Australia that it will determine a tremendous amount of movement in connection with public works of different kinds; in connection with new developments and new industries ancillary to the pastoral industry.

It has been said many times over the last 30 years that the best hope in agriculture in our sort of dry-wet tropics, and an area which has not an evenly-spaced rainfall, is that agriculture will follow the proper development of the pastoral industry as a natural consequence of development rather than by any forced circumstances. I think that stands true today.

The recent report by Mr. Payne was mentioned by Mr. Loton. He drew my attention to it after I moved my motion. I mentioned Mr. Payne in connection with his 1937 report, which is still a masterpiece; that is, the Payne-Fletcher report of 1937-1938. It was the best review of northern lands ever made. Mr. Payne, who is still, I think, the president of the Queensland Land Board, together with men like William Beattie, is a man of the outstanding kind who is available to us to have a look at matters such as these, if it is thought that within the State we have not the right men to conduct the inquiry. I have certain men in mind; but, not being in any position of authority, it is not for me to mention their names. I would not care to embarrass anyone; because if one mentioned the names of certain people, other people, including the Government, could be subject to embarrassment.

The Hon. A. F. Griffith: You could always convey your information privately to the Minister.

The Hon. F. J. S. WISE: Yes; and the Minister for Lands knows—as I have had discussions with him—that I would be only too anxious to have a talk with him on that matter.

The importance of pasture regeneration, as mentioned by Mr. Loton, is of enormous importance. The work that has been done by Mr. Suijdendorp and men under him is of great national importance. From the mid-north right through to the Wyndham area there is much evidence of the benefits that have accrued from their operations.

Mr. Loton also mentioned the aspect of valuations and their association with tenures. Of course tenure is, in short, the basis for credit for vast undertakings of this kind where large sums of money are necessary.

This is not a poor man's industry, but one which is to attract, for security, extremely large sums of money and for which security must be given—security within the tenure and the terms and conditions applying to the tenure. The removal of this motion from the notice paper will certainly tidy it up, having the voluminosity of the motion in mind.

The Hon. A. F. Griffith: A jolly good thing!

The Hon. F. J. S. WISE: I appreciate the attitude of all members to this motion. It is an extremely important move we have made. It is one of those things for which I hope no-one will seek personal or political credit and is something which I also hope will continue to be in the interests of the nation.

Motion, as amended, put and passed.

House adjourned at 5.40 p.m.

Legislative Assembly

Thursday, the 21st September, 1961

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CONTENTS—*continued*

The SPEAKER (Mr. Hearman) took the Chair at 2.15 p.m., and read prayers.

QUESTIONS ON NOTICE

BUILDERS' REGISTRATION ACT

Implementation of Royal Commission's Findings

1. Mr. TOMS asked the Minister for Works:

   Arising from the report of the Honorary Royal Commission on the Builders' Registration Act, 1939-1959, tabled in the Legislative Assembly on the 22nd August, 1961, is it the intention of the Government to introduce amending legislation during this session of Parliament, so as to implement the findings of the commission?

   Mr. WILD replied:

   The matter will be considered by Cabinet on Monday next and an early decision made.

AGED WOMEN'S HOMES

Number of Residents, and Waiting List

2. Mr. BRADY asked the Minister for Health:

   (1) What is the approximate number of aged women in Government homes in the metropolitan area?

   (2) How many homes are being conducted to cater for aged women?

   (3) How many aged women are waiting to enter Government homes?

   Woodbridge Home: Closure

   (4) Is the Woodbridge Home, East Guildford, to be closed in the near future?

   Mr. ROSS HUTCHINSON replied:

   (1) Mt. Henry Home—370.
   Woodbridge Home—35.

   (2) Two.

   (3) 300—50 of whom are urgent cases.

   (4) No.

   These figures do not include Wooroloo and Knutsford Hospitals.

BUS FARES

Half Rates for 1871 Pensioners

3. Mr. BRADY asked the Premier:

   As pensioners other than those coming under the 1871 Act are charged half rates on M.T.T. buses, will the Government agree to extending similar treatment to 1871 pensioners?

   Mr. BRAND replied:

   The travelling concession at half rates on M.T.T. buses is restricted to certain classes of persons receiving social service pensions.

   The concession could not be extended to pensioners under the 1871 Act without consideration being given to other classes of pensioners, together with their dependants, to whom the concession does not now apply.

SUPERPHOSPHATE

Zoning of Supplies

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

   (1) Who decides the respective zones which shall be supplied from the various superphosphate works?

(2) In view of the fact that (as per reply on the 7th September) the Picton works can increase output, why is it that purchasers of superphosphate in the central great southern area are compelled to pay the additional freight for the greater mileage from metropolitan works?

Mr. NALDER replied:

(1) The zones were set by the Railways Department at the time of establishment of out port works.

(2) Extensions to the Picton works sufficient to supply superphosphate to the central great southern would increase the overall cost of superphosphate due to the present higher costs of construction and equipment.

PEDESTRIAN CROSSING IN WANNEROO ROAD

Establishment Near Daley Street or Powell Street

5. Mr. W. HEGNEY asked the Minister for Transport:

(1) Is he aware that, for many months, the Parents & Friends' Association of St. Denis's Convent School, Tuart Hill, have been in communication with the Main Roads Department, Police Department, and Perth Shire Council, without success, regarding the provision of a pedestrian crossing in Wanneroo Road near Daley Street or Powell Street?

(2) Is he aware that the Perth Shire Council in May last indicated that such a crossing was definitely warwanted. and requested the Main Roads Department to give urgent consideration to the matter?

(3) As there are 190 children (mostly under eight years of age) attending the school, and in view of the increasing adult pedestrian traffic in the locality mentioned above, will he give favourable consideration to the association's request and arrange for the pedestrian crossing to be established?

(4) If the reply to No. (3) is in the negative, will he state reasons for refusal?

Mr. PERKINS replied:

(1) Yes.

(2) The Perth Shire Council submitted pedestrian-vehicular count figures to the Main Roads Department which were found after checking by that department to be incorrect. There was subsequently correspondence between the department and the shire council. In March, 1961, when counts were last made by the Main Roads Department there was no warrant established for a pedestrian crossing.

(3) The Main Roads Department has no knowledge of increasing adult pedestrian traffic in the locality; and until advised of pedestrian and vehicle increases which will meet the accepted warrant, I am not prepared to instruct that this pedestrian crossing be established. Even if the warrant is ultimately met it is considered necessary that the shire council should first construct a central refuge island having regard to the width of carriageway and the comparatively high vehicle speeds.

(4) Answered by No (3).

BEACHES

Public Right of Use

6. Mr. CURRAN asked the Minister for Lands:

(1) Is there any legislation which protects the public right to use of beaches along the Western Australian coasts and estuaries?

(2) If not, will the Government give consideration to legislation to protect all present beaches for public use?

Mr. BOVELL replied:

(1) It is the policy of the Lands Department to reserve appropriate beaches under the provisions of section 29 of the Land Act. Generally such beach reserves are vested in the local governing authorities in trust for public enjoyment.

(2) Existing legislation is considered adequate.

Cockburn Sound Beaches: Public Access

7. Mr. CURRAN asked the Minister for Industrial Development:

(1) Is there any reason why B.P. (Kwinana) Ltd. and B.H.P. Ltd., must continue to deny public access to large stretches of beach fronting its land on Cockburn Sound and apparently not used by the company?

(2) Will other industrial leases granted near the seashore on Cockburn Sound deny public access to beaches in front of those sites?

(3) Will the firms building on these sites require all the beaches in front of their land?

(4) Has he taken any steps to ensure that the public will be allowed to continue using all

beaches on Cockburn Sound at present earmarked for industrial sites?

(5) Will he ensure that any further industrial leases give public access to beaches in front of the leases, except for the sections of beaches considered essential to the industry's operations?

Mr. COURT replied:

(1) It is anticipated that the refinery and B.H.P. operations will extend over the whole area of land owned by these companies. The industries require special safety precautions to be taken and these could not be policed if the public were admitted.

(2) It is impracticable to say at this juncture because all possible developments for industry and other purposes cannot be anticipated with certainty.

(3) Answered by No. (2).

(4) Use of beaches cannot be divorced from overall consideration of the future use and development of the area. For this reason a committee of senior departmental officers has been examining the area with the object of making recommendations to the Government. When the recommendations have been considered an announcement will be made. Any piecemeal comment is not desirable.

(5) Answered by No. (2).

DENMARK DAM

Rate of Flow of Denmark River

8. Mr. HALL asked the Minister for Water Supplies:

(1) What is the water flow rate of the Denmark River to the dam site for the months of March, April, May, June, July, August, September?

(2) What is the water flow rate of the Denmark River to the dam site for the months of October, November, December, January, February?

Holding Capacity

(3) What is the holding capacity of the dam situated at Denmark River, and is it at maximum holding capacity at present?

Mr. WILD replied:

(1) Average rates of flow over 19 years of record are:—

	million gallons per day.
March	2
April	6.75
May	11.7
June	32.3
July	62.6
August	80.3
September	67.8

(2) Average rates of flow over 19 years of record are:—

	Million gallons per day.
October	110
November	22.6
December	8.59
January	2.48
February	1.46

(3) Yes—100 million gallons.

WAYCHINICUP WATER SUPPLY

Registered Water Flow

9. Mr. HALL asked the Minister for Water Supplies:

(1) Has a reading been taken of water flow at Waychinicup, summer and winter months; and, if so, what was the registered water flow?

Natural Catchment Area

(2) Is there a natural catchment area at Waychinicup for the establishing of a holding dam?

Mr. WILD replied:

(1) (a) Intermittent readings were taken from 1949 to 1953 and the gauge then abandoned.

(b) The 1953 readings were as follows:—

	million gallons per day.
January	1.2
February	.9
March	1
April	1.2
May	2.3
June-September: The gauging site was under water and no readings obtained.	
October	2.5
November	1.5
December	1.1

(2) Yes; but dam sites other than for a pipe-head dam although not investigated in detail are not promising.

CRAYFISH

Legal Definition of a Size Crayfish

10. Mr. KELLY asked the Minister for Fisheries:

(1) What is the legal definition of a size crayfish, at present in operation in Western Australian waters?

Effect of Dual Measurement and Weight Provisions

(2) Has he received a number of complaints protesting against the effect of dual measurement and weight provisions on the score of inconsistency?

(3) Has this method of measurement proved entirely satisfactory?

Mr. ROSS HUTCHINSON replied:

(1) A length of three inches, measured along the mid-dorsal line from the anterior edge of the pronounced ridge which joins the front edges of the rostral horns immediately posterior to the eyestalks, to the posterior margin of the carapace.

(2) The dual measurement and weight provision applies to crayfish tails only. I have received a complaint from one section of the industry.

(3) Not entirely, and legislation has been prepared to adopt the measurement by weight only in respect of crayfish tails.

INDUSTRIES PROMOTION OFFICER

Mr. J. Watts: Tabling of Contract of Employment, and Qualifications

11A. Mr. JAMIESON asked the Minister for Industrial Development:

(1) Would he lay on the Table of the House a copy of the contract of employment of John Watts, Senior Industries Promotion Officer?

(2) What are Mr. Watts's qualifications?

(3) What other executive positions has Mr. Watts held?

Mr. COURT replied:

(1) Yes, next week.

(2) Completed Sales Managerial Course and Intermediate Accountancy.
Diploma of Associate Member Society of Engineers, London.
Diploma of Associate Member Institute of Executive Engineers.
Diploma for Management.

(3) Sub-Acountant Children's Hospital.
Manager in W.A. of John Bell & Croydon of London.
Sales Manager of Nestles Foods.
Materials Controller of Plunkett Building Industries, promoted to General Manager.
Assistant to Manager with Kellogg International Corporation.
Manager Tools and Equipment, Personnel and Administration in London office of Kellogg International Corporation.
Director of National Heart Campaign in Western Australia.

PRIMARY INDUSTRY

Appointment of Promotion Officer

11B. Mr. JAMIESON asked the Minister for Industrial Development:

Would he give consideration to the appointment of a promotion officer for expansion of primary industry, whose prime responsibility would be the extension of produce from Western Australia?

Mr. COURT replied:

In view of established organisations and statutory bodies for marketing primary products the full-time appointment of such an officer is not considered necessary. However, the liaison officer attached to the Exports Committee of the Department of Industrial Development maintains a close watch on primary products which lend themselves to expanded markets.

If later experience demonstrates the need for a full-time officer on markets for primary products and the Department of Industrial Development is thought to be the appropriate department consideration will be given to an appointment.

RABBIT PROOF FENCE No. 1

Responsibility for Maintenance

12. Mr. BURT asked the Minister for Agriculture:

(1) Who is responsible for the maintenance of No. 1 rabbit-proof fence in the pastoral areas north of the north-eastern wheatbelt?

(2) Is the fence being properly maintained in these areas?

Preservation

(3) As the fence has proved to be of value in restraining the westward movement of vermin, particularly wild dogs, will he undertake to formulate early proposals to ensure that this section of the fence is preserved?

Mr. NALDER replied:

(1) The Agriculture Protection Board.

(2) Not at present.

