Similar provisions exist as regards the apportionment of land tax, for under this Bill a reference in the Land Tax Assessment Act of 1907 to an owner includes a proprietor of a lot.

In commending this Bill to members, I would emphasise that there is a growing demand for this type of legislation in this State. In saying that, I do not wish to appear to be unmindful of the fact that the subject matter of this type of legislation is not easy of solution. Lack of trained staff to implement it is a major consideration.

Defects and difficulties under the legislation, if it is passed, will surely arise, but the system of unit ownership, nevertheless, continues to enjoy a great deal of support throughout many sections of the community; and the problems associated with providing the means of buyers procuring a satisfactory title must be faced.

Debate adjourned, on motion by Mr. Jamieson.

JUDGES' SALARIES AND PENSIONS ACT AMENDMENT BILL

Second Reading

MR. O'CONNOR (Mt. Lawley—Minister for Transport) [8.25 p.m.]: I move—

That the Bill be now read a second time.

From time to time, the Government of the day makes adjustments to the salaries payable to the judges in this State to bring them more into line with the amounts payable in other States.

An amendment of a similar nature was brought to the House in 1964. Under that amendment, a uniform increase of $1,200 per annum for all judges was provided, bringing the salary of the Chief Justice to $14,000 per annum, and that payable to the Senior Puisne Judge to $12,700, and increasing the puisne judges' salaries to $12,400 per annum.

Until these amended salaries became effective, the Chief Justices in Tasmania and Western Australia were paid a salary equivalent to $12,800 per annum, and they were the lowest in Australia.

Mr Graham: You mean the lowest in salary?

Mr. O'CONNOR: The lowest in Australia.

Mr. Graham: In salary?

Mr. O'CONNOR: Yes. The 1964 decision was based on the rates of salary being paid to the Chief Justices of Queensland and South Australia; namely, $14,000 per annum in each of those States. When the member for Balcatta interjected I thought he was referring to the expenses that are paid, or to something of that nature.

Mr. Graham: I thought you were saying that our judges were the lowest in Australia, and that was why I wanted you to make the position clear.

Mr. O'CONNOR: The average of the salaries payable in the other States at present is £16,000 to the Chief Justice, and $14,460 to the puisne judges. This Bill proposes to raise the salary of the Chief Justice of Western Australia by $1,400 to $15,400, the salary of the Senior Puisne Judge by $1,300 to £14,000, and the salaries of the puisne judges by $1,200 to $13,600 per annum.

These new salaries will compare with $14,000 per annum being paid to the Chief Justice in Tasmania, $15,000 per annum in Queensland and $15,200 per annum in South Australia—in the smaller States.

By comparison, the Chief Justice in Victoria is paid $18,300, which includes an expense allowance of $1,000; the amount in New South Wales is $19,300, including an $800 expense allowance; and the Chief Justice of the High Court receives $24,000 per annum.

It will be appreciated, therefore, that in this State we now, as in the past, endeavour to assess an equitable figure in relation to that paid in the financially smaller States, and this measure will bridge the gap at present existing.

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

JUDGES' SALARIES AND PENSIONS ACT AMENDMENT BILL

Message: Appropriations

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

House adjourned at 8.28 p.m.

Legislative Council

Thursday, the 22nd September, 1966

CONTENTS

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 2.30 p.m., and read prayers.

GRAIN POOL ACT AMENDMENT BILL

Assent

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

QUESTIONS (6): ON NOTICE

GOLDMINING

Prospectors: Number, and Gold Recovered

1. The Hon. F. R. H. LAVERY (for The Hon. J. J. Garrigan) asked the Minister for Mines:
   (1) For the year ended the 30th June, 1966—
      (a) how many Government-assisted prospectors were searching for gold in Western Australia;
      (b) how many ounces of gold were recovered by these prospectors; and
      (c) how many ounces of gold were recovered by all prospectors?
   (2) How many ounces of gold were recovered by all prospectors for the year ended the 30th June, 1965?

   The Hon. A. F. GRIFFITH replied:
   (1) (a) 66 men.
      (b) 557 oz. 2 dwt.
      (c) 4,849.83 fine oz.
   (2) 2,211.62 fine oz.
2. *This question was postponed.*

HOUSES AT MT. PLEASANT

Damage by Sand Trucks: Road Tests by Grubb-Parsons Vibration Meter

3. The Hon. C. E. GRIFFITHS asked the Minister for Mines:

   Further to my question on Tuesday, the 13th September, 1966, relating to damage to houses in Gunbower Road, Mt. Pleasant—
   (1) Is the Minister aware that—
      (a) a few weeks before the departmental tests were made, the road outside the houses in Gunbower Road was resurfaced with Hotmix;
      (b) the empty trucks were rerouted so that on the return trip they were not passing these houses; and
      (c) Gunbower Road, prior to the Hotmix surfacing, was badly potholed and extensively corrugated?
   (2) If the answer to (1) is "Yes", is the Minister convinced that any test by the Grubb-Parsons vibration meter could be used to determine whether or not the passing trucks were responsible for the damage?

   The Hon. A. F. GRIFFITH replied:
   (1) (a) Yes.
      (b) Yes.
      (c) In spite of regular maintenance, the road did become rough and potholed.
   (2) Yes. Simulated tests on the road and actual tests at houses where the roads were in a rough condition gave sufficient technical information to enable expert assessment to be made of possible damage to houses due to the passage of trucks.

CROSSWALKS

Preston Point Road-Canning Highway: Reduction of Traffic Hazard

4. The Hon. F. R. H. LAVERY asked the Minister for Mines:
   (1) Is the Minister aware that another fatal accident occurred on the evening of the 20th September on the crosswalk at the corner of Preston Point Road and Canning Highway, East Fremantle.
   (2) Is he also aware that frequent representations to the Main Roads Department by the East Fremantle Town Council, and by parliamentary members for some action to lessen the traffic hazards at this point, have resulted in nothing being done?
   (3) Can the House be assured that the Government will take urgent steps to examine the position with a view to eliminating the grave dangers to life and limb at this intersection?

   The Hon. A. F. GRIFFITH replied:
   (1) Yes.
   (2) Following representations by members of Parliament and the local authority, a careful reassessment of this crossing was made. A suggestion that the crosswalk be relocated 50 yards to the west was investigated. It was found that because it more appropriately served the pedestrian movement, pedestrian demand at the present crossing was about eight times higher than that at the suggested new location. Therefore, to move the crosswalk from its present location would not be a realistic or practicable solution. The accident pattern does not show that the location of the crosswalk is contributing to the accidents. They involve drivers' non-observance of traffic regulations in respect of overtaking vehicles stopped at a crosswalk.
   (3) Despite the fact that extensive investigations have been carried out a further examination of this crosswalk will be made.

   The Hon. F. R. H. Lavery: Thank you very much.

Sodium Lighting: Cost

5. The Hon. C. E. GRIFFITHS asked the Minister for Mines:

What is the estimated total cost for each crosswalk for the installation of sodium floodlighting similar to that prevailing in Stirling Highway?

The Hon. A. F. GRIFFITH replied:
$800.

SUPERPHOSPHATE

Trace Elements: Correct Mixture

6. The Hon. J. HEITMAN asked the Minister for Local Government:

As it is claimed that trace elements, such as molybdenum, instead of being evenly mixed with superphosphate, are often contained in a few bags only:—

(a) Is there an Act covering the composition of mixed superphosphates?

(b) If so, is the Minister satisfied that the correct mixtures are being supplied?

The Hon. L. A. LOGAN replied:

(a) Yes. The Fertiliser Act, 1948-1955.

(b) Yes. Analyses of superphosphate trace-element mixtures taken this year have rarely been lower than the permissible limit of variation from the registered analysis.

EASTERN GOLDFIELDS TRANSPORT BOARD ACT AMENDMENT BILL

Second Reading

Debate resumed from the 21st September.

THE HON. R. H. C. STUBBS (South-East) [2.38 p.m.]: This Bill was introduced as a result of a deputation by members of the Legislative Council and the Legislative Assembly. They in turn had been approached by the Eastern Goldfields Transport Board to rectify certain matters in connection with the performance of the board. Also an alteration was necessary to the Act because of the enactment of the Local Government Act which supersedes the Municipal Corporations and Road Districts Acts.

Mr. Wise introduced the original legislation in 1946 and this was to take effect from early in 1947. The tramways had been in operation for 40 years up to 1946. An arrangement had been negotiated whereby each local authority was allowed a concession within its area, the concession being for 21 years, with the right of renewal for a further period, making a total of 35 years. However, the war intervened and the Bill of 1946 was brought down to rectify the position and allow the local authorities to take over the tramways.

The provisions of the Tramways Act, introduced in 1885, controlled the method of the taking over of tramways in Western Australia. The Kalgoorlie tramways concession was given to Mr. Rogers, who arranged to do certain work. The then Kalgoorlie road district, which is now the shire council, made arrangements with a Mr. Dickinson and, between them, they agreed to carry on this concession in each other's territory. Later the Tramways Board reached some agreement with the Boulder Town Council; and so it went on.

The exercise of the option at the end of 21 years was not taken up and the concession continued for the further term, plus the period of the war.

The peculiar thing about this agreement was that each shire council—or road board as it then was—was to retain the lines and plant and so forth in its own particular area, and this was to become the property of the local authority at the end of the stated period. Peculiarly, no provision was made for plant and equipment at the depot and, in order to reach an amicable arrangement, the three local authorities concerned got together and reached agreement. The result was that the parent Act was introduced in 1946 to take effect as from 1947.

There is nothing contentious in the Bill. We on the goldfields agree entirely with it. As I have said before, it is simply a house-planning method of bringing everything up to date.

One good thing about it is that some new buses are to be put on the run. I believe this is something which has not been done before. Previously the buses which were put on the run were probably well on the way to being worn out before they were received. Of course, with such buses, maintenance costs were very high. It is reasonable to assume that the new buses which have been received, and which are going to be received, will allow quite a long, trouble-free period of operation, and this should be to the good of the transport board concerned.

The Eastern Goldfields Transport Board has done a very good job indeed. The board, its employees, the people who run the concern, and representatives of each shire council or local authority concerned are to be commended. With obsolete buses, and with so many people in the district owning their own motorcars, it has been difficult to conduct the undertaking, but the board has done a very important job. It is interesting to read where provision will be made to do something about the remuneration of the chairman and the members of the board. The amount received now is the same as it was in 1947; that is, £25 for the chairman and £12 10s. for each member. Taking into account the amount of work they put in, on today's values this is a very small remuneration. Therefore, it is pleasing to see that provision can be made to provide

something adequate for the services rendered. As I said before, I agree with the Bill.

