possibility of constructing a power house at Muja and the use of open-cut coal. With that idea, the present Government is very much in line. When a new power house is required, I have no doubt that the whole project will be thoroughly examined; and if it is considered that Muja is the most economical place and the right place for the construction of a power house, one will be planned and built there.

The honourable member asked when the Government will start planning along those lines. I can tell him that nobody is in a position to give him more information at this stage than the S.E.C. as to where the next power house is to be constructed. I hope it will be at Collie where coal is available; and in the event of deep mining not proceeding to the extent it is proceeded with today, more employment will be available to the people there.

Mr. May: Why should the S.E.C. erect a transmission line at such huge expense?

Mr. BRAND: I am not in a position to tell the honourable member. I cannot imagine the S.E.C. erecting a costly transmission line for miles and miles without knowing when and where it was to be connected to a power house.

Mr. May: Who would be able to give that information?

Mr. BRAND: If the honourable member had asked this question a day earlier of the Minister for Electricity he might have been able to give the information.

Mr. May: I wonder if someone could ask him?

Mr. BRAND: If the honourable member had asked the question one day earlier the Minister for Electricity could have told

him. However, I am sure the Minister would be concerned if the State Electricity Commission had erected a transmission line across the country without having any station to supply the power; without knowing where the line was going; or, without knowing why. It would be too silly for words.

Mr. May: It is an actual fact, whether it is too silly or not.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr. Roberts) in the Chair; Mr. Brand (Treasurer) in charge of the Bill.

Clauses 1 to 6 put and passed.

First Schedule:

Mr. MAY: There is a point on which I am hoping the Minister in charge of the State Electricity Commission might be able to give more stable information than did the Treasurer.

Mr. Brand: He was the man you should have asked in the first place.

Mr. MAY: Is it a fact that the transmission line from Muja almost to Kojonup has been erected; and is it intended to continue it to Albany? Also, as a result of the erection of that line, is it the intention of the Government to proceed with the building of the power station at Muja?

Mr. WATTS: The Government will be advised in this matter by the State Electricity Commission; but there are a couple of problems associated with the proposal to build any power station in Collie. However as far as I am aware, it will not be necessary to build a station at Collie to supply power to the transmission line to Albany. One of the greatest problems in regard to Collie is the insufficiency of a supply of water. It will be noted that our power stations, in the main, have been built around the sea coast because there is unlimited water available there. There is not, unfortunately, an unlimited supply of water at Collie. I can say, however, that the possibilities of the erection of a power station at Collie have by no means been shelved, and investigations along those lines are being made now.

Mr. May: That is what I wanted to know.

First schedule put and passed.

Second schedule, third schedule, Preamble, and title put and passed.

Bill reported without amendment and the report adopted.

Third Reading

Bill read a third time and transmitted to the Council.

ANNUAL ESTIMATES, 1959-60

In Committee of Supply

Resumed from an earlier stage of the sitting, the Chairman of Committees (Mr. Roberts) in the Chair.

Votes—Local Government, £38,620; Town Planning, £35,294; Child Welfare and Outdoor Relief, £702,600; Railways, £16,240,000; State Abattoirs and Sale Yards, £154,955; Country Water Supplies, Sewerage, Drainage and Irrigation, £1,497,405—put and passed.

Vote — Metropolitan Water Supply, Sewerage and Drainage Department, £1,307,000:

MR. TONKIN (Melville) [8.53]: I notice that the estimated expenditure for the Metropolitan Water Supply, Sewerage and Drainage Department exceeds by some £37,000, the amount expended last year. I do not know how that is going to arise, although I have tried to work it out myself, in view of the lessened activity of the department which is likely to occur. We have to remember also that in regard to the revenue side there is likely to be some diminution because practically no money will be obtained from the sale of excess water.

In view of almost certain complete restrictions on the use of mechanical sprinklers for the whole of the summer, it would be extremely unlikely that any people at all would succeed in using very much more than the quantity to which they are entitled by payment of rates. A very large proportion of departmental revenue is derived from the sale of the excess water, and the department appears to have made little allowance for that situation. It generally follows that when revenue is down, the expenditure will also be down to much the same extent. Therefore I do not believe that this estimate is a very reliable guide with regard to the results of the Metropolitan Water Supply Department, and I am wondering why some attempt was not made to get nearer the mark. The figure provided seems to me to be only a guess instead of an attempt to calculate what the actual position would be, having regard to the probable expenditure and estimated revenue.

I notice in a footnote on p. 120 that reference is made to the estimated revenue for 1959-60 of £2,416,000 as against the actual revenue for 1958-1959 of £2,288,877. I will be very surprised indeed if the revenue of this department for the current year exceeds what it was last year, for the reasons I have given.