(3) An investigating subcommittee of the Agriculture Protection Board concluded that the cost of maintenance was not warranted by the limited value of that portion of the fence in restraining movement of vermin and recommended that the fence should be given to pastoralists whose properties adjoined it. Objections have been submitted by some pastoralists and organisations, and negotiations are proceeding to determine future action.

13. *This question was postponed.*

PASTORAL LEASES: NORTH KIMBERLEY AREA

Leaseholders and Reallocation of Properties

14. Mr. RHATIGAN asked the Minister for Lands:

(1) Who are the holders of leases for stations A, B, C, D, E, F, and G, situated in the North Kimberley area?

(2) Are all lessees complying with the terms on which the leases were allocated?

(3) If not, will he take action to reallocate these properties immediately as there are numerous applicants prepared to lease and work these properties?

Mr. BOVELL replied:

(1) Station A—Applied for by Ord River Ranches Proprietary Limited—approval notice not yet issued.

Station B—Beverley Springs Pastoral Pty. Ltd.

Station C—John Alfred Witter.

Station D—Carl Axel Mattsson and Joseph Edgar Walden.

Station E—Applied for by North Ord Proprietary Limited—approval notice not yet issued.

Station F—Charles Fairfax Telford.

Station G—Geoffrey Keith Allen.

(2) A declaration has been lodged by Beverley Springs Pastoral Pty. Ltd. showing that the improvement and stocking conditions are being complied with on Station B; Stations C, D, F, and G, are within or have just completed the initial two-year period, during which stocking is required under the Act. An inspection of these stations will be effected by the pastoral inspector as soon as possible.

(3) If any of the stations are forfeited for non-compliance with improvement and/or stocking conditions, or for non-payment of rent, they will be made re-available for selection and inquirers advised.

STATE BUILDING SUPPLIES

Brick Restrictions

15. Mr. JAMIESON asked the Minister for Industrial Development:

(1) What were the restrictions, if any, on building contractors as to the supply of pressed bricks of specific colour in securing quantities from the State Building Supplies, up to the take-over by Hawker Siddeley?

(2) Were building contractors required to buy timber from S.B.S. before supplies of specific high quality bricks were assured?

Mr. COURT replied:

(1) Some discrimination between contractors was necessary while the demand for cream bricks exceeded ability to supply. The following factors were taken into account in acceptance of orders and preference in delivery—

(a) Credit standing of the contractor.

(b) Preference to established clients of the State Building Supplies.

(c) Preference to clients buying a substantial proportion of their requirements in building material from the State Building Supplies.

(d) The nature and urgency of the particular contract.

(2) On criteria outlined in answer to question No. (1), it is obvious that a new client would be more likely to have an order for cream bricks accepted for early delivery if placing an order for other material for the same contract with the State Building Supplies.

DRAINAGE AT BASSENDEAN

Cuming Smith Superphosphate Works Area

16. Mr. BRADY asked the Minister for Works:

(1) Are any plans being prepared for draining the area of land in the vicinity of Cuming Smith Superphosphate Works, Bassendean?

(2) If so, will he state the approximate date for commencing the drainage scheme?

Mr. WILD replied:

(1) The matter of possible improvement in drainage of the Ashfield area, including land in the vicinity of Cuming Smith's Superphosphate Works, is being investigated at the request of the Bassendean Shire Council.

(2) The responsibility for drainage in this area has yet to be determined. No commencing date can therefore be given.

SEWAGE DISPOSAL

Position at Koongamia

17. Mr. BRADY asked the Minister for Water Supplies:

(1) Are any plans being prepared to provide deep sewerage for the Koongamia housing area?

(2) Is he aware the septic tank systems are causing great concern to local residents?

(3) Will he arrange to have his officers confer with the State Housing Commission regarding current problems with septic tank systems?

Mr. WILD replied:

(1) Present plans for providing deep sewerage for Koongamia and adjacent areas are for disposal via a future northern treatment works and outfall.

(2) Yes. I am aware that some residents are experiencing difficulties with their septic tanks.

(3) The immediate problem of septic tanks is one for the Public Health Department and it is understood that it is now being investigated.

QUESTIONS WITHOUT NOTICE

RAILWAY SLEEPERS: TENDERS

Effect of Minister's References to Mr. Spencer

1. Mr. GRAHAM asked the Minister for Railways:

(1) Is he satisfied, following the adverse publicity given in this morning's Press, that Mr. Spencer has been done sufficient damage by him as to make it almost, if not completely, impossible for him—Mr. Spencer—to engage further in business whether in relation to timber or anything else?

(2) Was it his intention to achieve this end?

(3) If not, what was the purpose of his scurrilous personal attack on Mr. Spencer?

Mr. Grayden: You should have thought of that before.

Several members interjected.

The SPEAKER (Mr. Hearman): Order!

Mr. COURT replied:

(1) to (3) In answer to the member for East Perth, all I want to say is that the information produced in the House last night was factual. It can be thoroughly substantiated further if required. If it were necessary to bring this information forward and make it public, it was entirely because of the actions of the member for East Perth.

Government members: Hear, hear!

Repetition of Minister's Utterances Outside the House

2. Mr. GRAHAM asked the Minister for Railways:

If the Minister is satisfied that his statements and descriptions were factual, would he be prepared to repeat his utterances outside this House?

Mr. COURT replied:

I do not have to answer that question. It is entirely one for my own decision and not one which has to be answered in this House. As a matter of fact I could very well follow an example set by the member for East Perth when he was not prepared to go before a Royal Commission.

Several members interjected.

The SPEAKER (Mr. Hearman): Order!

Mr. COURT: I have told these things to this gentleman's face, and that is enough.

Mr. Oldfield: You have told the world now.

BUILDING SOCIETIES ACT AMENDMENT BILL

Second Reading

MR. ROSS HUTCHINSON (Cottesloe—Chief Secretary) [2.35 p.m.]: I move—

That the Bill be now read a second time.

This Bill is designed to improve the Building Societies Act in order to make it function better under modern circumstances. Because of the comprehensive nature of some of the amendments and the detail involved, and because the subject is not as familiar to me as I would have liked, I will have to consult my notes very closely.

The law relating to building societies was enacted in 1920 and subsequently amended in 1921, and has remained virtually unaltered for almost 40 years. The 1920 Building Societies Act was based extensively on the Acts of 1874, 1877, and 1894 of the English Parliament containing the Statute Law pertaining to building societies in Great Britain. This in itself would be a sufficient indication that some amendment might now be desirable, but there are weightier reasons.

This body of law was designed primarily to regulate the activities of the older types of building societies like the permanent and Starr-Bowkett Societies. Although there were some relatively minor shortcomings in the Act, it worked reasonably well here in Western Australia until 1956. There is no record of any suggestions from the societies themselves for any amendments prior to that time. Following the 1956 Commonwealth-State Agreement

Act which provided for portion of the moneys under the agreement to be made available to building societies, there was a fairly rapid new development of terminating building societies operating on a co-operative pattern.

This type of society had not previously been established in this State although they had operated very successfully for 20 years in New South Wales, and for a lesser period in Victoria.

Co-operative housing or building societies have an entirely different basis of working from that of the older types, and it became progressively obvious that the existing body of law was inadequate to permit the new type of society to operate properly. At the same time there was evidence that the changed circumstances of building society finance, occasioned by the Housing Agreement Act and the Housing Loan Guarantee Act, would require a rather stricter regulation than the Building Society Act permitted if public moneys were to be safeguarded and home purchasers were to be adequately protected.

Before discussing the difficulties that have arisen in the working of the Building Societies Act and the measures now proposed to bring the whole movement on to a sounder basis, it would seem to be appropriate to outline the principles of operation of each type of building society. In this way the subsequent comments will more easily fall into their proper perspective and become more readily appreciated.

The oldest established type in Western Australia is the permanent society. This type operates by obtaining share capital in relatively small amounts from a large number of investing members and making advances for home purchase. The members obtaining advances are not necessarily investing members, other than for a minimum number of shares. The share capital is raised for a relatively short time, for example eight years, either by lumpsum payment or regular periodical subscriptions, and is withdrawable on notice before maturity.

These societies supplement their capital raisings by accepting deposits for a short term, and also by negotiating loans. In essence they are thrift organisations which borrow short and lend long, and hence need to make provision for liquidity. As a result it is essential that there be some limitation on the amount which they can raise by deposit or loan.

The second type, and almost as old in Western Australia, is the Starr-Bowkett Society. In this type, share capital is obtained by periodical subscription of members and free-of-interest loans determined by ballot made to members as subscriptions accumulate sufficiently. Share capital is withdrawable, and the society may also accept loans and deposits. Since shares are withdrawable and deposits are accepted there is a requirement in this type also for liquidity of resources, and a need to restrict the amount of loans and deposits accepted. The society winds up at the end of a certain period when every member has obtained an advance, since the advance is repaid by the periodical share subscriptions.

The third type is the terminating or co-operative housing society. It differs from the previous types in that no funds for advances are available from share subscriptions. A co-operative type society negotiates a loan from a finance institution to provide funds for advances, and repayment is usually secured by a Government guarantee. The loan is obtained for a period slightly longer than that for which advances to members are to be paid.

The contribution of each member is actuarially computed to constitute an adequate sinking fund—at the notional interest rate of the society—and to redeem the principal advanced over the term of the society. Interest on the advance is paid by the member only from the time the advance is made. The co-operative element enters through the ability of the society to earn more or less than the notional rate. If earnings are higher, the member obtains the benefit by having his advance cleared earlier than the notional life, and *vice versa*. Experience in New South Wales has shown that with careful financial management a 25-year society can be wound up in 21 or 22 years.

We are now in a position to look at the main difficulties which have arisen in the working of the Building Societies Act, 1920.

Mr. Fletcher: Is any interest rate mentioned in the proposed building society?

Mr. ROSS HUTCHINSON: I could not say off-hand. The first trouble arose from the limitation on borrowing which prevented a society from getting loan or deposit money before it had obtained share capital. From the very principles on which terminating societies operate, it is obvious that this limiting factor would effectively prevent their commencing business. The only saving feature was that other legislation permitted borrowing from the Housing Commission of Commonwealth-State Housing Agreement money irrespective of the borrowing powers conferred on the society by the Building Societies Act. Under this provision some terminating societies were able to get funds and enter into further borrowing through normal channels.

However, there was a limitation on the amount of finance which could be raised in this manner. Home-lending authorities—banks and insurance companies—were unconvinced of the borrowing rights of terminating societies. In particular it was impossible for any of the finance made available through arrangements

between the Dutch and Italian Governments and the Commonwealth Government to come to Western Australia for the purpose of housing these countries' nationals. These schemes were administered by the Commonwealth Savings Bank which did not consider the terminating societies had any right to enter into legal borrowing agreements.

As a means of overcoming this difficulty the practice has developed of forming a permanent society and arranging for finance partly as shares and partly as loan. In the first place this arrangement is undesirable since the society is not really permanent. Unless new finance is arranged to replace the large amount of matured share capital, the society comes to the end of its operations and must wind up.

Secondly, in at least one case the rules provide that only holders of fully paid shares may vote at the election of directors. This means in effect that the finance house which subscribed the share capital controls the building society, and the great majority of members have no control. It is undesirable and repugnant to the concept of building societies that a society should be a wholly-owned subsidiary of a finance house, or that a group of finance institutions should hold a controlling interest in a society.

This limit on borrowing also brought other difficulties. The registrar at present must grant registration of any society which presents a set of rules in conformity with the Act. The operation of the Housing Agreement Act brought a rush of applications to register new societies, each of which hoped to obtain an allocation from the Home Builders Account. Unfortunately there were insufficient funds available, and there are still upwards of 30 societies which obtained registration but which have not, and cannot, commence business as they are legally prevented from seeking a loan other than from the Housing Commission. To have such a large number of inoperative societies on the register is confusing to the general public and not in the best interests of the building society movement. They can be deregistered only at their own request or where a specified breach of the Act has been committed.

Even had these societies been able to obtain funds, it is extremely doubtful whether there would have been a sufficient demand to support their operations on a scale which would permit reasonably economic management expenses and allow members to obtain home finance on reasonable terms. It has become obvious from this experience that registration cannot be granted out of hand to all applicants. The number of operative societies must be related to the reasonable home finance demands of the areas served by those societies.

It has always been an accepted principle of building society operation that a member seeking an advance should have his own choice in selecting land and engaging a builder, subject only to the requirement that there was, or would be, adequate security for the advance required. In the past three years a very disconcerting development has taken place, in that new building societies have been sponsored by organisations or persons interested in estate development or home building, and advances have been conditional upon the member accepting a restricted locality for his land or a nominated builder. The member is not protected by an independent valuation, and public moneys, or moneys subject to Government guarantee, are being channelled to specific projects or particular organisations as a means of financing a private operation.

The Act did not intend this type of operation since it made provision to prevent any director or officer obtaining any benefit or commission out of a loan made by the society. However, this section has proved inadequate. There is no requirement to inform the registrar as to who are the directors, and the registrar has no powers of inspection unless a number of members requisition for it. In the second place, the Act only refers to a "loan" made by a society and it has not been possible to interpret this sufficiently widely so as to cover all "transactions."