THE HON. G. E. D. BRAND (Lower North) [2.45 p.m.]: I, also, wish to add a little to the debate on this Bill. Mr. Stubbs has explained quite a lot about the measure and I agree with what he has said.

The intention of the Bill, more or less, is to bring things up to date and into line with the set-up of local government. It is also brought forward at the request of the present board.

My mind goes back to my school days when we had what were known as "square wheelers." Of course the trams did not have square wheels, but I think, sometimes, we wondered if they did not. As time went by and progress was made, the trams were taken over, or replaced by buses. Because the board which was formed at that time did not have much money, it managed to obtain secondhand buses from the M.T.T. These have been used extensively since the time the trams went off the roads.

As everyone is aware, as time goes by, old vehicles require a great deal of maintenance; parts wear, tyres wear; and the wear increases the further they travel. I have a list of the fleet at the time the submission was made to the Minister for Transport for assistance. I was honoured to be on that deputation with the members of the Eastern Goldfields Transport Board. The fleet consisted of—

Five A.C.'s: 1947 model—18 years old.
Five Austins—15 years old.
One Morris—15 years old.
One Reo—25 years old.

These vehicles had bumped up and down the roads of the goldfields for hundreds and hundreds of miles. Of course, some of the roads in the area have been improved vastly in recent years.

The Hon. F. R. H. Lavery: They must have had very good maintenance.

The Hon. G. E. D. BRAND: Two of the buses had covered over 1,000,000 miles by August, 1965. Five Austins, one Morris, and one Reo had covered 1,161,331 miles since 1958. Three A.C.'s had covered 307,256 miles since 1961. Before these buses went to Kalgoorlie, the metropolitan mileage covered could have been anything up to 2,000,000 or 3,000,000 miles. What condition must those buses have been in after having covered such a distance?

We must pay tribute to the maintenance men of the goldfields for the manner in which they kept those buses. I would also like to pay a tribute to the board itself. We know how the board is composed, and that Mr. Ron Reed is its Chairman. The board has done a marvellous job and, in return, has received very slight remuneration. This remuneration is insufficient for the work which is done. However, the board members do not look forward to the financial reward but like to do their duty by the town.

Mr. Hunt, the manager, and his staff are worthy of commendation and I should like to record the thanks of goldfields people and members to the board as a whole. I sincerely support the Bill and hope I have made myself clear in having our appreciation of these people recorded in our annals.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

TOTALISATOR AGENCY BOARD BETTING ACT AMENDMENT BILL

Second Reading

Debate resumed from the 21st September.

THE HON. J. DOLAN (South-East Metropolitan) [2.52 p.m.]: As we are discussing amendments to the Totalisator Agency Board Betting Act Amendment Bill, it is probably appropriate to have a few words to say on the history of betting in this State as it has developed over the years to reach the present situation, commencing, of course, with the bad old days of street and shop betting, and leading up to what we might call the luxurious days of betting.

I can recall the old days when a man with a small book used to operate down a lane, or in a hotel doorway, accepting bets with one eye on the local constable who was ready at any moment to pounce upon him to take him down to the local police station for the necessary treatment.

The Hon. H. K. Watson: No, you are wrong; they had a regular roster.

The Hon. J. DOLAN: That is correct, but I am referring to the days before the period to which the honourable member is referring. Then followed the period of shop betting when the operators used to be taken before the court in a situation very similar to what prevails at the Housing Commission today. They would be charged on a "turn-reached" basis. In other words, one bookmaker had his turn to be charged before the court on, say, this week, and it might be a month before the police got around to him again; and in nearly every case, instead of the proprietor of the betting shop appearing before the court, a stooge used to stand in for him. That stooge was given a few pounds for his trouble and he was eventually charged with illegal betting.

The Hon. F. J. S. Wise: They had a few galahs around to squawk, too.

The Hon. J. DOLAN: Yes, they did. I think the galahs were those who made the

bets, and they still are, humble though they may be. I can remember attending a race meeting at Darwin on one occasion. Races used to be held weekly, with sometimes only two or three starters in each race. It was the only place where I failed to see the racecourse patrons taking any interest in the events. Most of the bookmakers were betting on the racing events held in Victoria, New South Wales, and South Australia, and the local races only gave them a license to have an open go to bet on the racing events in Sydney, Melbourne, and Adelaide.

Those days eventually passed and then followed the time when we had the Betting Control Act. That Act was administered by a board of five members. The Western Australian Turf Club had one representative; the Western Australian Trotting Association had one representative; and the Government had three representatives on the board, one of whom was the chairman. There is a different set-up today, but I will refer to that a little later. On looking back at some of the debates in previous years on legislation similar to this it amazes me to read some of the comments that were made. My recollection was drawn to one yesterday evening.

Comments were made by various members on the Betting Control Bill to indicate how worried the Opposition was due to the fact that the passing of the legislation would lead to a spread of the gambling evil. I have found comments such as, "When increased facilities are provided it will mean that the degree of temptation is increased"; and a little further on in the same debate appears the comment, "The community as a whole will benefit if there is a reduction in the total of off-course betting." I often wonder whether some of those members were not speaking with their tongues in their cheeks, because it appears to me that instead of betting being controlled, and off-course betting being minimised, it is increasing every year.

When the T.A.B. Betting Act was introduced, after a careful examination it was estimated there would be an annual return to the board of $23,000,000, and that was when a T.A.B. agency was established in every district or area. In 1965-66 the return of $23,000,000 had risen to $36,000,000, and it seems to me that it will continue to rise, because in this Bill we are providing extra facilities, and the off-course betting facilities are being extended at every opportunity that presents itself.

Today the Totalisator Agency Board finds that its greatest money spinner appears to be the Eastern States racing events, because nearly 50 per cent. of the investments made with the T.A.B. are on Eastern States races, and the board contributes nothing towards providing the events that are conducted in the Eastern States, except, perhaps, that it might provide broadcasting facilities for patrons to hear the running of these events so that they will become more popular, and encourage the bettors. This of course destroys all the maudlin sentiments expressed some years ago deploring the fact that betting in off-course establishments would increase.

The Hon. J. J. Garrigan: Are not the broadcasts sponsored?

The Hon. J. DOLAN: Yes, I believe they are. We have now reached the position where, with this Bill, we are seeking to extend the operations further by combining both off-course and on-course betting operations, with one or two provisos. Firstly, the racing clubs have to give their permission for the board to move in so that it may commence its operations; and, secondly, the board shall not operate in any way which conflicts with the present on-course operations. That is, the Totalisator Agency Board will not provide betting facilities for a win and place bet on local races or on Sydney races, nor will it interfere in any way with the operations on the tote in that State.

However, the board will enter another field. It intends to provide facilities for quinella betting. This means that if one is a good tipster one can have a bet on two horses for a win and second place in the same race. Also, the board is providing facilities for doubles betting.

I have never found it possible to pick one winner, let alone pick two firsts in consecutive races.

Last year, as I said, the turnover of investments was over $36,000,000. That is big money and big business in anybody's estimate. The State Treasury, of course, benefited to the extent of $2,450,019. There is also a tax of 5 per cent. on the board's turnover; and this amounted to $1,807,683. The investment tax, which is collected by the Totalisator Agency Board for the Treasury, amounted to $551,360.

In regard to unclaimed dividends, I have always been mystified about the fellow who, having made a bet that returns a dividend does not collect it. In the last 12 months unclaimed dividends amounted to no less than $90,976.

The Hon. F. D. Willmott: They go to the bar instead.

The Hon. J. DOLAN: It is amazing to me that there could be such a big percentage of money not collected. Of course, it goes into revenue; and I suppose the Government hopes that more and more forgetful people will go to the race meetings or betting shops as time goes on.

I feel—and I am quite honest about this—that the operations of the Totalisator Agency Board and, to a certain extent, the licensed betting shops, as they were, did minimise the evils associated with S.P. betting. I feel also that they were a godsend to racing clubs and trotting clubs, not only in the metropolitan area,

but also in the country. Had it not been for the introduction of the licensed betting shops, and the Totalisator Agency Board, racing would have declined and eventually disappeared. I say that advisedly, because there must be many thousands of people who gain their employment from racing in its various aspects.

Racing not only involves the people who are expected to run it; but it is also associated with the bloodstock industry, the breeding of thoroughbreds, and the growing of foodstuffs to feed the animals. In addition, it involves the people who work on courses; transport is required to take patrons to the racecourse; and so on. All these things, of course, have a part in our way of life. I would say that the main reason people go to the races is not so much to watch the horses—I do know that many people go because they are interested in horses and love watching the horses perform—but because they are interested in the betting facilities that are provided.

The Hon. G. E. D. Brand: In the fillies, too.

The Hon. J. DOLAN: Yes, both the animal and the human varieties. I take it that is what Mr. Brand means. But my mind on this question is one track.

The Hon. F. D. Willmott: Which one?

The Hon. J. DOLAN: It is obvious that the racing clubs have benefited from the operations of the Totalisator Agency Board as they are making more and more improvements to their courses. I would be frank and say they owe a lot to the operations off-course; because over the years the tendency has been for racing attendances in this State to decline; and the operations, so far as actual investments are concerned, are greater off the course than on the course.

I can give one example of that; and I refer to the goldfields carnival. On-course investment totalled $54,791, while for off-course investment, on the three main meetings—Hannans, the Boulder Cup, and the Kalgoorlie Cup—the figure was approximately $92,000—nearly twice as much. So it appears to me the racing clubs and the trotting clubs must be deeply indebted to the T.A.B. for the assistance they get.

Might I diverge to mention the position in New South Wales, where the T.A.B. is at last in operation? In that State, for the last year, racing received $723,596 from the T.A.B., while the trotting clubs' share was $159,054. This is a good one: The greyhound clubs received $156,090. Where does it end? I think it is only a question of time before greyhound racing starts in Western Australia; and, when it does, it looks as though the T.A.B. will come in on that. I feel it will only be a matter of time before the local T.A.B. shops will be open for trotting meetings held at Harold Park in Sydney, at the Showgrounds in Melbourne, and at Wavel in Adelaide. It will only need the newspapers to give the necessary publicity and the broadcasting stations to be supplemented financially to make this extension possible.

I would say—and I am honest about this—this form of entertainment may be the sport of kings, but it is certainly no sport when it comes to the working people. There is more unhappiness caused through gambling associated with horse racing and trots than there is through drink.

Yesterday I asked a couple of questions in regard to the number of meetings held last year by the Totalistor Agency Board, and what remuneration was paid to board members. A total of 15 meetings was held, and each board member, other than the chairman, received the maximum allowance of $624 per annum. So, irrespective of the number of attendances during these 15 meetings, each member received $624. If a member attended all meetings, the remuneration would work out to $40 per meeting. I doubt whether there is a higher-paid board anywhere, unless it is one which has a turnover of millions—perhaps B.H.P. board members might receive more. Both members and deputy members receive a car mileage and travelling allowance. I suppose board members have to go to country meetings to see whether the T.A.B. is getting a fair share of what goes on, and so on.