It seems to me as if the estimate is going to be some hundreds of thousands of pounds out. I can appreciate the fact that the Minister for Water Supplies is

away on business and therefore not able to throw any light on this matter, and I do not expect that any other Minister would be *au fait* with the situation. I merely wish to indicate that I do not accept this estimate, and that for all practical purposes it is worthless.

MR. BRAND (Greenough—Treasurer) [8.56]: I would point out that whilst I have no information in regard to these Estimates, the Deputy Leader of the Opposition, as an ex-Minister, well knows that they were prepared at a time when it was not reasonable to assume that it was not going to rain. It was not reasonable to assume that the rains would not ultimately come, as they have from time to time—even in October. Therefore, as the Deputy Leader of the Opposition knows, in regard to the compilation of these Estimates we are in the hands of the officers; and why should they be any more careless or less thorough on this occasion than on the many occasions when he introduced the Estimates in this House? Consequently I think it is a good thing that they have assumed there will be an increase of £37,000 which, really, is not very much but does indicate the Government's intention to expand.

Mr. Tonkin: When you introduced these Estimates, the winter was over.

Mr. BRAND: It was not altogether over—not by any means.

Mr. Tonkin: There was so little left of it that it would not have made any difference.

Mr. BRAND: The officers were not justified in assuming that it would not rain in September. As the Deputy Leader of the Opposition knows—and well knows—no-one could anticipate that the restrictions would be imposed as early as they were. In the past two or three years the honourable member himself on a number of occasions said, "Restrictions are off"; and then, almost immediately following that, "Restrictions are on"; and no-one could have expected him to know in advance what the position was going to be. If there was no rain, restrictions had to be imposed from time to time. I hope the whole of the sum and more with it is required. As the Deputy Leader of the Opposition says, the revenue will be reduced, because people will not be using excess water.

Vote put and passed.

Votes—Tramways, £1,232,000; Ferries, £16,400; Cave House (including Caves of the South-West, etc.), £52,536; Medina Hotel, £35,832; State Batteries, £172,250—put and passed.

This concluded the Estimates of Revenue and Expenditure for the year.

Resolutions reported and the report adopted.

In Committee of Ways and Means

MR. BRAND (Greenough—Treasurer) [9.51]: I move—

That towards making good the supply granted to Her Majesty for the services of the year ending the 30th June, 1960, a sum not exceeding £50,801,649 be granted from the Consolidated Revenue Fund.

Question put and passed.

Resolution reported and the report adopted.

STATE TRADING CONCERNS ESTIMATES, 1959-60

Tabling of Estimates

MR. BRAND (Greenough—Treasurer) [9.71]: I present a copy of the State Trading Concerns Estimates for the year ending the 30th June, 1960, and move—

That these papers be laid on the Table of the House.

Question put and passed.

In Committee

Estimates of Revenue and Expenditure for the State Trading Concerns for the year ending 30th June, 1960, now considered; the Chairman of the Committees (Mr. Roberts) in the Chair.

Divisions—State Building Supplies, £2,892,000; Wyndham Freezing, Canning and Meat Export Works, £1,730,949; State Shipping Service, £1,940,760; The West Australian Meat Export Works, £745,000; State Engineering Works, £607,500; State Hotels, £174,242—put and passed.

This concluded the Estimates of State Trading Concerns for the year.

Resolutions reported and the report adopted.

APPROPRIATION BILL

Message

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

First Reading

Bill introduced by Mr. Brand (Treasurer) and read a first time.

Second Reading

MR. BRAND (Greenough—Treasurer) [9.12] in moving the second reading said: I would remind members that each year after the conclusion of the Estimates it is necessary to appropriate the moneys required for the services of the year. During this session, supply has been granted

to a total of £40,000,000, comprising £30,000,000 from the Consolidated Revenue Fund, £8,000,000 from the General Loan Fund, and £2,000,000 from the Public Account for advance to Treasurer. Clause 2 of the Bill grants further supply up to the total requiring appropriation as shown in schedule A.

The Estimates of expenditure from the Consolidated Revenue Fund for the year 1959-60 amount to £64,789,500. Of this sum, £13,987,851 is permanently appropriated by special Acts, leaving £50,801,649 still to be appropriated. This amount is provided for in clause 3 which, likewise, appropriates £19,359,000 from the General Loan Fund for expenditure in accordance with the estimates for the year, and also £3,500,000 from the Public Account for advance to Treasurer for the purposes set out in schedule D.