Passing reference has already been made to the inadequate inspection powers of the registrar. With the rapid growth of a number of new societies, and the introduction of the terminating-type societies into Western Australia, it is essential that a close watch be exercised over the operation of societies. Otherwise there is the ever-present possibility of irregularities which could irreparably damage the movement and militate against the present role of building societies in financing home ownership. The whole success of the movement depends on the confidence of finance institutions, small investors, and intending borrowers that irregularities will not occur. It is not sufficient to rely upon an application from dissatisfied members as that may be too late to prevent trouble.

It is believed that in some cases advances have been made for which the monthly repayment required is inadequate to repay the loan over the stated term, and higher repayments will be required in later years. It also seems that the borrowers are not aware of this. It has always been a principle of building society operations that repayments cannot be accelerated by demand of the society. This has been based on the fact that where the borrower does not expect to have repayments increased he may be fully committed. Then increased repayments bring undue hardship, or more likely result in the society foreclosing and the borrower loses his home. On a large

scale this could prejudice the society's position by losing on realisation of a number of foreclosed properties at a time when demand was weak.

On the score of administration of the Building Societies Act we are also in difficulties. The increased number of societies and the wider scope of their activities is progressively requiring more and more attention from the registrar. Under the present Act the registrar is automatically the person for the time being appointed as Registrar of Friendly Societies. As that officer has three Acts to administer it is becoming more and more difficult for him to devote adequate attention to building societies. At the same time, the changes taking place in the building society movement are making it less appropriate to place the Act specifically under the Chief Secretary, particularly as a number of other matters are administered largely by the Minister for Housing at present.

From the point of view of the Building Societies Act alone those are the difficulties which have arisen in the past four years. However, there is a related matter which has given rise to considerable concern, and which in large measure will be met by the amendments that are proposed in this amending Bill. The Housing Loan Guarantee Act was designed to encourage investment of private capital in housing in Western Australia. It has not been as effective as was hoped because of doubts as to the power of building societies to enter into arrangements for loans; and some avenues of finance, such as savings banks, have provided very little money because of this fact. Also, by the issue of a guarantee, the Government accepts a substantial contingent liability in the event of the society, or borrower, failing to meet obligations.

This contingency is made somewhat greater by the lack of adequate safeguards in the Building Societies Act to prevent over-valuation of the securities offered by borrowers and to ensure a reasonable standard of construction is achieved in erecting the securities. It has also been shown that there is no really effective way to avoid the guarantee being used to obtain funds solely for the purpose of financing an estate development scheme or similar project for the benefit of the persons who sponsored the building society.

This outline, then, has shown that the difficulties which have arisen in the working of the Building Societies Act since 1956 are substantial and serious and warranted earnest consideration before proposing any amendments to the Act. Any suggestions for smoother working have to take account of the interests of home owners, societies, and the Government insomuch as public moneys are being used or a contingent liability is being created. To that end, the operations of building societies in other States have been closely studied by the registrar and by officers of the Housing Commission.

Finally, Mr. E. Ebells, the Registrar of Co-operative Housing Societies in Victoria, and the Chairman of the Victorian Home Finance Corporation, and Mr. E. Tytherleigh, the President of the Australian Federation of Building Societies, were invited to sit on a committee with the chief administrative officer of the Housing Commission and the Registrar of Building Societies. This committee examined the existing Building Societies Act and the Housing Loan Guarantee Act with a view to indicating what changes were necessary in the legislation to meet current circumstances.

Both the Eastern States members of the committee have had long experience with this type of work. Mr. Ebells has been registrar for about 14 years and was retained as adviser on Co-operative Housing Societies by the Queensland Government before the introduction of legislation in that State. Mr. Tytherleigh has over 20 years' experience in the operation and management of building societies. For a long period he has been extremely active, in an honorary capacity, in promoting the building society movement throughout Australia, and is recognised as being well qualified in that field.

It was on the advice of this committee that the amendments proposed in the Bill were accepted by the Government as being the minimum requirement to create a suitable framework within which the building societies could carry out their proper role of providing finance for home ownership. We have accepted the view that building societies have a very significant part to play, and it can best be carried out by leaving them to manage their own affairs within a broad set of principles aimed at protecting the members, the societies, and the Government interest. With that end in mind we have formulated a number of amendments involving matters of principle, as well as some of a machinery nature. The whole effect will be to provide an Act reasonably adequate to meet the changes which have occurred since the Act was last amended in 1921.

One of the first matters requiring attention was that of borrowing powers. The amending Bill gives a specific power to each of the three types of society to borrow, and then limits the borrowing rights for permanent and Starr-Bowkett Societies. There is no limit proposed on borrowing by terminating societies. With terminating societies the borrowing term is always slightly longer than the term for advances and the restriction is not required. With permanent and Starr-Bowkett Societies there is a need to maintain some limit to protect liquidity. Limitation on borrowing is at present stated as being

two-thirds of the amount for the time being secured by mortgage. This is sometimes difficult to determine and, in any case, is open to evasion by registering a mortgage before a house has been constructed, in which case only a small part of the security actually exists.

It is therefore proposed to restate the limitation as three times the shareholders' funds as disclosed in the last annual return. There is also a discretionary power for the registrar to allow the limit to be exceeded. The intention of this provision is to permit a society to take advantage of a long-term loan offer which would not adversely affect liquidity requirements. It must also be remembered that a number of permanent societies have been declared as trustee investments and no amendment should be made which might tend to weaken the financial soundness of those societies or their ability to provide liquid resources to meet withdrawals of share capital or deposits.

We have already seen that to avoid in same measure the limitation on borrowing, some finance institution funds were provided as share capital and this was giving rise to undesirable features in the financial control of the societies. To overcome this position the Bill proposes to limit the holding of any one corporation or incorporated company to 10 per cent. of the total share capital of the society. It also proposes to restrict the aggregate proportion of capital in a society by incorporated companies or corporations to 40 per cent. of the total share capital. In this way no finance house or group of financial institutions could secure control of a building society.

This move should not in any way affect the volume of money available for housing, but will rather direct large long-term loans primarily to terminating societies, and that is in accord with the basic role of those societies as against the main role of a permanent society as a thrift organisation which raises small individual amounts of relatively short-term capital. Where large sums are available for permanent societies they should be, and will be, taken as loans.

Attention has been drawn to the large number of inoperative societies which cannot be removed from the register. To overcome this position we propose to give the registrar power to cancel a society which does not commence business within six months of obtaining registration. There is a discretion given the registrar to extend the period if the society can produce satisfactory grounds that circumstances warrant an extension. This type of arrangement is common in legislation governing terminating societies in other States.

In order to avoid the situation arising where societies are registered and cannot commence business, or when too many societies are formed in one area and there is insufficient business for efficient and economic management of those societies, the amending Bill adopts a practice from New South Wales. Under this provision the registrar will not grant registration where it appears that the reasonable needs of a particular area do not warrant another society. This assessment will not rest solely with the registrar but will be made by the advisory committee to be set up under the Act. Experience in New South Wales over a lengthy period has indicated that this type of arrangement is necessary and that it can operate satisfactorily.

The next feature to which attention has been given in framing amendments is that of a too close and direct liaison between a building society and an estate agent, builder, or estate development organisation. Such a direct relationship is entirely contrary to the ordinary concept of a building society, and some protection must be afforded those wishing to finance home ownership. At the same time it is realised that some people would have no objection to obtaining finance on condition that the advance was used in a specified way.

To meet these two views it is proposed to prohibit a director from acting on his own part or as agent, in selling land or erecting a house the purchase of which is financed in whole or part by an advance from the society of which he is a director. However, this prohibition can be waived in those cases where the members of the society by a special resolution authorise the director to act either on his own part or as agent.

As a corollary to this amendment it is proposed to remedy a defect in the existing Act by making it incumbent upon every society to advise the registrar of the names of its directors and to advise every change in the directors. Even the existing provisions against improper commissions or bonus are partially ineffective because the registrar does not know and cannot ascertain the names of the directors.

As previously remarked, the growing dependence on public funds and Government guarantees means that more attention should be directed towards obtaining adequate security for advances made by societies. This is also a safeguard for the member who is committing a substantial part of his financial resources. It was for many years a feature of building societies that proper valuations were obtained before making advances. In more recent years, and with the development of the liaison between building societies and other interested organisations, this requirement does not seem to be so closely observed by all societies.

The amending Bill introduces the power of the Minister, on the recommendation of the advisory committee, to appoint

valuers for the purposes of the Act. It is further proposed that no advance can be made by a building society until a report on, and valuation of, the security offered for the advance has been received The Bill also requires that in the case of new houses, the security complies with prescribed minimum construction standards. The intention is that the advisory committee will make recommendations regarding minimum standards; and, if possible, the model building by-laws will be adopted. All these new provisions have been based on legislation in other States in regard to terminating societies, and their adoption in Western Australia will go a long way towards sustaining public confidence in the movement and protecting public moneys.

Earlier, attention was directed to the fact that the registrar can inspect the affairs of a society only after a requisition from members. Apart from the statutory annual return required from each society the registrar has no power to ascertain any facts pertinent to the operations of a society. The building society movement has now grown to such an important place in the home finance field that public interest demands every effort to prevent any irregularity or honest mismanagement. By that I mean honest mismanagement, and not deliberate mismanagement.

For that reason it is proposed to confer on the registrar the power to order an inspection whenever it is deemed desirable. It is not the intention that this power be used as an alternative for, or supplementary to, the society's own audit practice, but rather that the procedure from New South Wales and Victoria be adopted. In those States the registry inspector is regarded as an adviser rather than a policeman, and his assistance is often sought to iron out difficulties or snags in the accounting system or in some other phase of the society's operations. With the terminating societies which operate on an actuarial sinking fund basis it will probably be very helpful to secretaries new to the field if they can seek the advice and counsel of a registry inspector rather more acquainted with the accounting procedures required.

Enough information has been adduced previously to show the dangers inherent in a system of repayments subject to acceleration by decision of the society. It is sufficient to note here that the Bill proposes to make it mandatory for societies to arrange repayment by equal instalments over the period of the advance. The amendment is so worded as to permit an increase in the interest rate charged on the advance since permanent societies in particular are dependent on short-term finance and may have to increase the rate offered in order to obtain a continuing supply of funds. However, the real force of the amendment is to require equal payments over the remaining term of the advance so as to repay the advance and interest thereon at the rate decided by the society.

That concludes the survey of the main features of the amending Bill as they affect the operations of societies. There are some other minor amendments which are required to bring the Act up to date with modern conditions and simplify its working. It now remains to outline the two major amendments proposed in respect of the administration of the Building Societies Act.

Attention has already been directed to the somewhat difficult situation wherein the registrar has other duties and is responsible to the Chief Secretary. With recent developments bringing a close relationship between building societies and the State Housing Commission through the Commonwealth State Housing Agreement and the Housing Loan Guarantee Act it seems advisable to transfer administration of the Act to the Minister for Housing. However, to facilitate any subsequent rearrangement which may become necessary in the future no specific Minister has been mentioned in the amendment.

At the same time it has been decided to create a separate office of Registrar of Building Societies. The other amendments proposed will substantially increase the powers and duties of the registrar and efficient administration would seem to make a full-time appointment essential. The amendment creating the office of registrar protects the rights of any officer under the public service who might be appointed to the statutory office so created.

The remaining amendment affecting administration of the Act is a very important one which has been based on the highly successful experience in the three larger Eastern States where legislation covering terminating societies has operated for a number of years. The proposal is to create an advisory committee of five persons representing building societies, valuers, and the Government. The committee will be under the chairmanship of the registrar in order to provide some continuity of policy in its deliberations.

The committee is given several specific matters upon which to make recommendations from time to time as circumstances permit, and in general is required to tender advice on any matter which is referred by the Minister. Not only will the committee bring a wider range of interests and experience to decisions directed towards promoting the work of the building society movement, but also it will enable a broader opinion to be brought to bear in some important considerations which would otherwise devolve upon the registrar and the Minister. Among these important matters would be the reasonable needs of any particular

area, the minimum construction standards to be prescribed, and ways in which the building society movement can be encouraged to fulfil to the utmost its important role in the provision of home finance.

The aim of the amendments proposed in the Bill is not to impose an undue measure of regulation on the operations of building societies. The prime intention was to introduce those changes necessary to make the Act workable in modern circumstances: and, secondly, to give legislative effect to the code of conduct and operation which is followed by most societies, and which is felt to be most conducive to furthering the interests of home owners, societies, and the Government.

We have been guided by local experience over the past four years, and in addition we have drawn heavily on the expert advice of men closely in contact with the reasonably effective machinery operating in the Eastern States.

This measure is submitted in this way as a sincere endeavour to permit the better working of the Building Societies Act.

Debate adjourned, on motion by Mr. Toms.

CIVIL AVIATION (CARRIERS' LIABILITY) BILL

Second Reading

MR. PERKINS (Roe—Minister for Transport) [3.12 p.m.]: I move—

That the Bill be now read a second time.