The board consists of seven members, one of whom is the general manager and is nominated by the Governor. Three represent racing interests, two from the city and one from the country; and three represent trotting interests, two from the city and one from the country. That makes a total of six representing racing interests out of a total membership of seven. Therefore they are there to represent their own interests; yet we are paying out $624 per year to each of them to do this. It looks a pretty good sort of a lurk to me when one can be paid $624 for looking after one's own interests! I cannot go along very much with that.

One of the amendments in this measure seeks to establish the totalisator agency on the racecourse itself, particularly to deal with, as I said before, quinellas and doubles betting. I suppose we will have an extension of these operations in the near future. I notice where the racing interests are keen to have midweek races in the city; and as soon as they start I expect the T.A.B. will move in there, too. From the point of view of citizenship, I think it is time we called a halt somewhere.

The Hon. F. R. H. Lavery: Hear, hear!

The Hon. H. K. Watson: I am rather surprised you did not quote what I said when I spoke on the original Bill.

The Hon. J. DOLAN: If the honourable member would like to find that somewhere

and send it to me before I finish speaking I will be only too happy to do so.

The Hon. H. K. Watson: I said that it would encourage people to bet like the Watsons.

The Hon. J. DOLAN: I would have been delighted to say that. As a matter of fact I remember when I was a lad, if one wanted a Tatts ticket one had to send for it through an agent; and, if I remember correctly, the name of the leading agent in Western Australia was Watson. He must have been a relation of the honourable member, because he is still interested in it.

The T.A.B. proposes in the future, as it has done in the past I suppose, not only to operate the tote but also, on occasions, to act as a bookmaker. In other words, it will accept money from clients and if it is not able to get that money on the tote in time, it will hold the investment. The T.A.B. will act as a bookmaker and will gamble. As far as I can see the only good thing about the situation is that the T.A.B. will be big-hearted and fix a limit at double the odds offered by bookmakers.

The bookmakers have a limit of 50 to one straight out and 12 to one for a place bet; whereas the T.A.B. is to have a limit of 100 to one straight out and 25 to one for place betting. The T.A.B. will also guarantee that the dividend will never be below 55c. So if one picks a winner which is a hot favourite one is sure to win 5c; in other words it is giving the magnificent odds of 10 to one on. So in the future one must win, and the position will not be, as it sometimes was, that one invested 50c and got back only 45c.

There are proposals in the Bill to alter the formula which operates at the present time; that is, the formula which is the basis for the payments between the racing clubs in the city and the trotting clubs in the city and Fremantle, and racing and trotting clubs in the country. I do not intend to touch on this matter because it is very technical and involves a lot of figures which will not get us anywhere.

In view of the fact that more money is invested on local trotting than on local racing, I feel it is about time the percentage which the trotting groups receive in relation to the racing clubs should be increased considerably. The amount has been increased a little but I feel that because of what the trotting clubs are doing, they should be getting more. At the moment the racing clubs are receiving the benefit of the huge investment on Eastern States racing which, being over 50 per cent., amounts to about $18,000,000 a year. The racing clubs are receiving the benefit but are doing nothing to help bring in that revenue.

I do not wish to say much more except that I support the Bill because I feel that in doing so I am supporting many industries. I have not much time for the protection of certain people who live on the racing industry. In that category, I do not place the owners, breeders, trainers, jockeys, and such other people. However, I do know that there are a lot of hangers-on associated with racing. Those people never work, and have no intention of ever working, and so long as racing exists we will have those people. If racing thrives I suppose they will also.

I hope the time will arrive when the T.A.B. will say that a limit has been reached; that it has reached the limit of the extent of its operations. I think the time is overdue when there should be a limit on the amount of profit which is distributed. After a certain figure has been reached the extra money should be directed to some worth-while cause.

Many people who invest money in the T.A.B., and who are contributing to the profit of the T.A.B., are interested in other sports. Those people, although interested in betting, are interested in other sports; but racing and trotting are receiving all the benefits of their investments.

I suggest the time is overdue when those who are responsible for the operations of the T.A.B. should have a look at another side of sport to see if they cannot assist other sporting organisations. Some of the organisations are crying out for help. We find, for example that when we want to send athletes overseas, whether to the Empire Games or to the Olympics, there is always a shortage of money. I feel that the opportunity is available for a percentage of the T.A.B. turnover to be devoted to this very good cause. Those athletes are ambassadors for our country and they let other countries know that Australia is on the map.

If Australia can produce men and women who can hold their places with the rest of the sporting world—and in other fields as well—money should be made available for them. I do not wish to be long-winded; I support the Bill and I hope that some notice will be taken of some of the suggestions I have made.

Debate adjourned, on motion by The Hon. F. R. H. Lavery.

BILLS OF SALE ACT AMENDMENT BILL

Returned

Bill returned from the Assembly with an amendment.

STOCK DISEASES ACT AMENDMENT BILL

Second Reading

Debate resumed from the 21st September.

THE HON. H. C. STRICKLAND (North) [3.17 p.m.]: This Bill, although quite a small one is, nevertheless, most important. As the Minister explained there was an outbreak of a poultry disease in the Eastern States called Newcastle disease.

Because our local Stock Diseases Act does not completely cover the definition of "poultry"—or the produce of poultry—which may be imported into Western Australia, there was a risk of the disease coming into the State. In order to give the department adequate power to protect local poultry farmers, the definition covering poultry is to be amended. It was found that the simple description of "poultry" was inadequate, but the new description which is to be inserted in the Act will meet all requirements.

There are two other amendments in the Bill which merely convert pounds, shillings, and pence to decimal currency. Those amendments apply to sections 18 and 20 of the Act.

Section 18 of the Act prescribes the penalty for persons who leave carcases of infected stock lying around, or dispose of them where they will rot. The Act, of course, prescribes that the carcases must be destroyed by burning within 24 hours; or destroyed by some chemical which is capable of killing the disease which may be in the carcase.

Section 20 provides a penalty for anybody who interferes with, or hinders in any way, quarantine regulations prescribed under the Act.

The Stock Diseases Act is now more than 70 years' old and it has been of great benefit to stock owners generally throughout Western Australia. From time to time there are outbreaks of disease in the Eastern States but, probably because of the deserts between Western Australia and the Eastern States, such as the Nullarbor Plain and the Canning Desert which have acted as a buffer, those diseases have not spread to this State. However, the officers of the department, who vigilantly police the Act, must be given a tremendous amount of credit for keeping this State almost free from serious outbreaks of disease.

I can remember one very serious outbreak of rinderpest in 1923 when I was a youth. An outbreak of that disease would have far-reaching effects in any State or country, and I would like to give members some idea of the cost of the outbreak in this State in 1923. My friend Mr. Wise obtained some particulars from the department for me and they are most interesting. The outbreak occurred in the metropolitan area and some 434 owners were affected. They were obliged to have their stock slaughtered and the disease extended over an area of 80 square miles between Fremantle and Bassendean. The numbers of beasts slaughtered were as follows:—

Cattle	1,534
Pigs	1,024
Sheep	24
Goats	311

The amount of compensation paid to those owners was £58,000, and that figure, in 1923, would be equal to £250,000 or $500,000 today.

The Hon. F. J. S. Wise: In addition to the difference in the value of money, there would also be the striking difference in the value of the stock today.

The Hon. G. C. MacKinnon: And of course it is terribly difficult to get the numbers up again because of the lack of breeding stock.

The Hon. H. C. STRICKLAND: It certainly is. I can remember the instance well. I was living in the Guildford district at the time and pedigreed stock owned by William Padbury, who lived at Guildford, was moved to Rottnest and quarantined at the island. By this means the cattle were saved from slaughter and from contracting the disease. Also, as the Minister for Health indicated, these beasts were able to reproduce and were responsible for some of the fine cattle we have in the State today.

There have also been outbreaks of swine fever and other diseases, but they have not cost the State or the industry generally anything like that outbreak of rinderpest. Therefore, one cannot help but admire the efforts of the department, particularly the veterinary officers, such as Mr. McKenzie Clark and Mr. Toop, who have been so vigilant and consistent in their efforts to prevent or stamp out any disease which was likely to occur in the metropolitan area.

During my term as Minister for the North-West many requests were made to me to have the chief veterinary officer alter his views in respect of pluero-pneumonia, which occurs from time to time in the Kimberleys. As members know, cattle which come from the Kimberleys to Robb Jetty always have to be placed in quarantine until they are slaughtered. They cannot be purchased and then taken away to graze or fatten because they might spread disease. The regulations in this regard irritate some of the cattle breeders in the Kimberleys because the Robb Jetty market pays about 50 per cent. more for a beast than any other market which is available to the growers.

Nevertheless it is important that diseases should not be allowed to spread throughout the State, and infected cattle must be quarantined and treated so that the position can be kept under control. The Bill goes a little further in strengthening the hands of the departmental officers and I am pleased to support it.

THE HON. F. R. H. LAVERY (South Metropolitan) [3.26 p.m.]: I rise to support the Bill and, like Mr. Strickland, I congratulate the departmental officers who administer the Act for their efficiency over the years. I do not know how many members realise it, but it is not possible to import turkey eggs into Australia from

any other country. During the early part of the war years I was a breeder of turkeys and we were able to import high-class breeding gobblers from the Eastern States. However, when we attempted to import eggs from the Eastern States, although we were not prevented from doing so we were advised by the department that perhaps it would not be in the interests of Western Australia, and we accepted that advice.

I have heard some people ask, "What the devil is Parliament worrying about eggs for?" There are many reasons why we should worry about eggs because disease can be transmitted by eggs. I could elaborate on some of these diseases but I shall not take up the time of the House by doing so. In my opinion the department deserves every support when it introduces Bills of this nature, and it is up to Parliament to see that that support is forthcoming.

A large number of surplus eggs are exported to the Middle East and the Arabs are very careful in their efforts to prevent an outbreak of disease in their country. The method of incubating eggs in that country is different from the method used here. The Arabs use a brick oven in which 10,000 or 12,000 eggs are placed in cells, and the heat comes from a fire outside the incubator. When the operators want to enter through the doors of the incubators they have to change their shoes. They step over a sort of gunnel and put their feet into clean shoes which are inside the incubator. In this way they do not transfer muck which may be around the outside yards to the inside of the incubators.

I thought that point might be of interest to members because several people have said to me that they thought we ought to have something better to do in Parliament than to worry about eggs from the Eastern States. In my view, the amendment in the Bill is a very sound one.