The clause further appropriates expenditure during the year 1958-59 in excess of the amount voted, full details of which are set out in schedules E and F, totalling respectively £1,234,274 4s. 11d. from the Consolidated Revenue Fund and £1,192,326 17s. 2d. from the General Loan Fund.

Clause 4 of the Bill is to approve of the expenditure of £1,108,702 from the Forests Improvement and Reforestation Fund in accordance with the scheme of expenditure prepared under section 41 of the Forests Act, which has been laid on the Table of the House, and which requires the approval of Parliament. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee

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

Third Reading

Bill read a third time and transmitted to the Council.

MUNICIPALITY OF FREMANTLE ACT AMENDMENT BILL

Second Reading

MR. FLETCHER (Fremantle) [9.22], in moving the second reading said: This is a non-contentious Bill which was introduced in another place, where it did not meet with any opposition. Therefore, I assume that it will not meet with any here. The amendments that the Fremantle City Council is seeking will bring the Municipality of Fremantle Act No. 19 of 1925 into line with the City of Perth Act, which has been amended in the same manner as that submitted in this Bill.

The Act as it stands reserves certain rights to owners, where the council resumes land, but not to owners where the council purchases land, and also prohibits an owner from carrying out certain works; but there is no prohibition governing persons other than an owner, such as a lessee or tenant. The amendments are considered necessary to rectify what appear to be anomalies or omissions in the drafting of the principal Act.

Section 4 of the Act provides that the council may widen any street in accordance with the following provisions:—

- (a) The council may widen the carriageway of any street by including therein part or the whole of the space occupied by footways, and by providing footways;
- (b) The council may purchase or resume, for the purpose of footways, land abutting on any street, and such purchase or resumption may extend, to a limited distance only, above and below or above or below the ground level or the intended level of the footway;
- (c) Such purchase or resumption may be carried out on conditions reserving to the owners of the land resumed, any of the following rights, that is to say:—
 - (i) rights to the continued possession, use, and occupation of any existing cellars or rooms below the level of the new footways;
 - (ii) rights to the continued possession, use, and occupation of existing buildings above such footway;
 - (iii) rights of erecting, possessing, using, and occupying buildings above such footway; and
 - (iv) rights of support for such buildings.

It will be seen that these rights are reserved only to owners of land where it is resumed. The same rights are not extended to owners of land that is purchased. The purpose of the amendment is to provide the same rights to owners of land whether the land be purchased or resumed.

Section 5(3) of the Act provides that no owner of any land or building, or work affected by a new building line, shall construct, build, place, reconstruct, rebuild, replace, etc., any building or work, or portion of a building or work, upon the land between the old alignment and the new alignment, except in respect of certain provisions. The restriction respecting construction, building, reconstruction, etc., applies only to owners of land.

There is no restriction in respect of lessees, tenants, or any other person who may be in occupancy of the premises. It

is the opinion of the council that if an owner of land is restricted in the development of his land, the same restrictions should apply to persons other than the owner. On occasions the council has received applications from persons, not owners of land, requesting permission to carry out land development.

In the interest of owners, the council has refused permission unless the applicant has the owner's consent, but it is doubtful that this attitude could be upheld in law. The amendment provides that no person shall carry out the works referred to, whether he be the owner or any person whatsoever. I move—

That the Bill be now read a second time.

MR. PERKINS (Roe — Minister for Transport) [9.28]: My colleague, the Minister for Local Government, informs me that this matter has been examined by the Local Government Department and it has no objection to the provisions contained in the Bill. Therefore, I support the second reading.

Question put and passed.

Bill read a second time.

In Committee

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

Third Reading

Bill read a third time and passed.

ROYAL COMMISSIONERS' POWERS ACT AMENDMENT BILL (No. 2)

Second Reading—Defeated

Debate resumed from the 14th October.

MR. HAWKE (Northam — in reply) [9.32]: If today had not been the last day of the current session, I would have had much more to say in replying to the debate which has taken place on this Bill than I now intend to say. I hope all members will recall that this is a Bill to delete from the Royal Commissioners' Powers Act an amendment which Parliament, early this session, agreed to put into the Act.

That amendment gave almost unlimited legal protection to any witnesses appearing before a commission. First of all, I want to mention that *The West Australian* newspaper had a leading article on the Bill which I introduced. The leading article did not argue the Bill was not right in principle. In fact, the leading article admitted that the Bill was right in principle; and that this dangerous and detestable

provision which the Government was responsible for putting into the Act this session should be taken out of it. Further, the leading article went on to state it was not the appropriate time to do it.