The purpose of this Bill is to establish, along with the Commonwealth and other State Governments, uniform rules governing the liability of air carriers within the State in the event of accident in respect of death or injury to passengers, or in respect of consignors of cargo.

At a meeting of the Australian Transport Advisory Council held in Hobart in February last, it was agreed that the respective States should give consideration to the introduction of legislation to give effect to two international agreements—the Warsaw Convention of 1929 and the Hague Protocol of 1955—to which Australia is a party in respect of aircraft operators' liability to passengers travelling on intra-state air services.

Appropriate legislation entitled the Civil Aviation (Carriers' Liability) Act was passed by the Commonwealth Parliament in 1959 for passengers travelling interstate, and it is necessary to give passengers travelling on aircraft operated by companies in this State the same protection.

Although the Bill has been modelled on the lines of part IV of the Commonwealth Act and modified to meet this State's requirements, it does not cede any of the State's constitutional powers to the Commonwealth.

At present the operator of an air service is liable only for negligence; and the onus of proving negligence is on the passenger or his personal representative. The evidence of negligence can perish with the aircraft, and to that extent a passenger and his personal representative are at a disadvantage.

This disadvantage is offset to an extent by the provision of free insurance up to £2,000 an adult, and £1,000 for a child, by one company operating in this State, which is payable irrespective of negligence. It is generally considered a wise practice for a passenger to take out further similar cover. In this Bill the airline operator is made liable in damages for death or personal injury irrespective of negligence and for damage to baggage.

This Bill is largely a formal one; and, as I have indicated, is the result of agreement between the Commonwealth and States. Actually, I was present at the conference which I have referred to, and I am anxious that the Bill should be accepted by this Parliament.

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

DIVIDING FENCES BILL

Receipt and First Reading

Bill received from the Council; and, on motion by Mr. Perkins (Minister for Transport), read a first time.

BILLS (3): RETURNED

1. Alumina Refinery Agreement Bill.
2. Health Education Council Act Amendment Bill.
3. Fire Brigades Act Amendment Bill.

Bills returned from the Council without amendment.

BILLS (2): MESSAGES

Appropriation

Messages from the Lieutenant-Governor and Administrator received and read recommending appropriation for the purposes of the following Bills:—

1. Building Societies Act Amendment Bill.
2. Civil Aviation (Carriers' Liability) Bill.

MESSAGES: SOURCE

Point of Order

Mr. TONKIN: I raise this question, Mr. Speaker, as you may know precisely what the procedure is. I noticed that a few

moments ago and yesterday you read Messages from the Lieutenant-Governor and Administrator; and I am wondering how that is possible when the Governor is present in the State and, I understand, back on duty.

It seems to me that in such circumstances the Message should come from His Excellency himself. It may be this matter has been looked at and is in no way irregular, but it seems strange to me. Therefore, I am wondering if you are in a position to indicate whether you are completely satisfied that it conforms with the requirements of the Constitution.

The SPEAKER (Mr. Hearman): The matter the Deputy Leader of the Opposition has mentioned is one that has occurred to me. I will institute inquiries and advise the honourable member.

BETTING CONTROL ACT AMENDMENT BILL

Second Reading

MR. PERKINS (Roe—Minister for Police) [3.21 p.m.]: I regret the necessity for bringing this particular legislation before the House. Both this and the next Bill to be introduced deal with the same subject.

I had hoped that it would not be necessary to introduce the legislation. However, members will recall that when consideration was given to amending the legislation dealing with the Betting Control Board, and the setting up of the Totalisator Agency Board, there was a good deal of discussion in this Parliament as well as outside of it; and there was anxiety, I think, on the part of Ministers and members of the Government—as well as members on the other side of the House and, I think, the community generally—that the legislation should not be made more restrictive or go further than was absolutely necessary.

However, it has been proved, in the time that the Totalisator Agency Board has been established, that while the board has functioned very well, in my judgment, and has been almost entirely effective in controlling illegal cash betting, it is fairly well known, both to members of this House and throughout the community, that there has been a disquieting amount of illegal telephone betting.

Mr. Tonkin: Encouraged by the board itself!

Mr. PERKINS: I have been told by various sections in the community—and no doubt other members of the House have heard the same—that persons can even be named and the telephone numbers can be given as to who are conducting this particular illegal telephone betting.

Mr. Tonkin: I do not doubt it; but don't forget that the chairman of the board encouraged it!

The SPEAKER (Mr. Hearman): Order!

Mr. PERKINS: Whenever members on this side of the House rise to speak, they are subjected to a barrage of interjections.

Mr. Tonkin: Never on this side!

Mr. PERKINS: Whenever anyone on this side of the House rises to speak he is repeatedly interrupted. Surely if members on the other side of the House expect to be able to make a reasonably uninterrupted speech, they should let the same thing apply to members on this side.

Mr. Tonkin: Tell me: Do they ever interject from your side?

Mr. PERKINS: It is particularly important to explain the position clearly. It is difficult to understand what legislation like this is about, and the reason for it, unless the Minister concerned is given an opportunity to state the difficulties, at least as he sees them. If the Deputy Leader of the Opposition does not agree with me, I have no doubt he will tell me so very forcibly indeed when it comes to his turn to speak on this legislation.

Point of Order

Mr. HAWKE: On a point of order, Mr. Speaker, what is the motion before the House?

The SPEAKER (Mr. Hearman): The Minister has introduced the Bill, and I presume that he will move the second reading at the end of his speech.

Mr. HAWKE: I am asking whether there is any motion before the House.

The SPEAKER (Mr. Hearman): The Minister has indicated that he will move such a motion.

Mr. HAWKE: Is it not necessary that we should have a motion before the House in order that someone can speak to it? Surely it is not possible for anyone to speak if no motion exists. No motion has been moved.

The SPEAKER (Mr. Hearman): My understanding is that the Minister introducing the Bill has indicated that he will move the second reading at the conclusion of his speech.

Mr. Tonkin: That was not enough the other night.

Mr. PERKINS: To put the mind of the Leader of the Opposition at rest I now say that I formally intend to move the second reading of this Bill. I do not think the Leader of the Opposition had any doubts that I was going to do that. In fact, I have the feeling that some members on the other side of the House would wish that I was not going to do so. Let me fire that as a first shot!

Mr. TONKIN: Let us have a little bit of consistency. The point was taken on the Leader of the Opposition the other night.

The SPEAKER (Mr. Hearman): Order!

Debate Resumed

Mr. PERKINS: There are many indications that a considerable amount of illegal telephone betting is taking place within the community. I have also said that telephone numbers can be given and names can be quoted, and that such bets can be placed by telephone when certain formalities are carried through. I have not tried that myself personally, but I am prepared to accept that that is the true position.

Mr. Tonkin: Did Mr. Maher tell you that?

Mr. PERKINS: Also, it is fairly obvious, from advice given me by the Police Department and the Crown Law Department—and also by the members of the Totalisator Agency Board, including the chairman—that the parties who are engaging in this illegal telephone betting have had very good legal advice. It is obvious—because the Government did not go further than it felt it absolutely needed to go when this legislation was introduced in the House last year, and the Totalisator Agency Board was set up—that some persons very closely examined the legislation for loopholes; and it seems that they have found one. It is now my objective to close up that particular loophole.

Mr. Tonkin: Will you close up that loophole, too, that the board inquired about?

Mr. PERKINS: In fairness to the Crown Law Department—and with the Royal Commissioner advising the Government on this matter—the Government was advised that provision should be included in the legislation along these lines. But, as I have already said, the Government did not wish to go further than it had to, and this particular provision was not included at the time; although—as members will realise if they study the legislation—a provision is included in the South Australian legislation, and something very similar is in the Queensland legislation. In my opinion it is necessary to have this provision in our legislation.

There were two Bills involved. I am not a legal expert, but I have taken the precaution of obtaining advice from the Crown Law Department; and if there are some finer legal points on which I am not competent to advise the House, I have the assurance of the Attorney-General that he will be pleased to assist me to cover those particular points. I am advised by the Crown Law Department as follows:—

1 A search warrant may be granted by a justice under the provisions of section 70 of the Police Act, 1892, as amended, on the oath of a credible person that there is reasonable cause for suspecting that anything stolen or unlawfully obtained is concealed or lodged in any place, vehicle or package, and under that section a justice, if it shall appear to him necessary, may authorise the police officer to whom the warrant is given, if he has previously made known his authority, to use force for the effect of entry. You will note that a warrant cannot be issued to search premises where illegal betting is suspected because the authority only relates to goods which have been stolen or unlawfully obtained.

2 Search warrants may be issued under section 711 of the Criminal Code as amended, if it appears to a justice on complaint on oath of a credible person that "there are reasonable grounds for suspecting that there is in any house, vessel or place—

(a) anything with respect to which any offence has been or is suspected, on reasonable grounds, to have been committed; or

(b) anything as to which there are reasonable grounds for believing that it will afford evidence as to the commission of any offence; or

(c) anything as to which there are reasonable grounds for believing that it is intended to be used for the purpose of committing any offence."

The section does not expressly authorise forcible entry and it is doubtful, in the absence of express mention of the power to enter forcibly, whether a person holding a warrant issued under this section can, if entry is refused, forcibly enter the premises named in the warrant.

2. The search warrants that may be given under the amendments to the above two Bills provide not only that forcible entry may be made, but also that anything found in the premises may be forcibly opened and generally give wider powers for the purpose of suppressing an offence of illegal betting, which is always carried out surreptitiously, than are given under a warrant issued under the Criminal Code. For example there is power to search individuals founds on the premises named in the warrant and to

arrest them if necessary. The warrant may be executed by day or night without special authorisation from the justice.

3. The procedure after having obtained the warrant is that the police officer named in the warrant proceeds to execute it, either by day or by night, by proceeding to the place or public place named in the warrant and he should demand admittance to the premises after having announced that he is a police officer and producing the warrant. If he is then refused admittance he may break open the doors or otherwise forcibly enter the premises. A warrant directing a search in a particular place only will not justify a search in another. The constable must have the warrant in his personal possession at the time of the search and produce it if required.

Mr. J. Hegney: In a free democratic country!

Mr. PERKINS: If the honourable member who interjected had listened carefully he would have noted that the procedure is on warrant, and is not out of line with the procedure adopted elsewhere under our laws, and also it is the procedure followed in other States.

There has been considerable criticism, particularly by the Deputy Leader of the Opposition, of the procedures of the Totalisator Agency Board, and also of me, as the Minister administering the Act under which the board is constituted. None of us expects to be immune from criticism; and, of course, I do not expect to be free from the responsibility of answering that criticism.

I have already explained to the Deputy Leader of the Opposition that I have not treated his criticism lightly. He made a very reasoned speech, in his judgment, although I do not agree with the conclusions he drew; but the honourable member went to a considerable amount of trouble in preparing his material when he spoke on the Address-in-Reply debate; and since then he has spoken on the disallowance of a certain regulation which bears on the same subject.

I have not had an opportunity of speaking to the motion relating to the disallowance of the regulation; but, as I have already explained to the honourable member, I did intend to reply before the debate on the Address-in-Reply concluded. Unfortunately, however, I was sick on one day; and the next day, because of pressure of business in the House, I could not speak. However, I did get an agreement from the honourable member—although it may have been a reluctant one—about my replying in detail to the various points that he made.

I can assure the Deputy Leader of the Opposition that I have not treated his criticism lightly, and I have discussed it with representatives of the Totalisator Agency Board—not only with the chairman, but also with individual members of the board, because I realise that in a matter such as this there is considerable public interest as well as interest on the part of members of this House.

The principal criticism of the Deputy Leader of the Opposition, in my judgment, has been somewhat trivial. He has accused the Totalisator Agency Board, and me as Minister, of not following exactly certain forms.

Mr. Tonkin: No; I am accusing you of breaking the law.

Mr. PERKINS: In my judgment the spirit of the Act has been followed.

Mr. Tonkin: Breaking the law. That is my accusation.

Mr. Hawke: That is serious enough, surely!

Mr. PERKINS: The honourable member has already twitted me with somersaulting and doing something different from what I said should be done, when legislation of this nature has been discussed by me in this Chamber, and also in other places. I consider that the Totalisator Agency Board has complied with the statute, and its report has now been tabled.

Mr. Tonkin: Don't you know that they take bets after races start?

Mr. PERKINS: There is also a certificate from the auditors. I cannot agree with some of the other criticisms of the Deputy Leader of the Opposition wherein he makes accusations about the board betting after the starting times of races.

Mr. Tonkin: Go into an agency yourself and have a look! Then you would find out.

Mr. PERKINS: I do not say that I do not believe the honourable member; I will put it more gently, and say that I think the Deputy Leader of the Opposition is mistaken.

Mr. Tonkin: I have seen it with my own eyes.

Mr. PERKINS: I can only say what I am advised.

Mr. Tonkin: I know what your advice is.

Mr. PERKINS: Admittedly I do not frequent Totalisator Agency Board premises, or betting shops; but I do go into them.

Mr. Tonkin: Neither do I; but I went to have a look at them.

Mr. PERKINS: I go into them sometimes. I have been into Totalisator Agency Board premises, and I have found them to be well conducted.

Mr. Tonkin: But you told them you were coming, didn't you?