Recently the customs authorities have found some people who have been returning from foreign countries—I shall not mention the names of those countries—with a false bottom in baskets they have been carrying. These people have been trying to bring plants into this country, and in Queensland one man tried to smuggle some serum into the State but, because of the vigilance of the customs officers, this was prevented. As Mr. Strickland has said, the vigilance of the officers administering this legislation leaves nothing to be desired, and I offer my congratulations for the work they have done. I support the Bill.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

BREAD ACT AMENDMENT BILL

Second Reading

Debate resumed from the 21st September.

THE HON. F. R. H. LAVERY (South Metropolitan) [3.32 p.m.]: In supporting this Bill I want again to offer my congratulations to the bread manufacturers, the Bakers' Union, and the Transport Workers Union for being able to reach agreement on the matters outlined in the Bill.

For a long period of time there has been a certain amount of dissatisfaction between these three groups, most of which, in my opinion, need not have occurred had they worked on the same conciliatory basis as they have on this occasion.

For many years I was an executive officer of the Transport Workers Union, and for quite a long time we tried to get the master bakers to agree to a starting time that could be adhered to, so that the master bakers, who were actually what we might call the backbone of the trade, would not be white-anted by the get-rich-quick Wallingfords who made their money and left the industry.

Over the years it has been found that employers in all groups in our community, together with the unions, have been able to get together on many occasions and iron out the difficulties that might exist between them, difficulties which should never have occurred. Because of what the Bill sets out to do in this regard I think its objective is a good one. One feature which will emerge from the Bill is in connection with the wrapping of bread after it is cooked. The Bread Act provides that before being wrapped bread must be at least three hours cooked.

With the starting times as late as they were in the mornings it made the actual delivery of bread almost a twofold job. The bread carter left the bakery with a certain type of bread in his van, and later in the morning another van would come along and load the first van with wrapped bread.

On the score of economics this will be avoided, because the bread will have been baked for a sufficient time to allow vehicles to load up at the bakery and for the carters to make their deliveries immediately. While on this matter, it may be as well to point out that the master baker today is quite different from the master baker in days gone by, when he had a few wooden tubs and a wood-fired oven. In one bakery which is in my electorate, only a few years ago automatic plant worth £24,000 was installed in the bakehouse. Because of that certain financial arrangements had to be made. The equipment I have referred to was barely installed, however, when science made it obsolete, and more modern equipment has had to be installed. This bakery has now installed equipment to the value

of £70,000. There is no doubt that this is in the interests of economy so far as the master baker is concerned, but it also provides a better type of bread for the community.

As a representative of the working people I want the price of bread to be kept at a minimum; and, accordingly, any efficiency that can be brought to the industry as a result of this Bill should be encouraged, and the measure will receive my support.

I have discussed the matter with the Transport Workers Union, the Bakers' Union, and with the master baker to whom I have referred, and they are all happy about the provisions in the Bill, which I have pleasure in supporting.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

STATE ELECTRICITY COMMISSION ACT AMENDMENT BILL

Second Reading

Debate resumed from the 14th September.

THE HON. V. J. FERRY (South-West) [3.40 p.m.]: The subject of this Bill is indeed an immense one, and one can talk for hours on electricity. I support the Bill, and in doing so I wish to refer to a few facets in the supply of electricity, and to the activities of the State Electricity Commission.

At the outset I would like to point out that the study of electricity today comprehends a vast range of phenomena, all of which bring us back ultimately to the fundamental conception of electrical charges, and electric and magnetic fields. It is said that the phenomenon of electricity cannot be explained very readily, and the tendency is to explain all other phenomena in terms of electricity, taken as a fundamental thing.

Electricity is the name we give to the assumed source of certain manifestations of force and energy. The phenomena of static electricity, produced by friction, was known to people in ancient times. However, the discoveries of the electrical effects of heat and chemical action, current electricity, and electro magnetism were not made until round about the 17th century A.D.; while the study of ionisation was developed in the 19th and 20th centuries. This gives a backdrop to a tremendous field of activity when we talk of electricity.

Contained in the Bill is a reference to conveying electricity to rural areas. With the adaptation of electric power to agriculture, the supply of electricity plays an important, twofold part. Firstly, it provides the farmhouse with electricity and power for domestic comforts which hitherto were unavailable to people residing in rural areas—as compared with people living in cities and towns. Secondly, it provides the farm with a reliable and flexible source of power for work.

Today in farm work, as in so many other industries, both primary and secondary, we find a highly mechanised situation. In farming activities we find that irrigation is a very important aspect, and this can be operated efficiently by the use of electric power. I can touch on many avenues, such as shearing plants and milking machines, and—although not regarded as farming—the farming of timber through the electrification of modern timber mills.

It is interesting to check the statistics and to study the rate of development in dealing with the subject of electricity. My research has revealed that not only has the number of consumers throughout Australia increased quite rapidly since World War II—this, of course, includes Western Australia—but the consumption of electric power *per capita* has also increased. To illustrate one small facet in this direction, I refer to the number of electric motors produced in Australia. In the year 1938-39 there were 31,000 electric motors produced in Australia, and in 1960-61 there were 1,860,000 produced. That is a tremendous increase.

A further interesting facet of these figures is that approximately 89 per cent. of the electric motors are of less than one horsepower. This rather indicates the tremendous growth of domestic appliances over the period I have just mentioned. In referring to domestic appliances we can think of radio sets, television sets, refrigerators, electric cooking ranges, etc. One could go on and on listing the appliances.

When we speak on the subject of electricity, and touch on the diversity of its use—from the comparatively simple domestic appliance to the extremely complex electro-chemical process on the other end of the scale—our imagination is really hard put to comprehend the full implication of what we are dealing with in this Bill.

Sitting suspended from 3.46 to 4.3 p.m.

The Hon. V. J. FERRY: Prior to the afternoon tea suspension I was referring to the diversity of purposes for which electric power may be used, and I think it is interesting to reflect that the quantity of power used is not necessarily governed by the income of the family. It does have a relationship but is not necessarily governed by any particular strata of income. It has been found that when connections are made to premises people become so accustomed to using electricity that they consider it in the same light as they would consider the purchase of a loaf of bread or a bottle of milk. It is regarded as one of the household expenditures.

However, I also realise that in country areas, particularly where people have not had the service of electricity before, they look very closely at the charges as they will affect them once the electricity is connected. Here again though, once the electricity is connected, the householders accept the power for domestic or farm use, or for whatever they may require it, and they become accustomed to using it in the same way as they use any other commodity.

The use of electricity is increasing because more consumers are being connected every week, and the electricity used *per capita* is also increasing. The amount of electricity used fluctuates. It is governed by physical, climatical, and natural factors. The rate of consumption at mealtimes affects the domestic consumption; the rate of consumption during daylight hours tells a story on the industrial side; whereas the use for traction is emphasised on a graph over the morning and evening periods.

Unlike some substances, electricity cannot be stored. Gas and petroleum can be stored and subsequently used. Electricity has to be generated through the transmission network.

In connection with the part being played at the present time by the State Electricity Commission, it is interesting to study the words the then Chief Secretary (Mr. Kitson) used when he introduced the State Electricity Commission Bill on the 13th November, 1945. In moving the second reading, he said—

> I consider that this Bill and the two which follow it dealing with the electricity supplies of this State are, perhaps, the most important measures to be submitted to the Parliament of Western Australia insofar as its industrial development is concerned. The first Bill which I propose to introduce is one which creates a commission, the electricity commission, that will be given very wide powers. The other two Bills are complementary to this. May I say in introducing the measure that it has been stated authoritatively that the remarkable progress in the development of electrical power is comparable in its effects with those of the Industrial Revolution of the past century.

That was said a little over 20 years ago in the Parliament of Western Australia, and I feel the words have been substantiated by the development of this State since that time. The accelerated progress of this State is a reflection of the efficiency of and work being done by the State Electricity Commission. Its undertaking is promoting our welfare in so many ways.

In referring to the commission I would like to present the net trading results contained in the annual report of the commission dated the 26th October, 1965. A profit was made in the metropolitan system for the financial year 1964-65, this profit being £1,174,333. However, the following schemes, all in country areas, made a loss. The South-West power scheme made a loss of £337,567; the loss of the northern zone was £52,203; the loss of the Geraldton zone was £9,358; and the Albany gas undertaking made a loss of £8,287.

The net result—the profit from the metropolitan area offsetting the losses from the country—was a profit of £766,918. I quoted those figures to illustrate the position as it affects the country areas, to which this Bill, in part, refers. The figures demonstrate that the metropolitan area consumers are, in effect, subsidising the country consumers; and I would venture to say that this is a desirable thing because country people, by their very distance from the metropolitan area, are placed at a disadvantage in so many ways. I feel that it is some compensation to them, perhaps, that the metropolitan electricity consumers are, to some extent, offsetting the losses incurred by providing electricity to country people. Of course I realise that country consumers pay a higher tariff rate per unit consumed, but, nevertheless, they would pay a still higher rate if the metropolitan consumers did not assist in this way.

I now wish to refer to some of the clauses in the Bill. Clause 2 provides for a simple conversion from the old currency to our present dollar currency, and deserves no further comment. Clause 3 refers to the alteration of the title of the account. Under the Bill the account will be changed to the State Electricity Commission account, and that is straightforward enough, as it is merely a change of wording.

Clause 4 refers to section 32A of the Act, and under the Bill this section will be repealed and re-enacted. The section particularly concerns country consumers because it deals with the provision of electricity under the contributory extension scheme.

At present this scheme for country consumers provides for their being connected to the power under two systems. One of these is for a straight capital payment to be made to the commission, and the commission may, at the end of 30 years, return that money to the consumer. The alternative system is for the consumer to pay for the connection by quarterly instalments over a period of 30 years.

Therefore, to summarise, one system is a straight cash payment which is returnable at the end of 30 years; and the other is a payment by quarterly instalments which are not returnable.

Under the provisions of the Bill, this system is to be changed in three ways. Firstly, of course, the consumer under the contributory extension scheme must pay

the standard rate for electricity. Secondly, the consumer is required to pay 50 per cent. of the capital cost as assessed by the commission to make this connection; and the balance must be paid by quarterly instalments over a 30-year period. He can, alternatively, pay the full capital cost before the connection and this is returnable to him at the end of 30 years.

The Hon. F. R. H. Lavery: He may be an angel by then.

The Hon. V. J. FERRY: The reason for this amendment, as I understand it, is to give the commission more capital money to carry on the extension scheme. Under the present system only about 10 per cent. of the new consumers being connected have, in fact, paid a cash contribution towards the capital cost. The other 90 per cent. have taken terms over 30 years. This does not provide capital at a fast enough rate for the commission to continue this extension programme.