If the leading article did not state it in so many words, the suggestion seemed to be that Parliament should delete the offending provision after the present Royal Commission had not only been completed in relation to the taking of evidence, but after the Royal Commissioner had made his report available to the Government, and presumably available for publication. I think the implied admission made by the newspaper of the undesirability of keeping this offending provision in the Act, is an endorsement of the very strong attitude which members on this side of the House took in trying to prevent the members of the Government and its supporters from putting the provision into the Act, when it brought the amending Bill here several weeks ago.

The Attorney-General, when speaking to this Bill—the Bill I introduced—said the provision which he and his colleagues were responsible for putting into the Act earlier this year to legally protect a witness, irrespective of how disreputable and unscrupulous he might be, was desirable. In support of this claim he asserted that a great many reputable persons who appeared before the commission would not have appeared had this provision not been put into the Act.

The acid test of that assertion is for the Attorney-General now to tell us, in names, who these alleged reputable witnesses were who would not have appeared before the commission, had this provision not been put into the Act earlier this year.

Mr. W. Hegney: That will give him something to chew over!

Mr. HAWKE: Obviously, the Attorney-General is not able to name one reputable witness who did appear but would not have appeared had the provision to which we objected—and to which we still object—not been put into the law. So the prop which the Attorney-General used to support his claim that the provision was desirable would just fall to the ground, because it has no stability. The Attorney-General is not able to name one such witness, despite the fact that in his speech in connection with my Bill he asserted that a great many of these persons had gone before the commission who would not have gone except for the protection provision given to them.

The Attorney-General went on to say that these reputable witnesses, or several of them, would have been, or could have been, subject to considerable expense and unpleasantness in the shape of defamation proceedings had the protection provision not been put into the Act by the Government and by Parliament. I doubt very

much whether even one of those witnesses would have been subject to defamation proceedings—very much doubt it. The only witnesses who would have been subject, for certainty, to defamation proceedings, would have been the unscrupulous ones; and those unscrupulous witnesses would not have appeared before the commission at all, except for the special steps taken by the Government earlier to put into the Act a provision which would protect them, and which would make certain they did appear before the commission to tell the filthy lies and cast the dirty slurs which they did.

I should think the great test which should be applied to people who appear before a Royal Commission is not so much the question whether they might be subject to defamation proceedings, but whether the evidence they are to give—and do, in fact, give—is true and not false. That should be the overriding consideration. Why all this concern for the unscrupulous? Why all this concern for the persons who go before a Royal Commission and tell deliberate lies, and wilfully cast slurs, for which there is no foundation whatsoever? Why should the Government have been so anxious to rush legislation through Parliament to protect these unworthy individuals; and to protect them in order that they might be able to go before the Royal Commission and tell their lies and have great publicity given to them in the newspapers?

Why, I ask again, all this concern for that type of individual and no concern whatsoever, on the part of the Government, for the persons who were slandered and had lies told against them by these unscrupulous witnesses who went before the commission, and went before it only because this Government rushed legislation through Parliament to give them complete legal protection to tell all the lies and cast all the slurs in the world?

Surely it should be the concern of Parliament, if Parliament is true to its purpose—its basic purpose—to provide protection for innocent persons who would be slandered before such a commission, and to provide the utmost protection for them! But, in this situation, we find the Government, fully backed by its supporters in both Houses of Parliament, rushing through legislation to protect the slanderer; to protect the liar; and to protect the persons who have already broken the laws of the State and who were self-confessed rogues on that account?

They were the persons for whom the Government rushed this legislation into and through Parliament. The Minister for Works would have known, beyond any shadow of doubt; and the Premier would have known, in the circumstances, that slanderers, of whom they had knowledge before this legislation was introduced,

would not have appeared before the commission had the Government not prevailed upon Parliament to pass the amending Act to which I have referred.

At one stage in this Parliament, after the Government's legislation had been introduced, we were led to believe that the Attorney-General did not have any reliable knowledge, if any at all, about the fact that two individuals—unscrupulous persons—had conferred at Parliament House with the present Premier and the present Minister for Works when they were members of the Opposition of this Parliament.

However, as the Attorney-General admitted to us when he made his speech in opposition to the Bill, he did know that there were persons who were spreading slanders through the community in the same way as Berry and Peat were spreading them. For instance, the Attorney-General said that he had met persons, some, I think, in his own electorate—in the country, at any rate—who were making all sorts of slanderous statements against the present Deputy Leader of the Opposition. The Attorney-General gave us to understand that he defended the Deputy Leader of the Opposition up to a point; because he told us that he said to these persons, when they made these statements against the Deputy Leader of the Opposition, that he, the Attorney-General, did not believe the worst of the statements; which I thought was a bit patronising on the part of the Attorney-General.

Mr. Watts: I said I did not believe them at all.

Mr. HAWKE: No; the Attorney-General did not.