Mr. PERKINS: No; I did not. I have been in them on many occasions when I am sure that nobody has known I was there.

Mr. Tonkin: I am telling the Minister that they bet after the race has started.

Mr. PERKINS: I will say this: that I am not well known to the patrons of S.P. betting shops, and I know practically none of the staff. So it is unlikely that any of the people referred to by members on the other side of the House would know that I was coming, or even know that I had been there. In any case, if those things are taking place I think we should have them specifically referred to. I will refer to them on another occasion; because I think that you, Mr. Speaker, would be justified in asking me to spend perhaps a little less time on those aspects.

Mr. Hawke: There is no need to prompt the Speaker.

Mr. PERKINS: If members on the other side of the House—

Mr. Tonkin: Look out; here it comes!

Mr. PERKINS: —are so anxious for the law to be observed by the Minister, by the Totalisator Agency Board, and by the other people in the community, I suggest that they should be given the opportunity to see that another section of the public also observes the law. I refer particularly to those people who are blatantly breaking the law by betting by telephone.

Mr. Tonkin: Like the T.A.B. itself.

Mr. PERKINS: One person breaking the law does not justify another person doing so.

Mr. Tonkin: I did not say it did; but it should not be a one-way traffic.

Mr. PERKINS: The Deputy Leader of the Opposition seems to want to justify the actions of some people who are breaking the law while at the same time he feels that others should not do so.

Mr. Tonkin: What justification have you for that statement?

Mr. PERKINS: That is how it seems to me; it is my opinion.

Mr. Tonkin: That may be so; but I deny it.

Mr. PERKINS: The people from whom the Deputy Leader of the Opposition is getting his information are, I am afraid, suspect in the first instance.

Mr. Tonkin: Is that so?

Mr. PERKINS: Because if these people are prepared to break the law and to bet illegally by taking advantage of loopholes—

Mr. Tonkin: Then why have they been appointed agents?

Mr. PERKINS: I am referring to those who bet blatantly by telephone. And the Deputy Leader of the Opposition knows all about them.

Mr. Tonkin: I am referring to those who have been appointed and are doing so.

The SPEAKER (Mr. Hearman): Order!

Mr. PERKINS: My information is that the people to whom I refer are those who formerly were members of the Premises Bookmakers' Association and who were licensed under the legislation sponsored by the previous Government.

Mr. Bickerton: If you know them why don't you arrest them?

Mr. Heal: You know who they are?

Mr. PERKINS: Yes.

Mr. Heal: Then why don't you pinch them?

Mr. PERKINS: This legislation is designed to do just that; and if the member for West Perth would wish me to pinch them, then he should support the measure before the House.

Mr. Tonkin: What about the T.A.B. breaking the law?

The SPEAKER (Mr. Hearman): Order!

Mr. PERKINS: The person who is not breaking the law has nothing to fear under this legislation. The police can only proceed by warrant. I sincerely hope there is a change of heart on the part of the Opposition. If the members of the Opposition are anxious to see the law observed, then they should support any move to clothe the Police Force—of which I am the Minister—with the necessary weapons and the necessary power to see that this is carried out.

Mr. Tonkin: It should be enforced all round.

Mr. Hawke: Why does the Minister not carry out the laws which he is pledged to administer?

Mr. PERKINS: The effrontery of some of these people really staggers me. In my early dealings with the off-course Premises Bookmakers' Association I received a deputation from them, as I did again comparatively recently. I feel that anybody who desires to make representations should be given the opportunity to do so. Indeed, I think the Deputy Leader of the Opposition has said that it is a desirable principle to be followed by any member of the House.

Mr. Tonkin: Of course it is. But you subsequently charged them with refusing to co-operate, and then refused to give them a transcript of the evidence.

Mr. PERKINS: I was about to come to that. It is clear that the Deputy Leader of the Opposition has been talking to

these people to whom I am referring. On the 30th August I received the following letter from the Premises Bookmakers' Association of W.A. (Inc.):—

> re Deputation to you 23rd August, 1961
>
> We thank you for the above opportunity and confirm the apology from our Vice-President, Mr. Ken James of Northam, who on the day of the deputation found he had been committed to another overlapping appointment for which he could find no substitute.
>
> My Committee have instructed me to request the favour of a verbatim copy of the above interview.

The next portion of the letter is interesting. It reads—

> We have a file of such ministerial favours covering the past six years. These copies serve as detailed reports from our representatives and a back reference for any subsequent deputation.

Mr. Tonkin: There is nothing wrong with that. It has been the practice for years.

Sitting suspended from 3.46 to 4.7 p.m.

Mr: PERKINS: Before the suspension I read a letter addressed to me from the Premises Bookmakers' Association. I received a further letter, as the Deputy Leader of the Opposition knows, dated the 18th September, and this reads as follows:—

> With regard to our letter of August 30th, we would like to draw your attention to the fact that we have not yet received your answer; and as we will be having a committee meeting shortly could you favour us with an early reply?

This letter was again signed by the president of the Premises Bookmakers' Association. In the meantime, of course, I had obtained fairly definite information that it was the members of this association who were trying to expand this illegal phone betting either for the purpose of breaking down the Totalisator Agency Board or to gain additional profit for themselves. I have here my reply to that letter, as follows:—

> Dear Mr. Humphreys,
>
> I acknowledge yours dated 18th inst. and as your members obviously attach considerable importance to such ministerial statements, I feel that I should carefully check the transcript before I forward you a copy. My typist has completed the typescript but I have had little time lately and cannot yet name a date when I can complete my checking.

I thought it was necessary to say that because I had an idea this matter would be raised. Until I have very carefully checked that transcript, Mr. Humphreys does not get it.

Mr. Tonkin: Can't you trust your typist?

Mr. PERKINS: I say this because I have very little respect for people who belong to an association and who come to a Minister—particularly a Minister for Police—on a deputation; and at the same time, apparently—I say apparently—encourage some of their members to break the laws. In those circumstances I do not think that responsible members of this House would expect me to go out of my way in order to make that information available in the very near future. However, it will eventually be sent because I think all of us in this House recognise that once such transcript has been checked by the Minister it should be made available to those who were at the interview.

Mr. Oldfield: Why is it that so many of these so-called law-breakers are being appointed as agents or agency managers?

Mr. PERKINS: I suggest that these people who were either premises bookmakers in their own rights or employees of such concerns are being very carefully screened, and the ones who are not likely to be lawbreakers are the ones who are being employed by the board.

Mr. Tonkin: But they were encouraged to break the law by the chairman of the board.

The SPEAKER (Mr. Hearman): Order!

Mr. PERKINS: Only in the opinion of the Deputy Leader of the Opposition.

Several members interjected.

The SPEAKER (Mr. Hearman): Order!

Mr. PERKINS: The Deputy Leader of the Opposition makes many statements in this House which I refuse to accept.

Mr. Tonkin: I offered to bring you proof.

The SPEAKER (Mr. Hearman): Order!

Mr. PERKINS: In an amendment of this nature, it is necessary for me to say something about the attitude I adopted when the legislation was previously before this Chamber.

Mr. Tonkin: That certainly wants an explanation.

Mr. PERKINS: I thought if I did not mention it now probably the Deputy Leader of the Opposition and others would do so. It is perhaps just as well that I anticipated this move. I say quite definitely, as one who was very vigorously opposed to the licensing of off-course bookmakers, that I have not changed my opinion; and I do not like gambling now any more than I did at that time.

I remember well quoting speeches—one in particular—which I heard from members in the front benches. The one to

which I refer particularly is the speech given by the ex-Labor Premier, Mr. Collier. I do not think I need to emphasise here the great hatred of that ex-leader of the Labor Party for anything in the shape of gambling.

Mr. Tonkin: What about the fact that every one of these agencies is near a hotel?

Mr. PERKINS: I do not think there is any particular failing which will push a man down towards the gutter quicker than the gambling urge if he gets it. I have not altered my opinion at any stage on that matter. I also remember saying when I was sitting over on that side of the House in the corner benches, that once this legislation was enacted, the clock could not be turned back and it would be impossible to entirely do away with the system of legalised betting. Therefore, the best we can do is to frame legislation to control it and keep it within bounds.

It has fallen to my lot, as Minister for Police, to administer the Totalisator Agency Board. However, I repeat that I have not forgotten the very strong opinions I have always held and still hold.

Mr. Tonkin: You have turned a complete somersault.

Mr. PERKINS: It is my intention, while I have this responsibility, to do my best to see that the kind of behaviour I criticise is kept as closely within bounds as possible.

Mr. Oldfield: Why is every agency near a hotel?

Mr. PERKINS: I could enjoy a day at the races as much as anyone else in this Chamber may do; but it is not necessary for me to bet in order to get pleasure out of attending the meetings. I am sure there are many others in the community with the same idea. It is a great tragedy for one who has been a horse breeder to find such a noble animal as the horse being used for the purpose of gambling in the form which has been in vogue in racing in this State.

Several members interjected.

The SPEAKER (Mr. Hearman): Order!

Mr. PERKINS: It has been necessary for me to say all this because these are opinions which I hold very strongly now, and I want to emphasise the fact that I have not changed them on this matter.

Obviously it is hard enough for the police to control illegal betting of this nature, even with the facilities that are now available. Those of us who are members of this Parliament realise that one has to be realistic; and sometimes things may happen with which we do not entirely agree, but it is desirable to follow a certain course in order to keep things within bounds as far as is humanly possible. I suggest to you, Mr. Speaker, that if we had gone as far as the Deputy Leader of the Opposition suggests we should go, there would have been a great deal more illegal betting than there has been.

Mr. Tonkin: How far is that?

Mr. PERKINS: It is realistic for those of us who believe in the totalisator as compared with bookmakers operating off-course, to realise that it is much more desirable to have the Totalisator Agency Board system which at least does not operate in the interests of a particular individual seeking to promote increased betting, rather than the system which existed at the time when the former premises bookmakers operated, and under which, as I am sure members on the other side of the House realise, there was a very real incentive—

Mr. Tonkin: There still is.

Mr. PERKINS: —to give credit and to promote increased betting.

Mr. Tonkin: Agents are on commission on credit betting.

Mr. PERKINS: I do not want to make more than passing reference to what the Deputy Leader of the Opposition is referring to. I have answered many questions in the House, but it has been suggested that I dodged them. I have not dodged them. I have no reason to think that any of the agents who have been operating have done other than observe the letter of the law; and that no bet—

Mr. Hawke: That is more than the Minister has done.

Mr. PERKINS: —has been made against an account that has not the necessary deposit. It is perfectly clear from the legal opinions that the Deputy Leader of the Opposition read to the Chamber, that there is a loophole there if those persons decide to act as moneylenders in addition to being tote agents; but it is possible to make a private loan—

Mr. Tonkin: They were told to do it.

Mr. PERKINS: —to make sure that the account is held in the necessary credit. I suggest to members of the Opposition that if some amendment in that direction is necessary, we can have it when members opposite agree to the amendments I am putting up in these Bills.

Mr. Tonkin: That is very hopeful; because I have it on the notice paper.

Mr. Bickerton: Bribery.

Mr. PERKINS: I only hope that the Deputy Leader of the Opposition will give an earnest of his intentions by giving me support when he speaks on this particular legislation. However, that is something which can be dealt with; but it is a comparatively minor matter compared with some of the other abuses that I have been referring to.

The fact that all these punters are recorded is, in itself, a safeguard. But I remember the protests that came from

various quarters when the move was made, in a comparatively mild way, to see that those who bet with off-course premises bookmakers were recorded with the betting control authority to ensure that there was some control over their operations.

Mr. Tonkin: You should have a yarn with your colleague, the Minister for Lands, about disclosing information of a private nature.

Mr. Hawke: Also, have a talk to the Minister for Works on the question.

Mr. PERKINS: I can only emphasise that the facilities which have been provided by the T.A.B. are somewhat less than those previously provided by the off-course premises bookmakers; and further, as a measure of satisfaction to many people in this community, we are anxious to lessen the amount of betting and gambling that is taking place; and the turnovers in the areas taken over by the T.A.B. have been greatly reduced. I think the figures are not much more than 50 per cent. of the figures of the shops that were previously operating in those areas.

Mr. Tonkin: Isn't this illegal betting included in the turnover betting?

Mr. PERKINS: I am not saying anything about illegal betting; and I am surprised at the Deputy Leader of the Opposition saying anything about it.

Mr. Tonkin: Why?

Mr. PERKINS: Because, surely, the objective must be to stop it.

Mr. Tonkin: But it is there.

Mr. PERKINS: When the illegal betting is stopped, we will be in the position where the Totalisator Agency Board has control of the situation, and there will be a further substantial reduction compared with the amount of betting that previously took place in those areas. On the other hand, there will be the opportunity for those persons who desire to bet, to do so legally with the T.A.B.

I very much dislike gambling in all its forms; but, on the other hand, I recognise that if someone else desires to gamble there are limits within which we should control his actions; and irrespective of what our opinions are—even though we may think these people are foolish—there are limits beyond which we should not go in interfering with the liberty of the individual. I think that what I have mentioned conforms with that general principle.