The Hon. F. R. H. Lavery: Is not capital work done with money from loan funds?

The Hon. V. J. FERRY: Partly. I understand that under the proposal the commission may offer some incentive by way of discount for those who provide a cash capital sum at the outset. This is by way of some incentive to encourage a greater capital contribution for works in hand and to assist with the scheme generally. I have some misgivings on this proposed change. I realise it will be the means of carrying electricity to many parts of the State, and continuing this service, but I do feel it may have the effect, in practice, of working against the less affluent consumer under the contributory scheme.

I quote an instance where a consumer may live in a more remote area on a farm, and where a longer lead may be necessary from the main to his property than, perhaps, his neighbours further down the road require. If he is required to supply 50 per cent. of the capital cost, and a cash payment, probably in some instances this will create a degree of hardship. Previously, they had the choice of meeting this capital cost on terms by the payment of quarterly instalments. Under the provisions of the Bill before us, the individual would be asked to provide 50 per cent. in cash plus the remainder by quarterly instalments.

The Hon. A. F. Griffith: I think you must not forget that the obligation of the S.E.C. to provide power under a total contributory scheme is becoming increasingly difficult.

The Hon. V. J. FERRY: I appreciate that and I think I made reference earlier to the fact that the amendment to this section will be the means of carrying out work throughout country areas. However, it may have the side effect of working against some consumers who are less affluent and who cannot provide the capital contribution required by the commission in the future.

Another aspect of the amendment concerns the deletion of reference to *caveats*. *Caveats* were introduced by the commission in 1959, and it was considered necessary at that time in order to protect the interests of the commission, or its investment. A *caveat* would be lodged over the land to which the electricity was connected.

At this point it became involved because a *caveat* concerned the owner of the land and, unless the owner consented, a lessee—or somebody occupying the land; not necessarily the owner—was at a disadvantage, if the owner did not agree. Of course, the lodging of a *caveat* over property adds to administration costs. It meant added costs to the consumer and, certainly, it was an inconvenience to all those who were handling the transaction. Certainly, it created more work if the consumer was offering his property as security to a bank, because the bank would need to lodge the title at the Titles Office in order that the *caveat* would be recorded, and that sort of thing. This, in effect, tended to delay connections because of the administrative detail that was necessary under the system.

Under the amendment contained in clause 4, it is proposed to do away with *caveats*. I, personally, appreciate this amendment.

The contributory extension scheme is now serving approximately 3,000 people throughout country areas in the State, and some 940 new connections were made in the last 12 months. I feel this is a very satisfactory rate of progress. Of course, we do not reach that point of time where we are completely satisfied with progress but I think we must be fair and appreciate that considerable progress is being made in many districts of this State by the commission.

The Hon. A. R. Jones: We want a little more activity in the north.

The Hon. V. J. FERRY: I would agree that there could be more activity in many directions, but this is governed by the costs involved and by the funds available.

I now turn to clause 4, paragraph (3), on page 3 of the Bill, whereby the commission shall review the supply of electricity over the distribution works erected at least once every three years. I feel it is a very worth-while provision that the commission shall review the situation under the contributory scheme at no greater period of time than every three years. In changing circumstances and changing times, I consider it is most necessary that a fresh assessment be made as it affects the consumers and the commission.

Under paragraph (5) of clause 4, the commission may discontinue the supply of electricity if the amount due to the com-

mission is unpaid for a certain period, or if the applicant fails to comply with any terms and conditions agreed to. In my view, it is necessary that this should be contained in the Bill; otherwise the whole service would fail.

The Hon. C. E. Griffiths: They do that to us here so they might as well do it down there.

The Hon. V. J. FERRY: Anyone who is disconnected because of non-payment of dues may apply in writing to the commission for reconnection and, subject to the payment of these fees to the satisfaction of the commission, his service will be reinstated.

On page 5, clause 5 brings to us quite a radical change in the set-up of the financial structure of the commission. Previously, the State Electricity Commission operated through the Treasury. An account was conducted by the Treasury with the Reserve Bank. Under the provisions of this Bill, it is proposed that the commission will transfer its banking transactions from the Reserve Bank, through the Treasury, to the R. & I. Bank.

I understand the need to do this arose out of the provision for funds for the construction of a new administrative building in Murray Street. The Rural and Industries Bank agreed to provide loan funds to the order, I believe, of $1,500,000 over a term of something like 10 years for the construction of this new administrative building. In return, the Rural and Industries Bank will conduct all the banking business for the commission. I understand this loan of $1,500,000 will be on overdraft and will be on a fluctuating system but, generally, it is expected that the term of the loan will be in the order of 10 years.

I say, "fluctuating" because the trading receipts from the commission will be deposited to the account and this will offset progressive drawings and payments for the new building.

I would like to add this comment—I know it has been expressed in other places, but it is worth repeating—and, that is, I trust the Rural and Industries Bank, by providing funds to the extent of $1,500,000, will not fall short of servicing approved borrowers in other industries. I realise that the S.E.C. is a major borrower, and it does a major job for the State, but I also realise that there are many, many small borrowers who require funds, too. I can only add my remarks to those of other members who have expressed some thought that it is hoped the R. & I. Bank will not curtail any lending to normal borrowing channels in the ordinary course.

The Hon. E. C. House: It could not be much worse than it is.

The Hon. V. J. FERRY: I cannot answer that because I do not bank with this organisation.

The Hon. E. C. House: Neither do I.

The Hon. V. J. FERRY: I do not think anyone will argue that the new administrative building is not necessary for the S.E.C., because surely when an organisation is as big as the commission, it should be run on efficient lines. At the present time, the S.E.C. is conducting its main administrative work from two buildings which are quite a distance apart. I understand it intends to sell its building at 321 Murray Street, and the money received from this will help to offset the cost of the new building on the same block as the existing premises, but further down Murray Street —at 132 Murray Street.

I understand the building of this new administrative block will be done progressively and, probably, in three stages. Here again, the R. & I. Bank may be called upon —and I imagine it will be called upon—to provide further funds for these successive stages as the years go on. It will be a gradual development.

We have just been talking of overdraft accommodation and, in talking of funds for the development of electrical services throughout the State, I would like to turn to the provision of funds by loans raised by the S.E.C. Since the commission was brought into being some 20 years ago, it has raised 25 loans and 22 of these have been filled without the assistance of underwriters. The 26th loan is now open—a loan of $3,000,000.

I am sure members will realise that the rates charged by semi-governmental instrumentalities are regulated by the Loan Council. The Loan Council stipulates the terms and rates of interest on these loans. At the present time, the current loan at the S.E.C. provides for interest at the rate of 5⅜ per cent. for a period of seven years, and 5½ per cent. for a period of 10 to 15 years.

Throughout Australia there is a dwindling support for semi-governmental loans. I confirm this thought by quoting, as an example, the S.E.C. of Victoria. Over a five-year period from June 1961 to June 1966, the S.E.C. of Victoria approached the public seeking cash or conversion loans on 21 occasions and only two out of the 21 loans were fully subscribed by the public; 19 were under-subscribed. The Melbourne and Metropolitan Board of Works, over the same period, went to the public on 19 occasions with a loan proposal and only three were fully subscribed. In fact, of the 19, 12 were subscribed to an extent of less than 60 per cent.

Over the last 14 years, not one loan of the Sydney County Council in New South Wales has been fully subscribed. With regard to the Queensland S.E.C., only one loan of the last six has been subscribed to the extent of 65 per cent.

From these figures throughout the rest of Australia, members can see that the commission in this State has done a re-

markably good job in filling 22 of 25 completed loans so far. In my view, tribute should be paid to the management of the commission who have brought this into effect.

In referring to the pegged rates and terms, as stipulated by the Loan Council, it seems to me that semi-governmental instrumentalities are under a handicap when one compares the rates and conditions as enjoyed by Commonwealth Government loans. Nobody will deny that these loans are most important to Australia, and it is most important that Commonwealth loans shall be filled. Although the Commonwealth stock is at a lower rate of interest than the S.E.C. at the present time, when one takes into consideration the benefits of taxation rebate—to the tune of 10c per dollar, or 10 per cent. of taxable interest earned on Commonwealth loans—it is found that loans, such as we have with the S.E.C., are at a disadvantage; although, on paper, the rates are higher and in the paper I have before me they are quoted as being at a maximum of 5½ per cent. To achieve parity with Commonwealth loans it has been authoritatively worked out that one would need to have a return of 6.2 per cent.

The Hon. F. J. S. Wise: Mind you, you are in a better position now than you were some time ago.

The Hon. V. J. FERRY: That may be so. However there is a difference between these two types of loans and that is why the bodies in the Eastern States are experiencing considerable difficulty in filling their loans; namely, because their rates of interest, on paper, are higher but, in effect, they are lower. I have made mention of that in this House because I believe it has a great bearing on the supply of electricity in this State and the future progress of the State Electricity Commission in developing further electricity mains to those parts which are not yet served.

It has been said, and rightly so, that the welfare and security of Australia are closely allied with the future growth of population, and the immigration programme is based on this premise. At the same time, the ability of authorities to provide essential services, such as electric power, water, sewerage, and the like to meet the basic needs of the population is restricted. The restriction that has been brought about by the undernourishment of the capital fund has caused me to refer to the rates of interest that are being paid by the various semi-governmental bodies.

I will not delay the House further. I support the Bill fully with the proviso I have mentioned; namely, that in practice the measure may prejudice some consumers in country areas who are more remote than other groups under the contributory scheme, and if this is proved to be correct I trust the commission will investigate the position thoroughly with a view to remedying this set of circumstances.

THE HON. S. T. J. THOMPSON (Lower Central) [4.33 p.m.]: I support the Bill. I am sure members must feel indebted to Mr. Ferry for the lengthy discourse he has given on electricity, and on this Bill in general. However, just in case some members may have some misconception regarding the contents of the Bill, I will make some reference to the contributory scheme as provided in section 32A. I am a little diffident about discussing this in front of you, Mr. President, because if you were on the floor of the House you could tell us more about the contributory scheme and its development than many of us know.

The contributory scheme has been a wonderful boon to our part of the State until now. We are greatly indebted to the Government that introduced it originally. Mr. Ferry has told us there have been 3,000 connections, and that is correct. At a recent meeting I attended, the Minister for Electricity stated that the commission hoped to make 1,200 connections next year. This is extremely good news, but when I inform the House that at another meeting I attended it was announced that applications for new connections would be in the vicinity of 6,000 we can all realise the position in which the scheme is at present.

Although Mr. Ferry has made reference to increased charges for the contributory scheme, no mention of these is made in the Bill. There is no reference in the Bill to the payment of a deposit of 50 per cent.

The Hon. F. R. H. Lavery: There is no reference to that in the Minister's speech made in another place, either.