Mr. Watts: Yes I did. I said I did not believe them then, and I do not believe them now.

Mr. HAWKE: That was the worst of them.

Mr. Watts: There was no mention of the worst.

Mr. HAWKE: Yes, indeed.

Mr. Watts: You get *Hansard* and have a look.

Mr. HAWKE: The Attorney-General did not believe the worst of them.

Mr. Watts: Have a look at *Hansard*.

Mr. HAWKE: What the Attorney-General said, in fact, was that he did not believe the Deputy Leader of the Opposition was a rogue, but he might have been a fool.

Mr. Watts: That is quite so.

Mr. HAWKE: The Attorney-General in making that statement was, I thought, quite a bit patronising.

Mr. Watts: It was not intended to be patronising.

Mr. HAWKE: I accept that. The fact is—and this is the vital point—that the Attorney-General knew before he introduced the Government's Bill into Parliament to give protection to witnesses appearing before the Royal Commission, that persons of that type in the community were uttering these slanders.

Mr. Watts: The people I referred to would not have been witnesses.

Mr. HAWKE: How would the Attorney-General know?

Mr. Watts: Knowing their reputation, I was pretty certain. They were decent men.

Mr. HAWKE: The Attorney-General cannot get out of it that way. Anybody could have been a witness.

Mr. Watts: Granted. Let us say it was extremely unlikely.

Mr. HAWKE: No; I say that anybody could have been a witness, and these people in the community who were repeating this gossip and unscrupulous talk were certain not to have been witnesses had the Royal Commissioners' Powers Act been left as it was before this session of Parliament started. It would have been 10,000,000 to 1 against their appearing as witnesses in that situation.

However, once the Government introduced its protecting legislation for any type of witness, including the lowest of the low, and that legislation passed through both Houses, it was indeed an encouragement, if not an incitement, to the most unscrupulous individuals in the community to go before the Royal Commission and utter, without limit, the vile lies and slanders which they had, by word of mouth, been spreading through the community. So I had to amend very considerably the view I held of the Attorney-General's attitude on account of his part in the introduction of the Government's amending Bill; because, prior to his making his speech in connection with this Bill of mine, I had him miles above the Premier and the Minister for Works.

Mr. Watts: Apparently you do not understand a frank statement of the facts as I saw them.

Mr. HAWKE: Yes.

Mr. Watts: No you don't; or you would not put that interpretation on the statement.

Mr. HAWKE: I understand a frank statement of the facts; and I say—and I am sure the Attorney-General in his own mind will agree with this, even if he does not agree by word of mouth—that when the Attorney-General knew these unscrupulous statements were being spread

through the community, the last thing he should have agreed to or should have been associated with was the introduction into Parliament of special legislation to provide legal protection for these sorts of persons.

I submit there is no answer to that. Clearly the Premier and the Minister for Works both failed in the duty they had after Berry and Peat had interviewed them at Parliament House. The obvious duty upon their shoulders, following the interview in this building, was to make available to the Crown Law Department, or to the Commissioner of Police those confessions of law-breaking which Berry and Peat made to them here. Instead of doing that, they not only allowed these law-breakers to roam freely in the community, but they agreed in Cabinet to introduce special legislation into Parliament for the purpose of trying to protect them and make sure that they would go before the Royal Commission and say to the Royal Commissioner all the things they had said here to the now Premier and the now Minister for Works.

Undoubtedly the Premier and the Minister for Works must have known that these two self-confessed law-breakers and self-confessed rogues would not for one second have thought of appearing before the Royal Commission with the Royal Commissioners' Powers Act as it was before the present session of Parliament started. They must have known beyond any shadow of doubt that Berry and Peat would have appeared before the Royal Commission only under conditions whereby absolute legal protection was given to them.

Mr. Watts: Don't you think the introduction of the measure indicated quite an opposite course?

Mr. HAWKE: I have said what I think the introduction of the measure indicated.

Mr. Watts: Would not the men you have referred to have been fools to introduce legislation if they had the thoughts in mind that you impute to them?

Mr. HAWKE: Certainly not.

Mr. Watts: What would you say they would have been?

Mr. HAWKE: Obviously dishonest persons such as they are, and have been proved to be—

Mr. Watts: I am thinking of the two Ministers you mentioned. Would not they have been fools to go on with such legislation if they had such imputations in mind?

Mr. HAWKE: Certainly not.

Mr. Watts: Why not?

Mr. HAWKE: Because they were anxious that these two individuals should appear before the Royal Commission, and should, in appearing there, be protected in relation to the statements they would make, which the present Premier and the present Minister for Works knew they would make.

Mr. Watts: I think that is the long bow.