I also say that from among the many friends I have in the racing and trotting fraternity, I have been told that since the T.A.B. has been established there has been a big improvement in the general amosphere in racing and trotting; and I feel very encouraged by the opinions expressed by some of these people, many of whom are not gamblers and have not much interest in betting. Some tell me that they do not bet at all. One member tells me that he never bets.

Mr. Bickerton: He does not have to.

Mr. PERKINS: On the other hand, I know that he has a great interest in racing and the production of high-class blood stock.

Mr. Hawke: Are these the people who degrade the noble horse for the purpose of organising gambling on a big scale?

Mr. PERKINS: I just want to say in conclusion that I am surprised that some of these bookmakers—who, if the reports are right, have made very big money in recent times and have accumulated large assets and obviously are quite wealthy people—should take the risk of committing illegal acts in order, apparently, to make more money. I rather suspect that they have another motive: that of trying to limit the success of the T.A.B.

Mr. Oldfield: Is there any evidence that they are illegally betting?

Mr. PERKINS: I ask the member for Mt. Lawley what he is going to say about it. I think he knows more than he says.

Mr. Oldfield: I do not know where one of your agencies is.

Mr. PERKINS: In evidence before the Royal Commission, the premises bookmakers said that the profit was not more than 11 per cent. The Deputy Leader of the Opposition and various other members on the opposite side of the House also told me very forcibly, when the legislation was being debated in Parliament, that if we budgeted on a higher figure than 11 per cent., the T.A.B. would be in severe financial strife. I can well remember the detailed discussions which the Deputy Leader of the Opposition had with me, and which have been proved to be entirely wrong.

Mr. Tonkin: No they haven't!

Mr. PERKINS: The only worry the Deputy Leader of the Opposition has now is that the T.A.B. has been too successful.

Mr. Tonkin: Dreadfully successful; that is why so much money has been paid by the Treasury!

Mr. PERKINS: Rather than lose £300,000, which the Deputy Leader of the Opposition said was going to happen, the only capital money which it has been necessary for the T.A.B. to use has been £2,500 from the Turf Club and £2,500 from the Trotting Association. Now it is in the happy position of being able to pay back, as a dividend, more than it collected in capital moneys from those two organisations. I think we will all agree that the development stages are the most difficult; and one can expect the financial operations of the T.A.B. to improve as time goes on, so long as we control off-course betting.

I have one further comment to make. I have a report here from which I wish to read—

> The board has also kept figures showing how it would have fared had it operated as a bookmaker under the conditions which applied to licensed premises bookmakers up to the 31st December, 1960.
>
> Such figures show that on the investments held the board would have made a gross profit of 17.0 per cent.—0.2 per cent. below that actually experienced by the board.

This 17 per cent. profit as a bookmaker is, of course, very much different to the 11 per cent. advanced by and on behalf of bookmakers, not only to this House but before the Royal Commission.

> It must be remembered, of course, that the board does not engage in concession doubles and all-up betting (apart from a very limited amount on the first day)—the two most lucrative sources of profit for the bookmaker. It is understood that the profit on concession doubles and all-ups would average 25 per cent.

If that is a fair statement of the position, where are we? Did not the witnesses for the premises bookmakers commit perjury when they gave that evidence to the Royal Commissioner?

Mr. Tonkin: Do not forget that they had to pay rent for their premises.

Mr. PERKINS: Were not their profits higher than were disclosed?

Mr. Tonkin: Do not overlook that fact that they had to pay rent for their premises, and the board is getting some of their premises for nothing.

Mr. PERKINS: Let the Deputy Leader of the Opposition grow up!

Mr. Tonkin: It is getting some of the premises for nothing.

Mr. PERKINS: The honourable member is very hard put if he is going to chase that one.

Mr. Tonkin: I will prove it.

Mr. PERKINS: There is such a large disparity between 11 per cent. and 17 per cent. that I think there is a very fruitful field for a close investigation by the Taxation Department of some of the people who gave that evidence before the Royal Commissioner and whom the Deputy Leader of the Opposition represented so vigorously in this Chamber.

Mr. Hawke: Why not have the investigation made?

Mr. PERKINS: Why should decent members of this community have to pay high rates of taxation while some people can live in luxury and disclose one figure—

Mr. Oldfield interjected.

Mr. PERKINS: —to the taxation department—I presume 11 per cent. is the figure they disclosed, although they may have disclosed a higher figure—while the indications are that much higher percentages were earned? But I know that if the Taxation Commissioner moves in on any individual in this community, his powers are so far-reaching that eventually he will discover the truth.

Mr. Hawke: What is wrong with that?

Mr. PERKINS: In view of the information I have I suggest that some of these off-course premises bookmakers would be well advised to let sleeping dogs lie and get out of the bookmaking business before something worse befalls them.

Mr. Hawke: You have found them guilty already.

Mr. PERKINS: I do not know.

Mr. Hawke: That is how you have been speaking.

Mr. PERKINS: I do not know. All I can say is that on the information available to me it could be a fruitful field for investment.

Mr. Tonkin: You have appointed these men as your agents; they are working as such now.

Mr. PERKINS: I have already replied to that interjection.

Mr. Tonkin: Yes, of course you have!

Mr. Watts: It has nothing to do with it, anyway.

Mr. PERKINS: I have a strong suspicion that the illegal betting that is going on is not being done with a desire to make additional profits; because I think, according to the information available to me, that these former off-course Premises Bookmakers' Association members who are now betting illegally by telephone have made so much money that additional profits cannot be of very great interest to them from here on.

I do say that there is an anxiety on their part to prevent the Totalisator Agency Board from becoming too effective, and I am told that there are indications that more of these people are moving into this illegal field of betting as they become aware of the legal advice which apparently they have been given and which is proving to be correct and making it difficult for the police to apprehend them for their illegal operations. I suggest to members on the other side of the House that they had better be frank in this matter.

Mr. Tonkin: What about setting a good example?

Mr. PERKINS: Obviously, if there were any future for the present illegal bookmakers in the betting field, it could only be because they have some understanding with the Australian Labor Party, represented by members of the Opposition, to

the effect that if they happen to win the next election they intend to dice the Totalisator Agency Board—

Mr. Hawke: Don't be a ratbag!

Mr. PERKINS: —and reinstate the off-course Premises Bookmaker's Association.

Mr. Roberts: They do not like that.

Mr. J. Hegney: The Liberal Party has admitted receiving £100 from the association.

The SPEAKER (Mr. Hearman): Order!

Mr. Watts: You should talk!

The SPEAKER (Mr. Hearman): Order! If there is any more of this general exchange across the Chamber I will leave the Chair. I am not going to tolerate this sort of thing. I have had to pull members up twice already in two sittings. If an interjection is made, possibly with a view to obtaining some information, I do not mind; but when three or four members join in and howl the speaker down, I think the man who is on his feet is entitled to some protection.

Mr. PERKINS: I suggest that there cannot be any future for these former—or, for all I know, present—members of the off-course Premises Bookmakers' Association in conducting their illegal betting operations, unless they have some understanding with the Labor Party that, in the event of a change of Government, they will be restored to their former positions.

Mr. Hawke: I say the Minister is a political ratbag and a hypocrite!

Mr. PERKINS: I will leave it at that. I have noticed that members on the other side of the House have been very guarded. Finally, I hope that many members over there do not like what is going on at present, and that if they are left to choose for themselves they will certainly support this legislation which is designed—

Mr. Toms: What rot!

Mr. PERKINS: —to promote law and order and to prevent the breaking of the law.

Mr. Hawke: You are a hypocrite!

Mr. PERKINS: In those circumstances, when members on the other side of the House speak on this amending Bill, they may give some further information on those points.

In conclusion, the intention of the legislation has been indicated by the remarks I have made, and I have also read a carefully-considered Crown Law opinion indicating the present legal position and what the Bill seeks to do. I move—

That the Bill be now read a second time.

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

TOTALISATOR AGENCY BOARD BETTING ACT AMENDMENT BILL

Second Reading

MR. PERKINS (Roe—Minister for Police) [4.36 p.m.]: I move—

That the Bill be now read a second time.

All I intend to say on this Bill, as I indicated when introducing the previous measure, is that this is complementary legislation. The Crown Law opinion which I have already read to the House covered both these measures; and, as members who are conversant with the legislation know, an amendment of the two Acts is necessary in order to implement the intention which I have already enunciated in some detail.

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

CHURCH OF ENGLAND (NORTHERN DIOCESE) BILL

Second Reading

Debate resumed from the 19th September.

MR. NULSEN (Eyre) [4.38 p.m.]: I do not intend to spend a long time in speaking to this Bill, which is not a Government measure but one which has been brought before Parliament at the request of the Church of England of Western Australia. Its provisions have been clearly explained by the Attorney-General in his introduction of it. It seeks to provide for the vesting of certain lands in the trustees of the Northern Diocese and for incidental and other purposes. To be sure I was on the right side—and I know that I am—I have had a talk with the Chancellor of the Church of England. He is a legal practitioner and a very eminent person. I understand he was born in Coolgardie, so he is a man who should be extremely reliable.

The chancellor told me that at present the Geraldton parish, although worked by the Bishop of the Northern Diocese, is vested in the trustees of the Perth Diocese until such time as a synod is established in the Northern Diocese. At present this cannot be done because the original constitution of the Northern Diocese provided that there had to be eight priests in the diocese; and, even including the Geraldton parish, there are only seven priests. It is the desire of the other dioceses of the church, therefore, that the Northern Diocese should have a synod.

The schedule in the Bill sets out the boundaries of the diocese very clearly; and as the Attorney-General has already gone carefully over the details, I would be only wasting the time of the House if I were to reiterate the remarks he made. In view

of the fact that there is no opposition to the Bill and that it has been introduced at the request of the Chancellor of the Church of England of the Perth Diocese, this legislation should be passed to enable the Northern Diocese to have full responsibility; and, secondly, to have the use of that part of the State in administering the Northern Diocese.

In passing, I would like to see more of these moves, although this is an ecclesiastical one. We are anxious to encourage decentralisation; and, by this Bill, the Church is seeking to do so in its affairs because it wants to give the northern part of the State a fair deal under the provisions of its constitution, and the people who are residing there a fair chance of administering their own affairs as they so desire. I have much pleasure in supporting 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.

CHURCHES OF CHRIST, SCIENTIST, INCORPORATION BILL

Second Reading

Debate resumed from the 19th September.

MR. HAWKE (Northam—Leader of the Opposition) [4.45 p.m.]: This Bill, as the Attorney-General told the House, proposes to give legal status to the extent required to what is described as a body or association, with the title of "First Church of Christ, Scientist, Perth."

It would appear this spiritual association branches from the foundation church in Boston, Massachusetts. As far as one can gather from the schedule to the Bill, the founder of this church was a woman by the name of Mary Baker Eddy.

The passing of this Bill by Parliament will not make it impossible for other branches of this particular religious organisation to be established in other parts of Western Australia. However, its passage by Parliament will establish the existing church, which is located not very far from this Parliament House on a firm legal basis in regard to its material activities as a religious organisation in Western Australia. The Bill sets out in detail the by-laws and rules which the church in question will be entitled to form, and under which the activities of the church in regard to its management will be carried on.

I cannot see any reason why any member in this House should not favour the passage of this Bill. To a very large extent it is a matter of giving those associated with the church the opportunity to safeguard their establishment and their existence; and to protect the fact that this church in the city of Perth is a church associated with the mother church in another part of the world. The passing of this Bill will not prevent other groups, who believe in the same spiritual principles, from establishing similar church organisations in other parts of this State.

There appears to be nothing restrictive in the contents of the Bill. It will not, as it were, give to those who will be part of this church, or associated with it in the city, a monopoly in the management and control of the future development of this religious organisation in Western Australia. Therefore, the Bill has my support, and I see no reason why Parliament should not approve of it.

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.

HOUSING LOAN GUARANTEE ACT AMENDMENT BILL

Second Reading

MR. ROSS HUTCHINSON (Cottesloe—Chief Secretary) [4.56 p.m.]: I move—

That the Bill be now read a second time.

This is a Bill designed to achieve desirable amendments to the Housing Loan Guarantee Act. The original purpose of the Act, assent to which was given in December, 1957, was to encourage the investment of private funds to assist home builders and also to encourage building societies and other lending authorities to advance a higher proportion of the value of homes.

In most cases, home seekers were required to provide deposits in the vicinity of £1,000 on a £3,000 house and this proved beyond their means. By guaranteeing the loans it was hoped to overcome the reluctance of lenders to advance these higher risk loans. The provision of more private funds for housing would also enable the State to channel more of its funds into urgently needed water supplies, schools, hospitals, etc.

The legislation provided for guarantees for both first, and/or second mortgages which could be guaranteed in whole or in part as desired by the lender. To date, loans to the extent of £1,200,000 have been guaranteed. These homes, mainly in the £3,000 range, have been purchased by persons with moderate incomes who would

otherwise have been eligible for direct assistance by the State Housing Commission under either the State Housing Act, or the Commonwealth and State Housing Agreement Acts of 1945 and 1956.