The Hon. S. T. J. THOMPSON: No. Section 32A of the Act deals with *caveats*. Every contributor to the scheme has to sign a *caveat*. I have one in my hand at the moment and the contributor in question had to pay £76 a year for 30 years. This condition will be abolished and, in my opinion, that is a wise move. All those contributors who have been connected in that way to date have not paid any cash deposit. They have had the whole cost spread over 30 years. As Mr. Ferry has stated, a 50 per cent. deposit will have to be paid before any connections are made under the new method, and the groups are already working on this new scheme. It is not so bad as it sounds because it does not directly affect the individual contributor.

These contributory schemes are evolved for groups of contributors. A group will be connected to the mains provided it can pay a 50 per cent. deposit, and some of the individuals in that group need not meet their portion of the cost of the

deposit immediately. There is only one point about which I am concerned in regard to the increased charge and that is that up to the present, all through the area with which I am connected, we have been able to maintain a system of connections being made in strict rotation. However, I am afraid that under the Bill this scheme may get a little out of hand. One group will be able to find the necessary cash for the deposit but another may not be able to do so and probably we will find some blank spaces in the various connections.

The Hon. A. F. Griffith: I have the idea that unless something is done there will be some really big blank spaces.

The Hon. S. T. J. THOMPSON: I realise that and I am fully in support of the scheme. I was merely referring to some possibilities that could arise at present. My own conception of what perhaps could have been a better way for the commission to achieve its purpose would have been for the commission to have made it more attractive for people to pay cash, but still grant to those who could not pay cash a period of 30 years in which to pay the amount due. In other words, the commission could charge the man who could not pay cash a little more, but grant a small discount to the man who could pay cash.

The Hon. J. Heitman: The man that pays cash gets a discount of 6 per cent. on his money.

The Hon. S. T. J. THOMPSON: That is right. However, this other scheme has to be brought in and we must give it a trial. If problems such as those which Mr. Ferry and I have foreseen are created there will be some further charge to those who come under the scheme, but we could not proceed any longer with the existing system because it was in grave danger of breaking down.

I hope the passing of this Bill will not only assist the commission but will also enable it to speed up some of the connections, because some people have been waiting a considerable time for electricity. The State Electricity Commission no sooner builds new mains of considerable length than it is inundated with many applications for another set of mains. Before I left the district represented by Mr. House there were plans for miles of electricity extensions in that area, and this is the trend everywhere. Farmers have plans for extensions of electricity mains years ahead. I admit that although we did not hear of this a few years ago, today everybody is impatient to be connected to the mains.

The Hon. L. A. Logan: That is human nature.

The Hon. S. T. J. THOMPSON: That is correct. I fully support the Bill. I think Mr. Ferry has covered all the other aspects concerning a change in banking and so on, but in my opinion the State Electricity Commission has done a wonderful job with these contributory schemes which we must preserve, and perhaps the Bill represents the way in which this can be done.

THE HON. C. E. GRIFFITHS (South-East Metropolitan) [4.40 p.m.]: I congratulate Mr. Ferry on the comprehensive manner in which he conducted his research on this subject prior to making his speech, which was certainly a fine effort. The Bill in itself is extremely worth while and the clauses contained in it do not create any difficulty for anybody except, perhaps, in the minds of the two members who have just spoken, in that some people may not be able to raise the 50 per cent. deposit to enable a connection to be made.

Nevertheless, if this scheme is to continue it is necessary for the State Electricity Commission to obtain funds in an endeavour to reach the ultimate—I do not know when that will be—when all communities in country districts are connected to the electricity supply mains. This goal could be a lot nearer to being reached than many people think. My mind goes back to the days when I was an apprentice—which was not many years ago—and even to the time when I had completed my apprenticeship and the old East Perth power house was the only source of electricity supply in the metropolitan area. Wonderful work was performed by the people who nursed and kept this power station operating during the war years and the immediate post-war years.

I used to visit the East Perth power house to witness how this power station was being run just about into the ground. I can also recall the year when the South Fremantle power station was opened, and we in the electrical trade thought this was the absolute ultimate in providing electricity supplies for Western Australia. That was not many years ago, but now we have the huge contributory scheme for the provision of electricity, which extends throughout a large area of the south-west and other country districts. This has all occurred within a period of about 20 years. I believe that in the next 20 years this development will be repeated manyfold.

I think it was Mr. Jones who made the interjection that we should have something like this in the north.

The Hon. E. C. House: He means Kununurra.

The Hon. C. E. GRIFFITHS: Even Kununurra will eventually be connected to a grid that will extend from the south of Western Australia right up to the north.

The Hon. A. R. Jones: I was referring to the near north.

The Hon. S. T. J. Thompson: I envisage a hydro-electric scheme at Kununurra.

The Hon. C. E. GRIFFITHS: Yes, we probably will have such a scheme there. I believe, as a result of the research being

done overseas, the tidal power that is available to Western Australia in the north will be harnessed within the next 20 years. That will represent a major step towards allowing the State Electricity Commission to extend this grid system completely throughout the north of the State.

For the individuals who are fortunate enough to be participants in a contributory scheme there are many benefits besides that of having the electricity actually connected. Most of these people have been using various types of home-lighting plants to provide them with light and power for a minimum number of appliances used in their homes.

The contributory scheme enables them to participate with the people in the cities in the purchase of electrical equipment which, by virtue of the quantity produced, is much cheaper than the electrical appliances they have had to buy for operation on 32 volt plants, and less than the 250 volt category.

The Hon. L. A. Logan: Or D.C.

The Hon. C. E. GRIFFITHS: Yes. I would like to be assured in regard to the provision in the Bill which requires a consumer to pay a minimum of 50 per cent. I would like to feel that if somebody could not afford to pay, and a scheme was going past his property anyway, that that person would be allowed to make some arrangement.

I am in complete agreement with the clause in the Bill which will make it unnecessary for a *caveat* to be placed on a property. That was most repugnant to a number of people, and I am pleased to know the Government has seen fit to remove it.

Whilst I do not necessarily agree with all that the State Electricity Commission does, generally speaking I think we have a great deal to be thankful for so far as the commission is concerned. We have people in the department with progressive ideas, who are courageous in the manner in which they plan and perform their particular functions; and, as a result of this, I would say Western Australia is well to the fore as far as Australia generally is concerned in respect of the transmission of electric power. Sometimes, during the course of transmitting this power, people are upset; and I do not necessarily agree with the methods used by the commission. However, by and large, I think Western Australia is not behind the fence when it comes to administration and the technical people who are employed by the State Electricity Commission.

The Hon. T. O. Perry: That is reflected in the low charge for electrical power.

The Hon. C. E. GRIFFITHS: I could perhaps go a little further. Mr. Ferry pointed out that the consumers in the metropolitan area are subsidising the country districts—and rightly so.

The Hon. L. A. Logan: We subsidise them.

The Hon. C. E. GRIFFITHS: Perhaps. I think it is quite right that the metropolitan consumer should, in fact, do this. I would like to see power made available to people living within 10 miles of the G.P.O. who, for one reason or another, cannot have electric power. I would like to see some sort of scheme evolved. I do not wish to get too far off the subject, but I contend that even if a further subsidy is required, those people who live quite close to the metropolitan area should have power made available to them. I think the situation at the present time is a disgraceful state of affairs; but that is another argument, and I do not intend to get on to it.

I have great pleasure in supporting the Bill and trust it will be the means of furthering a scheme which has proved very valuable to our State.

THE HON. E. C. HOUSE (South) [4.50 p.m.]: I, too, would like to congratulate Mr. Ferry on his full coverage of this measure and the special mention he made in regard to loan moneys as they affect the different States. What he had to say was most interesting.

It is well known nowadays that it is not easy to fill these loans, because there has been a definite widening of the avenues in which trust moneys and securities can be placed. In the old days, a more or less gilt-edged security had to be found, but now people are able to gamble a little with these moneys. Therefore the good securities do not attract the same amount of money as they did previously.

I think it is only fair that a new building should be erected for the commission. If one goes down to the head office in Murray Street one sees how congested are the conditions under which the staff have to work. Therefore it is only right that a better building should be provided.

The Hon. A. R. Jones: Should it be air-conditioned?

The Hon. E. C. HOUSE: There is a feeling that there might be criticism in connection with the money that is to be used for this building. It is, perhaps, thought that the money should go into the scheme itself. However, I do not believe that should be so.

Although the amount of money to be contributed to the group scheme is not mentioned specifically in the Bill, the Minister, when he introduced the second reading, did make reference to a capital contribution. I think nearly every speaker has expressed the fear that because of having to make this contribution the less fortunate groups may miss out. I think Mr. Syd Thompson pointed out that in a group there could be one person who could not afford to pay the 50 per

cent. minimum. However, I think there would be others in the group who would be prepared to contribute a larger percentage because there would be advantages in doing so. It is only 50 per cent. of the group total, and not necessarily individually, that is required.

For instance, there will be a 10 per cent. reduction for cash payment. Under this new scheme, the provision for a distance of 20 chains on one's own land has been dispensed with. The cost of this 20 chains would be in the vicinity of $500, plus all the inconvenience of obtaining a suitable contractor with the right equipment to bore the holes, erect the poles, and so on. Under the new set-up the power will be taken directly to the house, and this, in itself, will save money. As a group, money will be saved, because the extension will be better planned; and the cash payment, with the dispensing of the 20 chains, could be lower than it was under the old set-up. This will apply especially where there are short leads of half a mile, or even up to a mile and a half, and so on. So taking everything into consideration, this will be of benefit to the groups rather than to their detriment.

The amount of loan moneys owing on this contributory scheme over the 30-year period has risen to $2,800,000; and it is quite obvious—as I think the Minister interjected—that this trend could not continue. However, I do not think the overall position will be any worse than it was before.

I know a lot of ground has been covered which has nothing to do with the measure, and I do not think I should try to make the situation any worse. However, in closing, I would like to say how pleased we are in the country with the work that the S.E.C. is doing in regard to extensions. The figures for connections are rising every year. If one examines them, one will find that they go from 500 to 750 to 1,000 connections per year, and mention was made this afternoon that there may be 1,200 connections next year. In the main, we are all very pleased with the way in which the commission goes about its work, the quality of its work, and the service that is given.

One Sunday afternoon I had occasion to ring a place 90 miles from home to say that the power was off, and within 2½ hours the fault in the connection had been fixed. I do not think one can ask for more than that. People in the city probably have faults in their connections attended to almost immediately, but when one can get this sort of service on a Sunday afternoon, in about two hours, particularly when the workmen had to come nearly 100 miles, I think it is a creditable performance.

I am pleased that the *caveats* have been abolished. They were nothing but a nuisance; and now that they are not required the work will be speeded up.