Mr. HAWKE: That is the logical bow; and whether it is long, short, or medium in size does not matter. It is the logical point of view.

Mr. Watts: I am sorry I cannot agree with you.

Mr. HAWKE: I do not expect the Attorney-General to agree with me. I do not expect him to say, openly and publicly, that the present Premier and the present Minister for Works started the introduction of this legislation in order to protect unscrupulous persons whom they knew would appear before the Royal Commission.

Mr. Watts: I would not agree with it, publicly or privately—

Mr. HAWKE: I know.

Mr. Watts: —because it is not the fact.

Mr. HAWKE: Everyone in the community—except the odd few—thinks it is the fact; and clearly it is a fact. Does the Attorney-General think for one second that Berry and Peat would have appeared before the commission and said the things they did say if the Attorney-General, together with his colleagues, had not been responsible for introducing into this Parliament the protective legislation in question?

Mr. Watts: You have slightly changed your course.

Mr. HAWKE: I may have slightly changed my course, but I am trying to pin the Attorney-General down; and it is difficult to pin him down, because once I pin him down he moves slightly to the right, or left, or backwards—usually backwards.

Mr. Watts: You have done the moving; you have moved from remarks about the two Ministers to remarks about the other two people—Berry and Peat.

Mr. HAWKE: No; what I have said is clear-cut. I say that the Premier and the Minister for Works had interviews with Berry and Peat in Parliament House in January of this year when they were told by these two individuals the story which, as witnesses before the Royal Commission, they told to the Royal Commissioner later in the year. Obviously the Premier and the Minister for Works would be anxious that Berry and Peat

should appear before the Royal Commission and should tell their complete story. Surely the Attorney-General is not suggesting that Berry and Peat would have gone before the Royal Commission if the Royal Commissioners' Powers Act had not been amended in the way it was.

Mr. Watts: I am not able to express an opinion on that; I have never met either of the two persons.

Mr. HAWKE: Of course the Attorney-General is not able to express an opinion; but he is able to use his reasoning powers in relation to the matter. He is absolutely certain in his own mind that, without the amendment to the Act, they would not have appeared before the Royal Commission. So we have a situation where Parliament, at the instigation of this Government, amended the Royal Commissioners' Powers Act in such a way as to give adequate and almost total legal protection to any unscrupulous persons who go as witnesses before Royal Commission.

By doing that, they—the Government and Parliament—have taken away from innocent persons the legal rights and the legal remedies which previously they possessed. That is the wicked situation which has been established in Western Australia as a result of the Government's action in this matter. It is a situation which is a disgrace to the Government, to Parliament, and to Western Australia generally; and the amending Act is one which should be removed from the statute book as quickly as possible.

My amending Bill would remove this blot from the statute book and would take away from unscrupulous persons in the future the right of legal protection when they go before Royal Commissions; and if this amending Bill is agreed to, we will leave within the hands of innocent persons, who might be slandered and vilified before Royal Commissions, a reasonable remedy at law to take action against their accusers. Surely that is a fair and just proposition, and one which the majority of members in this House should have no difficulty in supporting; and I hope that there will be some members on the Government side who will forget Party politics altogether in regard to this matter, and record a vote in accordance with their true views and their conscience.

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

Ayes—15.

Mr. Bickerton	Mr. Moir
Mr. Fletcher	Mr. Nulsen
Mr. Graham	Mr. Rowberry
Mr. Hawke	Mr. Sewell
Mr. Heal	Mr. Toms
Mr. W. Hegney	Mr. Tonkin
Mr. Kelly	Mr. May
Mr. Lawrence	

(Teller.)

Noes—18.

Mr. Bovell	Mr. Nalder
Mr. Brand	Mr. O'Connor
Mr. Burt	Mr. Oldfield
Mr. Court	Mr. O'Neill
Mr. Craig	Mr. Owen
Mr. Crommelin	Mr. Perkins
Mr. Grayden	Mr. Roberts
Dr. Henn	Mr. Watts
Sir Ross McLarty	Mr. I. W. Manning

(Teller.)

Pairs.

Noes.

Ayes.	Noes.
Mr. Norton	Mr. Guthrie
Mr. Brady	Mr. Mann
Mr. Andrew	Mr. Nimmo
Mr. Evans	Mr. Wild
Mr. Rhatigan	Mr. Cornell
Mr. Hall	Mr. Lewis
Mr. J. Hegney	Mr. W. A. Manning
Mr. Jamieson	Mr. Hutchinson

Majority against—3.

Question thus negatived.

Bill defeated.

MONEY LENDERS ACT AMENDMENT BILL

Returned

Bill returned from the Council with an amendment.