In 1958 financial houses and institutions showed interest in the scheme, and to enable guarantees to be given to these institutions the Act was amended by adding section 7A. Section 7A has resulted in over £1,000,000 being attracted into the home finance field. In the Eastern States some £250,000,000 has been guaranteed by New South Wales, Victoria and Queensland since 1945.

The present Act also provides for the payment by the lending institution into a Treasury fund of 5s. per cent. per annum on the amount of the guaranteed loan outstanding at the end of each quarter. This fund was intended to meet administration costs and losses, if any, sustained.

After reviewing the scale of private investment in housing and the ruling interest rates on various types of securities, limits have been set on the amount to be guaranteed by the State and the maximum interest rate charged to borrowers. Administrative control has been kept to a minimum commensurate with adequate responsible management by institutions and the avoidance of undue risk to the State.

During 1960 the Government appointed an advisory committee of experienced Eastern States and State Government officers to advise on extensive amendments which were required to the Building Societies Act, 1920-21. It will be remembered that I mentioned this fact when introducing the Building Societies Act Amendment Bill this afternoon. At the same time the committee was requested to review the Housing Loan Guarantee Act, 1957-59, which was considered complementary in a great part to the Building Societies Act.

The committee was in full agreement with the principle of guarantees and the administrative methods adopted, but noted that experience gained in the first two years indicated a need to improve the legislation in the interests of both the Government and the home builder. The principal amendments proposed in the Bill are:

Guarantees: In the existing legislation section 7A provides for major financial institutions being guaranteed moneys advanced to approved institutions which, in turn, are guaranteed under section 7 against default by the borrower. The effect is a continuous guarantee from the major body down to the individual case.

The amendment aims to limit the guarantee only to the moneys advanced by the major financial institutions—to be defined as "lending institution" to distinguish it from an "approved institution"—to an "approved institution" whose assets will be secured by administrative process, namely, a "charge" for the amount guaranteed, and to be first security except where an advance has been made from the Home Builders' Account Commonwealth-State Housing Agreement Act, 1956. This conforms with practice followed by Queensland, New South Wales, and Victoria.

Indemnities: Section 7 at present permits of "approved institutions" being guaranteed for the whole or part of moneys advanced to individual "borrowers" under security of first or second mortgages, and according to the following scale:— Up to 95 per cent. of value of a new house not exceeding £3,000; up to 90 per cent. of value of a new house exceeding £3,000 but not exceeding £5,000; up to 80 per cent. of value of a new house exceeding £5,000.

In the interest of reducing the contingent guarantee liability on the State and encouraging better management by closer scrutiny of "borrowers" credit worthiness, it is proposed to repeal section 7 and to replace it with a new subsection to the main section empowering guarantees. The new subsection is intended to empower "approved institutions" being indemnified against loss in the event of necessity to foreclose on first mortgage only, but only for the difference between the amount it would have normally advanced against value, and the amount which it is authorised to advance of the money it has received under guarantee from a "lending institution." This will encourage greater responsibility on the part of these institutions.

The recommended scale of indemnity is: Between the amount which would be normally advanced against value and 95 per cent. of value of a new house not exceeding £3,000; between the amount which would be normally advanced against value and 90 per cent. of value of a new house exceeding £3,000 but not exceeding £4,500; between the amount which would be normally advanced against value, and 80 per cent. of value of a new house exceeding £4,500 but not exceeding £6,000.

These limits have been set so as to maintain assistance to and encourage home ownership by the lower and middle income group. It is considered that the higher income group has the financial capacity to obtain financial assistance without Government guarantee or indemnity.

Housing loan guarantee fund: Under section 9 the Treasurer has established an account called the Housing Loan Guarantee Fund into which is paid one quarter of 1 per cent. per annum on so much of the amount as is not repaid to the approved institution, for the purpose of creating a fund from which claims can be met.

As the cost of the administrative work involved is not being covered by the fund and the fact that no charges are levied by any other State (except South Australia under old legislation) because of the absence of any significant number of claims, or this State in respect of guarantees on advances for purposes other than housing, it is recommended that the existing section 9 be amended to delete the ¼ per cent. charge and to give the Treasurer power to pay claims from Consolidated Revenue. The dropping of this annual recurring charge will also materially benefit the home purchaser.

To meet the cost of registering applications for guarantees and preparing security documents (guarantees, charges, undertakings and the proposed indemnities) the Government considers that the Minister should be granted power to fix such reasonable fees as the Minister determines from time to time, such fee being payable and recoverable from either "lending" or "approved institution" or "borrower".

Valuers: At present the Minister may engage such persons as he considers suitable to be valuers for the purposes of the Act. It is suggested this be amended to enable the Minister to both engage and appoint; as in most instances, "approved institutions" seeking indemnities will wish to use the services of valuers who are either on their staff or who have been undertaking the institution's work for a considerable time.

Power to make agreements: At present section 10 authorises "approved institutions" to make loans, enter into contracts of sale, and purchase of new houses and to accept guarantees under this Act, notwithstanding that the instrument of constitution of the "approved institution" may not confer such powers. This amendment will preclude an "approved institution" nullifying protective provisions included in its instrument of constitution as a requirement of its registration under the Building Societies Act. The amendment arises from legal opinion which suggested that, in principle, this was not desirable especially as persons ordinarily inquiring into the powers of corporate bodies would, ordinarily, check the instrument of constitution as held by the registering authority.

The new sections recommended for incorporation in the Act are intended to give the Treasurer, on the advice of the Minister, power to conduct periodic reviews necessary to ascertain the total amount which should be guaranteed under this Act; and to give the Treasurer, on the advice of the Minister, power to declare, from time to time—

(a) the maximum interest rate chargeable for moneys subject of guarantee and indemnity.

(b) the percentage of value up to which "approved institutions" will be expected to lend guaranteed moneys without indemnity. Attention is drawn to the earlier mentioned amendment which will allow for the issue of indemnities for any amount which is in excess of this declared percentage and is within the limits of the scale.

(c) to give the Minister power to recommend to the Treasurer the approval of an "equitable mortgage in part", being given by the "approved institution" where the guaranteed amount to be secured is less than the value of the whole of the unencumbered assets of the "approved institution."

Other amendments arise consequentially from the foregoing.

Debate adjourned, on motion by Mr. Graham.

Message: Appropriation

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

COUNTRY HIGH SCHOOL HOSTELS AUTHORITY ACT AMENDMENT BILL

Second Reading

MR. WATTS (Stirling—Minister for Education) [5.10 p.m.]: I move—

That the Bill be now read a second time.

In moving the second reading of this Bill, which I now do, I would say that it has a great deal more importance to many people than its size would indicate. Members will recall that approximately a year ago Parliament agreed to the setting up of a Country High School Hostels Authority with borrowing powers conferred upon it by the statute which was then passed by both Houses.

The borrowing power in that measure was limited, with the approval of the Treasurer, to £100,000 per annum. The hostel authority was established within a reasonable time after the passage of the measure, some little time being taken up, of course, in the nomination by the Church of England, the Country Women's Association, and the Governor, of the various members who were to form a body of six which, in the first instance, was to have authority under the Act.

In consequence, there was only about half the 1960-61 financial year in which the authority was able to borrow. At or about the time when the authority was set up, the Commonwealth Government finally came to the conclusion that it required

to dispose of the premises which were being leased by the Education Department at Merredin from the Commonwealth and used for the purpose of a hostel for high school students. As a result, the authority had to make ready to provide for the beginning of the next calendar year premises to replace those to which I have just referred.

The number of children accommodated when last figures were given to me was no less than 96, including both sexes. Plans were drawn by the Public Works Department, but the estimated cost was considered to be too great and they were redrawn. Finally it became apparent that premises suitable for both sexes and to accommodate up to 100 children could not be provided for less than a sum of approximately £100,000, although that was a considerable reduction on account of changes in design on the original proposal.

The hostel authority was not able, in the six months, to raise the whole of the £100,000 which it was entitled to raise during that particular financial year which has closed. It was only able to raise approximately 50 per cent. of that sum, partly, as I said, because of the delays that took place, and partly because of some other difficulties that arose rendering it impossible to finance the loans before the end of the financial year.

In consequence of these two factors I have just mentioned, the hostel authority found itself in the position of being virtually unable to proceed during this financial year with any of the other works that it required to do; and places which had to be taken into consideration such as Manjimup, Geraldton, and Carnarvon could be given no assurance that progress would be made within the reasonably near future.

The authority, therefore, had a meeting to discuss the matter; and I was approached with the suggestion that the authority's borrowing power should be increased to £200,000 per annum. A review both of the financial obligations of the State and the position of semi-governmental instrumentalities raising loans in the next few years was made as a result of discussions with the Treasury; also, the reasonable possibility of what would be required by the authority in the next couple of years, and what could be tackled by the authority, was gone into.

The conclusion was finally reached that its authority to raise loans should be increased to £200,000 for each of the years ending the 30th June, 1962—that is the year which is now current—and the year ending the 30th June, 1963. That would provide the authority, by the end of June, 1963, with approximately £450,000; and it was confidently expected that that would enable the authority—as most of the other propositions would be considerably smaller than the very great one that I have already mentioned—to be provided with sufficient funds to grasp the nettle, as it were, and to make a very considerable contribution towards the solution of the problem which, with the approval of the Minister for Education—and, so far as loan-raising is concerned, the Treasurer—faces the authority at the immediate present.

It was thought that to limit it to two years was, in any event, very wise. If circumstances are such that at the end of June, 1963 there is no evident reason why the extra amount should be authorised for a further period, then Parliament can consider the matter.

Of course, as members are aware, the obligation for repayment of this money—as the authority is not a revenue-producing institution—is upon the Treasury; and therefore a reasonable measure of awareness and control must be kept on its financial operations.

It is quite clear, I think, to the authority, after a very considerable number of inquiries—and I must compliment the members of the authority for the enthusiasm they have displayed in looking into the various problems that have come under their jurisdiction—that it is practically impossible—concerning any reasonable weekly charge to the students; any charge which the parents of the students can pay without undue difficulty—to carry on a hostel successfully with fewer than some 35 children. Any number smaller than that is quite likely to result in those running the hostel—which, of course, in all cases up to date have been voluntary organisations; and I anticipate that that will continue—doing so at a considerable loss.

It is true that the Government has, for many years past, subsidised to some degree the amount of board and lodging that is charged to the parents, in order to make some contribution towards ensuring that those charges are kept as low as possible. But even with that, it is still considered after due inquiry that about 35 children are required to ensure that, in normal cases, the budget can be balanced.

I mention that in order to make it quite obvious that the places where the hostel authority will devote its first attention will be those places where something like that number of children can be assembled.

There, of course, will obviously be a more pressing problem; and the places I have mentioned will be the places where the authority will devote its attention in the first instance. I have named three or four of them, because they are the places to which the authority must give consideration in the near future; and, if this Bill is passed, the authority anticipates being able to make considerable progress within the next 18 months.

This Bill therefore provides that for the two years to which I referred, instead of the sum of £100,000 being the maximum loan-raising capacity of the authority in each year, for those two years it shall be £200,000. I think it is a wise proposition; and I think it is one to which members—particularly those who have some personal knowledge of the difficulties—will subscribe.

Debate adjourned, on motion by Mr. W. Hegney.

Message: Appropriation

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

JUDGES' SALARIES AND PENSIONS ACT AMENDMENT BILL

Second Reading

Debate resumed from the 14th September.

MR. HAWKE (Northam—Leader of the Opposition) [5.24 p.m.]: This Bill proposes to raise the rates of pension which will be payable in future to judges of our State Supreme Court. At the present time the maximum rate of pension payable to a judge who has retired and who has put in the minimum period of service required is 40 per cent. of the annual salary rate which was applicable at the date of retirement.

This Bill proposes to increase the 40 per cent. rate to 50 per cent. The reason given to the House by the Attorney-General for this new proposal is, firstly, that members of the Government consider the proposed increase to be reasonable; and, secondly, it is the rate which applies generally to retired judges who have served upon the bench of the High Court of Australia for at least the requisite minimum period.

I have no objection to offer to the proposed increase, although there are some related comments which I wish to offer to the House. I agree with the Attorney-General that men who occupy the highly important position of judges in our Supreme Court are entitled to reasonable rewards, firstly in the salaries which shall be made available to them for the service which they give; and, secondly, in the pension rates which are to be applicable to them upon retirement.

Members know that everyone who serves the State, and serves the people, is carrying out a valuable service in community affairs; and I think we would all agree that judges must necessarily have a high priority in the regard which we would have for their services. Therefore, there could be no valid objection to giving them the most reasonable treatment possible on a financial basis; and, indeed, in every other reasonable manner.

I think the Attorney-General told us that the proposals in this Bill, after approval by Parliament, would put an end to the controversy which has been going on for a long time; and would put the question of pensions on a firm basis once and for all.

Mr. Watts: That is what I hope, anyway.

Mr. HAWKE: Well, Mr. Acting Speaker, I am rather relieved to find that the Attorney-General has shown, by interjection, that what he told us as being his firm conviction is, on reflection by him, more in the nature of a hope than a conviction. I have no knowledge of the controversy of which he spoke.

Mr. Watts: A lot of correspondence.