THE HON. F. R. H. LAVERY (South Metropolitan) [4.57 p.m.]: I rise to support the Bill and, at the same time, pass some comments. I would like to join with others in thanking Mr. Ferry for the research he did on this measure; and I would also like to elaborate a little on what he said in regard to the requirements of power over the years.

In 1957 I was the guest of Brigadier Field at Yallourn for a full day. At that time he explained that the requirements for electric power throughout the world had reached the stage where every 10 years the supply must double. That is actually what has taken place in Western Australia since 1957—requirements have more than doubled. As a matter of fact, they have almost trebled.

I do not want to repeat the remarks made by members representing the country districts, because their problems are more in regard to the long mileage involved in connections. My concern is for those people who reside 25 to 30 miles from the G.P.O., in districts where the State Electricity Commission has not found it possible to install the power lines to provide the people with a service.

I would like to refer to two cases that will prove my point. I do not want anybody to think I am in any way criticising the conduct of the S.E.C.; but I would point out that it seems easier to obtain electricity 150 or 200 miles from the city, than it is for the people close to the metropolitan area, who wish to join a group scheme. These people have to wait for years.

I have a [illegible] here which was started in 1960 and concerns the provision of power along Hope Road, Johnson Road, and Anketell Road, Mandogalup, which is 15 miles from the Fremantle Post Office, and five miles from the shore front at Kwinana. It amazes me that so much time must be spent by members of Parliament in the closer districts on investigations to ascertain whether it is possible for power to be provided for a small group of people.

In this case the commission agreed, but somewhere along the line a delay occurred, and finally the scheme was scrapped. I am not criticising the department for this, but certain circumstances arose. In dispensing with the *caveat* system a tremendous advantage will be gained. It will be of tremendous benefit not only to the consumers but also to the commission. Mr. Ron Thompson, Mr. Pedler of the department, and I have spent a tremendous amount of time trying to administer the *caveat* system. I would estimate that the amount of money the S.E.C. has spent on investigations at the Titles Office alone in connection with this two

and a half miles to which I have referred would be approximately £100. This is unnecessary expenditure, and I must commend the person responsible for this amendment, whether it be Mr. Jukes, the Minister, or some other administrative officer. At the moment the *caveat* system has no immediate benefit to the commission at all.

The Hon. A. F. Griffith: Any security over a title has some benefit to the person getting a service.

The Hon. F. R. H. LAVERY: That is agreed. On the 26th August, 1961, the commission agreed to connect 14 people to the electricity supply at a capital cost of £2,570, involving an annual obligation of £308. When that scheme was almost ready to be put into operation, and the *caveats* were to be lodged by the department, we were told that the scheme would have to wait for at least four to five months because at that time the commission had to install the power lines and services to Alcoa. Good enough; but in the meantime one of these people decided he was not going to have a *caveat* over his already free property. He had worked on this property for 35 years and had built up the best market garden in the metropolitan area.

The result of this man's decision was that the scheme, costing £2,570 for 14 people in 1961, was shelved. Now 36 people are involved, and the distance, admittedly, is a mile extra, but the capital cost is $31,500, or, £15,500, and the annual charge is $1,740 as against £308 which was the previous figure.

The latest figures were provided on the 28th January, or thereabouts, this year, and still the people have not been supplied with electricity, because of the trouble with *caveats*. Some of these people are buying their properties on long terms and now they will have to pay almost double the amount they would have had to pay to be connected to the supply in 1961. Obviously the increased amount is because of the increased costs of copper, installations, wages, administration, and everything else connected with the extensions.

If the commission had provided the electricity in 1961, it would now have about 40 or 50 consumers in the area. But because no electricity is available owners of blocks of land there will not build. I repeat, that this is in an area five miles from Kwinana, and surely it is not too much to expect that at this point of time the people should have the use of electricity.

The Hon. A. F. Griffith: Did you say that 14 people involved an expenditure of £308?

The Hon. F. R. H. LAVERY: The Minister must make sure he knows the mileage. There are now 36 people over a distance of two and a half miles as compared with 14 people previously over, to be exact, one and three-quarter miles. The 36 people require electricity to operate motors totalling in the vicinity of nearly 200 h.p., whereas previously only about 80 h.p. was involved. The capital outlay to the commission in those circumstances must be very quickly returned.

The Hon. A. F. Griffith: Did you not say that there were 14 people and the annual obligation was £308, whereas now there are 36 people and the annual obligation will be £850?

The Hon. F. R. H. LAVERY: As a matter of fact, it is even better than that. At a later stage the commission reduced that figure to £209 for each person who contributed. In 1960 it was to be £19 per annum, and now it is to be £26 per annum for double the number of people.

Do not let us quibble about the capital cost involved. Let us consider the fact that these people have been six years without electricity because of the *caveat* system. Mr. Syd Thompson and others spoke about one mile and one and a half miles to country farms. I am rather surprised they can get the current that distance. I thought they might be two or three miles apart. In this case the folk require the service over a distance of two and a half miles, and that is the point I wish to draw to the Minister's attention on behalf of the people I have mentioned.

I am concerned about a statement that has been made by several members, but mention of which is not contained in the Bill. It has been said that half the capital cost involved in connections must be contributed in cash. Of the 36 people of whom I have been speaking, only three would be able to pay cash, and perhaps two others would be able to pay half the amount. All the others would have to make annual contributions over a period of years.

The Hon. E. C. House: What is the length of line?

The Hon. F. R. H. LAVERY: The total length is two and a half miles, plus a few chains. That is the total, but some of the people concerned live opposite each other. I would say that nobody would be a greater distance than six chains from the line.

The Hon. L. A. Logan: Any schemes that have been approved will be continued.

The Hon. F. R. H. LAVERY: When introducing the Bill the Minister in another place said—

> The amendment will provide for the applicant to reach agreement with the commission to do any or all of the following:—
>
> (a) Pay for electricity consumed;
>
> (b) pay a capital contribution;
>
> (c) pay quarterly instalments for a period not exceeding 30 years.
>
> The commission is to review the agreement at least every three years

and may, if circumstances warrant—

(a) refund the whole or part of the capital contribution;

(b) reduce the quarterly instalments.

I am sure the people I represent will be amazed to learn that they will be asked to pay half the capital cost of this particular scheme.

The Hon. E. C. House: Are those people under a contributory scheme?

The Hon. F. R. H. LAVERY: Yes; they are under a contributory scheme. Now the question has been raised I will read a section of a letter relating to the electricity extension to Mandogalup. It is as follows:—

> However, as requested, we can offer a proposal under the provisions of the Contributory Extension Scheme whereby the prospective consumers contribute towards the cost of that part of the extension beyond the point to which the Commission will extend free of charge. This means a payment of either:
>
> (a) A capital contribution of $31,500.00, or
>
> (b) An annual charge of $1,740.00.
>
> These amounts may be divided between the parties in any proportion so desired, and some may pay the capital contribution whilst others may prefer to pay the annual charge.

The people in that area have agreed to accept an equal share of the cost. I support the Bill, and I do not want to delay the House. The State Electricity Commission is to be commended for the amount of efficient work it is doing. The power station at Muja is of paramount importance to the State. However, the people of the State are entitled to be told by the Government what costs are involved in the proposed power station for the Kwinana area.

We know the cost of the coal at Muja, and the cost of coal for all other Government contracts, but we cannot find out—and the Government has refused point-blank even to discuss the question—what the charge is to be for fuel to power the station at Kwinana.

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [5.13 p.m.]: I would like to say briefly that I appreciate the general support this Bill has received. Each member who has spoken to it has been appreciative of the fact that unless the State Electricity Commission does something to change the present order of things, then great financial difficulty will be experienced.

The basis of this scheme, when it originated in 1959—I think that was the year—was that a *caveat* was lodged over the title of the land as security for the arrangement entered into. That is not an unusual business practice by any manner of means. It is quite normal and, in fact, is some form of guarantee.

The Hon. F. R. H. Lavery: I am not objecting to it.

The Hon. A. F. GRIFFITH: I am not addressing myself to the honourable member at the moment. The lodging of the *caveat* was a form of guarantee that the State Electricity Commission had in relation to the promise to pay, and which the contributor would enter into as a result of the arrangement.

The Hon. H. K. Watson: There are various other forms of guarantee as well.

The Hon. A. F. GRIFFITH: Yes; we heard about that last night and no doubt we will hear something similar in the future. I do not know what the result will be and I will not try to forecast for the future. I just overheard a comment that I should not guarantee the future.

As a result of the experience gained during the last seven or eight years of operation, the State Electricity Commission feels that it can proceed with this arrangement. There have been very few defaulters and very few contracts have been broken by the parties to these arrangements. The point is, as I said in the first place, that the financial side of this matter tends to be very burdensome so far as the commission is concerned.

In this context, I think members—including Mr. Lavery—must appreciate that a service of this nature by a Government department just cannot be undertaken unless there will be a return of income on the capital outlaid to give the service.

With an instrumentality of this sort, such as for the provision of gas, water, or electricity, that must be the basis of any extension which is to be made. If for some reason one individual says that he is not going to have a *caveat* over his property, or that he is not going to have the extension going through his land, then such schemes are bound to be held up.

I well remember in portion of an electorate which I once represented I had a water scheme guaranteed and I almost had the approval of the department to carry out the work. Then some residents of the area thought it would be quite wrong for the Water Supply Department to ask them to guarantee a minimum amount of water rates. The result was that the water never went through because of the lack of thought on the part of a few. I think Mr. Lavery knows the people were prejudiced as a result of the thinking of one individual.

The Hon. F. R. H. Lavery: I do not blame the department for that.

The Hon. A. F. GRIFFITH: I do not think any real purpose is being served by my pursuing this matter. The Bill has received general support and I thank honourable members.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

HOTEL PROPRIETORS BILL

Second Reading

Debate resumed from the 13th September.

THE HON. H. K. WATSON (Metropolitan) [5.20 p.m.]: I support this Bill and I hope it will have a smooth passage through Parliament. In my opinion, it is a step in the right direction.

I have given this question close examination since the second reading was moved and, subsequent to this examination, I would respectfully suggest to the Minister that the Bill does not go quite as far as it could. With respect, I would suggest to him that between now and the time the House next meets, he might be good enough to consider the remarks which I pass this afternoon and perhaps confer with his legal advisers before the Bill reaches the third reading to see if the suggestions I make are worthy of adoption.

Our inheritance of the common law of England was not altogether an unmixed blessing, as is illustrated by this Bill, which has its roots in events which happened in England 300 or 400 years ago and in the common law of England as developed as far back as 300 or 400 years ago.