MUNICIPAL CORPORATIONS ACT AMENDMENT BILL (No. 3)

Second Reading

MR. FLETCHER (Fremantle) [10.5] in moving the second reading said: This is another non-contentious Bill introduced in another place. I have about three or four foolscap sheets which I have tried to bovrilise so that we can dispose of it as soon as possible.

Mr. Brand: We will tolerate it.

Mr. FLETCHER: The Bill arose from early endeavours of mine soon after the election to help rectify a situation in North Fremantle where people are still inflicted with the antiquated pan system for the disposal of night soil. I saw Mr. Clarkson, the Under Secretary of the Department, and Mr. Kenworthy, and they suggested that the local authority float a loan or obtain an overdraft for the purpose. The Bill, known as the Municipal Corporations Act Amendment Bill (No. 3), 1959, is the outcome.

Briefly, section 66 of the Metropolitan Water Supply, Sewerage and Drainage Act provides that the Minister may enter into agreements with local authorities for sewerage connections to be carried out by the department, and repayment made over a period of not more than six years. Many

sewerage connections have been made under those arrangements. Of the 28 outstanding cases in which properties have not been connected, 21 people wish to have connections made under some such similar arrangement. Under section 82A of the Health Act, 1911-59, the local authority is empowered to arrange for sewerage and recovery of cost.

The anticipated cost to the council would be in the vicinity of £4,000 or £5,000, which is in excess of the council's resources for this purpose. Section 437 of the Municipal Corporations Act, 1906-59, gives the council the right to obtain a bank overdraft pending the collection of rates or other finance, or a Government subsidy. That section cannot be applied in this instance; hence the amendment submitted which will be known as section 437A of the Municipal Corporations Act, 1906-59. This will give the local authority power to use a bank advance for the sewerage work mentioned. The financial arrangements are subject to ministerial approval.

The bankers for the North Fremantle Council have offered the council finance on attractive terms, and the council is prepared to accept it, subject to the acceptance of this Bill. I recommend the Bill to the House and move—

That the Bill be now read a second time.

MR. PERKINS (Roe — Minister for Transport) [10.10]: This is another Bill in respect of which the Minister for Local Government has informed me that the department has examined the position and the officers consider that the proposals can safely be accepted. I can appreciate the difficulties mentioned by the member for Fremantle; and, from what the Minister for Local Government has told me of the position, when the proposal was examined by officers of the department it was agreed that a Bill would be necessary; hence the proposals which the honourable member has submitted to the House. These proposals are ones which members can safely agree to. I support the second reading.

Question put and passed.

Bill read a second time.

In Committee

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

Third Reading

Bill read a third time and passed.

Sitting suspended from 10.13 to 10.58 p.m.

MONEY LENDERS ACT AMENDMENT BILL

Council's Amendment

Amendment made by the Council now considered.

In Committee

The Chairman of Committees (Mr. Roberts) in the Chair; Mr. Watts (Attorney-General) in charge of the Bill.

The CHAIRMAN: The Council's amendment is as follows:—

Clause 3, pages 3 and 4—Delete proposed new subsection (1b) of section 9.

Mr WATTS: As you have said, Mr. Chairman, the Legislative Council proposes to delete from the Bill new subsection (1b). That includes paragraph (1b) (a) which the Committee in this Chamber sought to delete, together with the ancillary provisions associated with it on page 4, being paragraphs (b), (c), and (d). In order to set the minds of members at rest on this subject as rapidly as possible in the circumstances, it is my intention to ask the Committee to agree to this amendment. At the same time, I am completely convinced that the deletion of this new subsection from the Bill will have the effect of inflicting considerable hardship on some people. Among those will be found the persons who have been referred to on many occasions in the debates in this Chamber who, in response to advertisements published by certain firms and companies have invested money which, in many cases, represents the greater part of their savings, at a rate of interest which offends against the existing provisions of the Money Lenders Act.

If the transactions have been made in the past, those people will find they are unable, in many instances, to recover the money that is due to them; and consequently, without any question, there will be cases where considerable hardship will be caused. On the other hand, the deletion of this subsection will have the effect of relieving some people from the obligation of paying their just debts. If it were interest only, I would not be concerned about that aspect, but it will also relieve them of the obligation to pay the principal they have borrowed; and, in relieving some of such people of that obligation, there will be, in some cases, the hardship imposed on the other section to which I have just referred.

As is known, when this message came from the Legislative Council, I asked for it to be made an order of the day for a later stage of the sitting in order that I might confer with the Solicitor-General—which I have since done—to ascertain whether the view that I held and have just

expressed was held by him. Many members are acquainted with him, and therefore will appreciate that he is not likely to express an opinion lightly or without taking thought on it. Since the motion for the matter to be dealt with at a later stage of the sitting, he has expressed the opinion to me that there will undoubtedly be the hardships on the one hand and the relief from just obligations on the other, to which I have referred.