Mr. HAWKE: However, I do know that most men, and particularly those who work for reward—irrespective of whether the financial reward be high, medium, or low—are inclined to indulge in controversy fairly frequently, for the purpose of trying to prove to those who employ them that they are really worth more than they are at that particular time receiving. So it could very well be, as the Attorney-General suggested a moment ago, that this controversy has not, in fact, been so much of a controversy as the making of representations in writing from particular sources to the Government to have this question of judges' pensions reviewed for the purpose of making an upward adjustment, and for the purpose of bringing them more into line with what might barely be described as the average of the Eastern States, including the rates of pensions paid to the High Court judges.

From my own experience, I would think that this issue would come forward again at some time in the not too distant future. I am afraid that the system of parliamentary government that we have in Australia rather encourages and promotes this sort of practice. Not that I am trying to reflect in any way upon those who might from time to time have representations made to the Government either directly by themselves or on their own behalf by some organisation which is entitled to represent them.

We have a Commonwealth Government and we have six State Governments. All of those Governments employ judges, magistrates, and various public officers. They all have some responsibility in regard to the financing of universities, the payment of salaries to university professors, and so on. When a particular group in one State of Australia is able to make practical progress in this sort of situation with its State Government, and that Government grants increases in salaries or pensions, or someone succeeds in persuading the Commonwealth Government that it should increase pensions or salaries for one group, or for more than one group,

there is immediately touched off encouragement, and indeed more than encouragement, for the appropriate groups in all the other States of Australia to get to work upon their State Governments to show that New South Wales has done this, or the Commonwealth Government has done that, and as a result the relative positions of the judges, the magistrates, the university professors, or the other highly-salaried officers have fallen behind, and that this is an economic injustice and one which no self-respecting Government would allow to continue for a moment longer than was absolutely necessary.

Mr. Bovell: Members of Parliament might be in that position.

Mr. HAWKE: As the Minister for Lands gently reminded me, members of Parliament are in somewhat the same position. The Commonwealth Government and Parliament agrees to increase parliamentary salaries for Federal members and Federal Ministers, or the Government in a wealthy State like New South Wales or Victoria increases salaries for State Ministers and State members of Parliament; and, quite naturally, members in the less wealthy States—and particularly in the bigger States geographically, such as Queensland, South Australia, and Western Australia—feel that they have an equal claim for favourable consideration; and that, too, develops representations to the Governments concerned and pressures upon them to some extent to give consideration to the people for whom they are responsible.

Mr. Watts: I think I might make you agree with me in a minute or two.

Mr. HAWKE: That the move which Parliament is being asked to make per medium of this Bill will settle the question of the basis on which judges' salaries in this State are to be worked out in the future will be the last we might see of this particular question? The other comment I wish to offer is that I am sorry the Government is dealing only with pensions for judges in this particular session of Parliament. This causes me to take my mind back to the last session of our State Parliament when the Government introduced a Bill to deal with pensions payable to the group known as the 1871 State pensioners in Western Australia, and also to deal with the pensions of those who come under the 1938 State family benefits and superannuation fund.

In that legislation, as I strongly pointed out at the time, not once but several times, the people who were on the lowest rates of pension were left where they were. The legislation made no provision whatever to give the lowest rated pensioners any increase. Not a penny. On the other hand that legislation did increase pensions for those who were on the higher rates of pensions. In fact it included the vicious principle of giving the biggest increases in pension rates to those who were on the highest rates of pension.

So I would have been much more satisfied in the present situation had the Government introduced, concurrently with this Bill dealing with judges' pensions, another Bill to deal with the 1871 pensioners and the 1938 Act pensioners to provide some reasonable increase to the pensioners who received nothing at all as a result of the Act which was passed by Parliament last year.

MR. WATTS (Stirling—Attorney-General) [5.37 p.m.]: First of all I would like to thank the Leader of the Opposition for his contribution to the debate on this measure, and for the support he has accorded it. I said to him that I hoped to convince him that my optimistic hope in regard to pensions might come to pass; although I agree whole-heartedly with him that the question of salaries as such is likely to continue to be the subject of representation from time to time for a considerable period.

However, I would point out to him that every time the representations are made with regard to salaries the pension will rise because of the percentage basis on which it is based; and as a consequence it was in my mind, when I made the remark that I did, that it was unlikely that anybody would go much beyond 50 per cent. of the salary as the pensionable amount at the time of retirement. I was of the opinion that there were sound grounds for believing that the question of pensions might not be raised in the future; but not, of course, the question of salaries.

Mr. Hawke: Some of the other States do go beyond 50 per cent.

Mr. WATTS: New South Wales has gone to 60 per cent in certain cases, but those are exceptions rather than the rule; and I thought that, on those grounds, my optimism was a little justified.

There is only one other comment I want to mention in regard to the remarks of the Leader of the Opposition. I wish to make myself perfectly plain in regard to this: I cannot give him any guarantee, because I am not yet aware of the determination that is being reached, but I know that consideration is being given to certain aspects of the 1938 Act, to which he referred, and it may be that legislation will be brought to Cabinet for consideration.

Mr. Hawke: What about the 1871 Act?

Mr. WATTS: I cannot answer in regard to that. I want to be sure rather than sorry. Whether or not a Bill will eventuate I cannot say, but I know the matter is being given consideration; and with those few remarks I will subside.

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.

WELFARE AND ASSISTANCE BILL

Second Reading

Debate resumed from the 5th September.

MR. HAWKE (Northam—Leader of the Opposition) [5.42 p.m.]: This Bill deals with activities which are carried out very largely, if not totally, within the Child Welfare Department. However, as the Attorney-General told us when introducing the Bill, the provisions of the Child Welfare Act are not adequate to meet the practical features of the situation which has developed within the department in recent years. Therefore it was evidently considered by the Attorney-General, and by his Crown Law officers, that what is proposed to be achieved by the passing of this Bill into law could not have been as well achieved by the making of amendments to the Child Welfare Act.

Mr. Watts: I understand that is also the opinion of the director.

Mr. HAWKE: I am not quarrelling with the procedure which has been adopted, but merely pointing out that where we might have expected, in the normal course of events, to have a Bill to amend the Child Welfare Act we have instead a Bill which will set up a separate Act of Parliament altogether should Parliament approve of it.

According to the information given to the House by the Attorney-General, from the legal standpoint it was found that the Minister for Child Welfare did not have the power, and presumably no other Minister had the power under any other piece of legislation, to make advances of State money by way of financial assistance to deserving cases in any particular sets of circumstances. As there was no specific legal authority contained in any Act of Parliament to authorise the Minister to make these advances, they had to be made on the basis that parliamentary approval for them was received in the general way when Appropriation Bills came to Parliament periodically.

Presumably, as there was no specific legal authority for the making of these advances, there could not be any legal action available to the Child Welfare Department, or to the Government, for the legal recovery of any of these moneys. In the information which the Attorney-General gave the House he said that in the financial year 1960-61 the amount expended for this particular purpose totalled approximately £275,000; and where recovery had been achieved by voluntary negotiation and so on, the total amount recovered was only £26,000.

On the advice of the principal officers of the Child Welfare Department we were informed that approximately £50,000 would have been considered a fair recovery. As members know, it was my privilege in more than one period to be in charge of the administration of the Child Welfare Department. I know that most of the people who make approaches to the department are deserving and genuine in every way. Nevertheless, as in all activities of this kind, there are always those who seek to impose themselves; who, if they can get financial help during a temporary period, try for all they are worth subsequently to avoid making any repayment to the department, even though they may eventually find themselves in a financial position where they could quite easily and fairly make such repayments.

So this Bill, in essence, lays it down that the Minister for Child Welfare shall have legal authority to make specific financial advances where circumstances are considered deserving; and where such legal authority does not exist in the Child Welfare Act and is not available in any of the other Acts on our statute books in relation to such cases. It will also give to the Minister, or to those to whom he may delegate his powers, the legal right to seek the recovery of the whole or part of the money which has been advanced in any particular instance.

I have no quarrel or question in regard to that proposal, and on the whole there are only one or two other points which I wish briefly to discuss. One of the provisions in this Bill seeks to place legal responsibility for burial expenses, where the department has to undertake the cost of burial, upon the close relations of the deceased person. I think that in Committee some consideration might be given to this part of the measure for the purpose of deciding whether the persons whom this Bill would make legally liable for the funeral expenses should in fact be made so liable.

In my experience I more than once came across accounts from undertakers who had carried out the burial of a person who had no means and no money, and who had not left any money, where the accounts appeared to me to be very excessive indeed in any set of circumstances. As a result of having some inquiries made we found there did exist the basis for approach to the undertakers concerned to press them to reduce the heavy charges that had been made.

In some approaches we succeeded in obtaining quite reasonable reductions in the original accounts rendered; in other cases, the undertakers concerned knew we had no action at law of any kind against them, and they insisted on being paid the full amounts, and the department had no option but to pay those full amounts.

Accordingly there might be some avenue along those lines for keeping down to reasonable proportions the expenses which the department has necessarily incurred in these unfortunate cases; and I say that irrespective of whether finally the department has to bear the whole of the cost, or whether the department in some of the cases at least is able to recover some of the payments from near relatives.

The only other point to which I wish to make a brief reference is the question of penalty provided in clause 21 of the Bill. In Committee it might be considered worth while to discuss the question whether the penalty provided of £50 or imprisonment for three months might not be reduced without breaking down in any way the effectiveness of the provision as a deterrent against those who would try to impose upon the department for the purpose of obtaining moneys to which they would not in point of merit be entitled; and also, of course, for the purpose of punishing such persons who would succeed in imposing upon the department but who subsequently would be detected in their imposition and be brought before the courts on a charge of suspicion or of imposition. I support the second reading of the Bill.

Debate adjourned, on motion by Mr. Hall.

COAL MINERS' WELFARE ACT AMENDMENT BILL

Second Reading

MR. ROSS HUTCHINSON (Cottesloe—Chief Secretary) [5.55 p.m.]: I move—

That the Bill be now read a second time.

This Bill seeks to amend the Coal Miners' Welfare Act by amending section 9 of the parent Act. Reference to that Act reveals that section 9 deals with the membership of the board which is constituted to carry out the provisions of the parent Act. The board comprises three members who are appointed annually by the Governor.

The Bill proposes to repeal paragraph (b) of section 9 (2) and re-enact it as follows:—

> one shall be the President of the Coal Miners' Industrial Union of Workers of Western Australia, Collie.

The paragraph which the Bill seeks to repeal, and which is in force at the present time, reads—

> one shall be the President of the Australian Coal and Shale Employees Federation Union of Workers, W.A. Branch, Collie.

In point of fact, this Bill merely contains a machinery amendment to the Act; the amendment has been sought for some time by the unions themselves. The parent Act was passed with the object of establishing a fund for the provision of amenities for coalminers. The fund obtained its revenue under the provisions of section 6 of the Act, which places an obligation on the owner of every coalmine to pay into the fund at the rate of 1½d. per ton on the output of all coal produced from every mine of which he is the owner. Contributions from mine owners during the financial year ended the 30th June, 1961, amounted to £5,032.

There has been a long-standing arrangement by which the Commonwealth Government subsidises this revenue on a £ for £ basis, up to a maximum of £5,000 per annum. This arrangement is subject to review as and when allocations are made by the Commonwealth. One of the most important undertakings of the board, I am informed, has been in connection with the reduction of the overdraft on the Mine Workers' Institute, as a result of which the mortgage with the Rural and Industries Bank has been discharged, the account closed, and the balance transferred to the account of the board at the Treasury.

The board has assisted substantially in the financing of an Olympic swimming pool at Collie, a project which was recently revived by the second favourable referendum held in April last. At the request of the local authority, the board agreed to assist financially in the construction of the pool to the extent of £20,000; and £5,000 will be paid as an initial payment in November. Future annual payments will be at the rate of 60 per cent. of the board's annual income.

Generally, the board expends its funds in avenues of assistance to the parents and citizen's association, the fire brigades, the citizens' band, the police boys' clubs, the Combined Mining Unions Council, and substantially to sporting bodies. At the end of June, 1961, assets at the Treasury stood at £3,725; liabilities consisted of £300 to the Combined Mining Unions Council, and £20,000 in respect of the swimming pool.

The board consists of three members; namely, Messrs. D. F. O'Keefe (President of the Combined Coal Mining Unions Committee, and chairman of the board), W. Latter (President of the Coal Miners' Industrial Union of Workers of W.A., Collie), and C. K. Sweeney (the Government appointee). Reference to the parent Act will make it quite obvious that Mr. Latter's appointment has been irregular for some considerable time, because of the way in which the appointment was made. This irregularity arose because the Coal Miner's Industrial Union of Workers was registered at the Arbitration Court on the 19th October, 1950, about which date the miners presumably seceded from the Eastern States federation.

The oversight was apparently not picked up until quite recently, as it was not until Mr. Sweeney brought the matter before a meeting of the board at Collie on the 14th April, 1961, that the motion was carried which resulted in this Bill being drafted. It has been introduced at the request of the unions, and is merely a machinery amendment to the Act.

Debate adjourned, on motion by Mr. May.

House adjourned at 6.1 p.m.