The principle with which the Bill deals is a relic from the days of the highwaymen in England. The highwaymen established probably what would be the first illustration of bulk handling, because they found it was much more convenient to work in conjunction with an innkeeper and rob all the guests while they were within the precincts of the inn than to hold up a coach on the road and deprive the passengers of their assets. Those circumstances were the mischief which the common law sought to avoid.

The judges of 400 or 500 years ago propounded the rule of law. Whereas the ordinary common law liability of a hotelkeeper was that there was no liability unless he, himself, was negligent, the judges added a further rule to this existing rule and this was: So far as an innkeeper is concerned, he shall be liable for any loss suffered by his guests, regardless of whether it was or was not due to the negligence of the innkeeper.

This provision developed the rule of what is known as strict liability, and this has come down through 400 years. Whatever justification there may have been for this rule of strict liability, which was inaugurated 400 or 500 years ago, I can really see no reason whatever for its continuance today in any shape or form. However, this Bill does proceed to continue the principle, but to a limited extent.

Whether there was negligence or not, 400 years ago, the basic liability was total liability. A man could claim that he had lost an article worth £1,000 and he did not have to prove any negligence on the hotel's part in claiming against the hotelkeeper for that amount. For many years, by Statute, the liability has been limited to a certain extent; by Statute, the principle has been acknowledged but the liability has been limited. This Bill is to continue the principle of acknowledging strict liability, as it is called; that is, liability, whether a hotelkeeper is, or is not, negligent, but minimising the application of the principle.

The Bill relates to innkeepers within the meaning of the Act, and an innkeeper, within the meaning of the Act, does not necessarily include every hotel. For example, this Bill would not apply to Forrest House, to the Railton Temperance Hotel, or to the Derward Residential Hotel. These are not inns within the meaning of this Bill.

However, as stated in clause 3, it does apply to all establishments which are declared, or deemed to be common inns within the meaning of section 119 of the Licensing Act. This Bill is confined to those establishments. Section 119 says that every house for which a publican's general license, a limited hotel license, a wayside-house license, or an Australian wine, beer, and spirits license is granted, shall be deemed a common inn.

One preliminary point which I would make in dealing with this Bill in its reference to section 119 of the Licensing Act is that although section 119 includes a limited hotel license, it does not include a restaurant license; and, rightly so, in my opinion.

However, there is this anomaly: One has the position of two city motels within a quarter of a mile of each other which are rendering the same service and doing precisely the same things. One happens to have a restaurant license and does not come within the provisions of this Act and the other has a limited hotel license and does come within the provisions of this Act.

Yet, for all every-day purposes the two motels are indistinguishable. As the motel with the restaurant license does not come within the scope of this legislation it therefore has no liability to its guests other than the normal liability if the proprietor is negligent; that is, if a guest should lose anything and that loss is due to the negligence of the hotelkeeper. Only in such circumstances is he liable.

However, in the adjoining motel, which happens to operate under a limited publican's license, a guest residing in it, under this Bill, can lose, even perhaps as a result of his own negligence, up to $200 worth of goods and claim against the proprietor for

his loss. That seems to me to be rather anomalous. I would also suggest to the Minister he should look at subclause (4) of clause 5 on page 3 of the Bill to ascertain if this provision is necessary. That is the paragraph which requires an innkeeper, within the meaning of this legislation, to display the notice which appears in the schedule and which is expressed in a rather peculiar form, because it is really an invitation to some smart aleck to take the innkeeper on. The wording of the schedule reads—

> Under the Hotel Proprietors Act, 1966, an hotel proprietor may, in certain circumstances, be liable for the loss of, or damage to, a guest's property, even though the loss or damage was not due to any fault of the proprietor or staff of the hotel.

I respectfully suggest to the Minister that he might be good enough to have a further look at the question I have raised in regard to this paragraph and also give consideration to the question of liability. In the Bill liability is stated as being $100 for any one article and $200 in respect of one guest. If the innkeeper or the hotelkeeper is liable for the amount of any loss suffered by a guest then I suggest the amounts stated in the Bill should be further reconsidered with a view to their being considerably reduced.

I make the suggestion that the time has come when an inn should not be treated any differently from any hotel. The attitude hitherto adopted in this regard seems to have been carried over from the days of the highwaymen 400 or 500 years ago, and I see no reason why inns, within the meaning of this Bill, should have a liability any different from the ordinary common law liability; that is, a liability in respect of any of the three provisions contained in paragraphs (a), (b), and (c) of the schedule on page 4. Each one represents the normal liability under common law. That is, if the property is stolen, or is lost or damaged as a result of negligence by one of the proprietor's servants then the proprietor is liable. He is also liable if goods have been handed to him for safe custody.

In my opinion it is quite unnecessary, in this present year of 1966, for us to retain anything that is connected with the year 1555. If the Minister would be good enough, I would suggest he should consider whether clause 4 of the Bill—that is, the operative clause—should read something along these lines—

> The rule of law in respect to the duties, liabilities and rights of an innkeeper as such is hereby abolished, but without prejudice to any other rule as to his liability in any other capacity and without prejudice to his duties, liabilities and rights under the Licensing Act.

The Hon. F. J. S. Wise: You would substitute that for what?

The Hon. H. K. WATSON: I would substitute that for clause 4.

The Hon. F. J. S. Wise: And what about subclauses (3) and (4)?

The Hon. H. K. WATSON: I would substitute that for subclauses (1) and (2) of clause 4, and then the rest of the Bill would be unnecessary. As the Minister has stated, there are already two Acts on the Statute book; namely, the Innkeepers Act of 1887 and the Innkeepers Act of 1920, both of which this Bill seeks to repeal. In view of the fact that we are seeking to repeal those two Acts, and initiating a new law, as it were, for innkeepers, I respectfully suggest the time has arrived for us to abolish the distinction made between an inn within the meaning of the Act and any other hotel.

Although I support the Bill I think it could be improved, and whilst the hotelkeepers are quite happy with the measure as introduced by the Minister—it was introduced in response to their representations made some 12 months ago—naturally they would be much happier if the words I have suggested were embodied in it. I support the second reading.

THE HON. E. M. HEENAN (Lower North) [5.38 p.m.]: I did not intend to speak this afternoon, but if consideration is to be given to the matters raised by Mr. Watson, which I agree have considerable merit, it might be opportune if I were to illustrate the other side of the picture. As I read it, the Bill relieves hotelkeepers to a considerable extent from their existing liability. So to some degree it is an improvement, as far as they are concerned, on the existing situation.

Mr. Watson is on strong ground when he suggests that the coverage of the Bill should perhaps be wider. We have to envisage the changes that have been made in providing accommodation for the travelling public, and I entirely agree with the honourable member it is probably unfair that a motel, which operates under what is called a limited license, is bound by the provisions of this legislation; whereas a motel of equal standard, which does not come within the definition set out in the Licensing Act is excluded—

The Hon. H. K. Watson: I am not suggesting it should. I suggest you level up by taking out the one that is in. I do not suggest anyone else should be included.

The Hon. E. M. HEENAN: I think my argument would be that all three types should be liable rather than two only; because, after all, the public stay at an accepted type of hotel, or at a licensed motel, or at the other type of motel Those are the three categories which

cover the places where most travellers stay, and they should all be liable.

The Hon. H. K. Watson: What do you think of my suggestion of abolishing the distinction?

The Hon. E. M. HEENAN: I agree with it. In the old days it was not an uncommon experience for marauders to come out of the night, go through the hotels and fleece the guests, and then ride away. Nowadays, of course, that can be done in a different way, so we must consider the public.

If anyone goes in for the hotel or the catering trade, there is an obligation on him to police his premises and ensure that proper safeguards are exercised at night when guests are asleep; or during the daytime when they are out of their rooms. These people must ensure that they are careful in the engagement of their servants, because travellers are largely under their care, and rely on being in a place where their goods are normally safe; as safe as they would be in their own homes. I do not think that is too much to expect. In the past the law has agreed with that idea.

Under this Bill, as I understand it, if a guest loses anything the proprietor is liable for a maximum of $50 for one item, or a total of $200 for the one guest. So, if a person's watch is stolen, and his suitcase containing his belongings is also stolen, the limit is $200. For one item the amount is $50.

I do not think the guest would be entitled to recover compensation if he had been negligent. If the proprietor could establish that the guest had gone out and left the door open and his money on the table, I think it would be clear evidence that such a guest was careless and negligent himself, and I do not think the proprietor would be liable under clause 5 in those circumstances. If the guest is not negligent then the proprietor is absolutely liable for a total of up to $200 for one guest.

The Hon. A. F. Griffith: Mr. Watson's suggestion means that the man who is anxious and willing to help himself, and to provide food and lodging should do this without having any responsibility at all with regard to his customers.

The Hon. H. K. Watson: No.

The Hon. A. F. Griffith: Unless negligence can be proved.

The Hon. E. M. HEENAN: Do we want to go as far as that?

The Hon. A. F. Griffith: That is shifting the present ground.

The Hon. E. M. HEENAN: Yes, it would be a radical departure from the existing position. If a person is a guest in a hotel, and a person is a traveller, he has money and valuables in his possession. Surely a hotelkeeper is under a fairly strict liability to look after the welfare of his guests. He must provide proper locks and so forth. He must also have someone on the lookout at night to ensure thieves do not come in. I really think we should maintain some responsibility in that regard. Of course, if the proprietor is proved to be negligent, or if the loss is due to default, neglect, or a wilful act of the proprietor or his servants, then he is liable for the lot. I cannot see much wrong with that.

The Hon. H. K. Watson: That is ordinary common law.

The Hon. E. M. HEENAN: Whether the posting of a notice outside the office might draw the attention of thieves and others, I do not know; but there are always one or two who are prepared to make fictitious claims, and I can see some cause for Mr. Watson's anxiety in that regard. But the notice is intended as a protection to the hotelkeeper.

The Hon. H. K. Watson: It has been £30 since 1920, without the provision for the notice.

The Hon. E. M. HEENAN: I think Mr. Watson's views in that regard are worthy of some thought. I have mixed feelings about the matter. I intend to support the Bill. It is worthy of some consideration and, at any rate, it is a relief to the hotelkeeper from the liability of the present—the fairly extensive liability which hangs over him at present.

The Hon. A. F. Griffith: I will certainly have a look at Mr. Watson's suggestion.

The Hon. E. M. HEENAN: Apparently the hotelkeepers are satisfied. I do not think I would like to see them excluded from all liability, and we must look after the welfare of the travelling public.

People who go in for this trade have a fairly high degree of responsibility to their guests. They have to ensure that the welfare of the guests is protected.

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

ADJOURNMENT OF THE HOUSE: SPECIAL

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [5.50 p.m.]: I move—

That the House at its rising adjourn until Tuesday, the 4th October.

Question put and passed.

House adjourned at 5.51 p.m.