However, in all the circumstances, he agrees with me that it will be desirable to pass as rapidly as possible the remainder of the Bill, so that from the day of its being assented to by the Governor there will be persons who—if there are any, and I expect there will be some—are offenders and persons who are not well informed who will lend in response to similar advertisements. So those people will not be enmeshed with the same difficulties in the future as those I have referred to have been in the past. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

Resolution reported, the report adopted, and a message accordingly returned to the Council.

BOOKMAKERS BETTING TAX ACT AMENDMENT BILL

Council's Message

Message from the Council received and read notifying that it had agreed to the Bill as amended by the Assembly.

METROPOLITAN REGION IMPROVEMENT TAX BILL

Council's Message

Message from the Council received and read notifying that it had agreed to the Bill as amended by the Assembly.

Sitting suspended from 11.7 to 11.30 p.m.

BILLS (2)—RETURNED

1. Loan Bill, £18,718,000.
2. Appropriation Bill,
Without amendment.

CLOSE OF SESSION

Complimentary Remarks

MR. BRAND (Greenough—Premier): That concludes this session of Parliament, the occasion to which both the Opposition and the Government have been looking forward for some time. A famous novelist once said that Christmas time was a good time; a kind, pleasant,

forgiving, and charitable time; and, Sir, it is in that spirit, at the end of this session, that I, on behalf of those associated with me, wish to you, the Chairman of Committees, the Deputy Chairman of Committees, and the officers and staff of Parliament all the happiness possible during the Christmas break.

I want also to extend to the Leader of the Opposition and to those associated with him, good wishes for a happy and enjoyable Christmas, and all the best throughout the coming year. To the Deputy Premier and my ministerial colleagues, I would specially say, "Thank you" for the help, assistance, and advice which they have tendered during this, the first session in which I have had the honour to lead the Government.

To those private members who sit behind the Government I say, "Thank you" for their loyalty and assistance. This has not been an easy session; it has been a long session. We have dealt with many Bills, and we have had all-night sittings. However, I am able to say we are finishing at a reasonable hour and in a pleasant atmosphere.

Before I conclude I would remind members—as was pointed out at the Christmas festivities the other night—that we are losing a good friend and servant in this House. I am referring to "Mac." Mr. McDonald has served in the post office for over 35 years; and it is not an easy thing to satisfy members at the telephone switchboard. I take this opportunity of expressing the hope to him that his remaining years will be happy, healthy, and pleasant, and that his retirement with his family will be all that he hopes it will be.

To Mr. Burton, the staff, and those people who have served us in the dining room—all those associated with Parliament—I say, "A very merry Christmas and a happy and bright New Year."

MR. HAWKE (Northam): I support fully everything which has been said by the Premier, including his special remarks about Mr. McDonald. I express my very keen appreciation to the Deputy Leader of the Opposition and to all members on this side of the House for the loyal, consistent, and solid support they have given to me during the session.

I desire to thank the Premier and his Ministers for the courtesies and considerations they have shown to us most of the

time. I would also express my appreciation to members on the Government side for having listened to me and my supporters several times during the session. We did not hope to convert them, except occasionally, during the session; but we feel the seed we have sown in their minds this session will bear much fruit next session, with the result that Ministers might have a harder row to hoe next year than they have had this year.

To all members of both sides of the House; to you, Mr. Speaker; and to everybody associated with Parliament, including the Pressmen; and to all the people of the State, I wish a very cheerful Christmas and a happy, peaceful New Year.

THE SPEAKER (Mr. Hearman—Blackwood): Mr. Premier and Mr. Leader of the Opposition, it is customary, at this juncture for the Speaker to reply on behalf of all members and staff. Before doing so I would like to add a personal note, if I may, and thank members of the House for the many courtesies they have shown me since I assumed the office of Speaker. I would also like to pay a particular tribute to those members of the staff, who, of course, are closely associated with me in my office. Without them, the workings of the House this session would not have been nearly as smooth as they have been.

On behalf of all members of the staff, both in the Chamber and in other parts of the building, I would like to thank the Premier and the Leader of the Opposition for the kind thoughts expressed; and on behalf of those members of the staff, I would like to reciprocate the sentiments that have been expressed. Thank you all very much.

ADJOURNMENT—SPECIAL

MR. BRAND (Greenough—Premier): I move—

That the House at its rising adjourn to a date to be fixed by The Speaker.

Question put and passed.

House adjourned at 11.21 p.m.