

# Legislative Council

Wednesday, the 19th October, 1966

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The PRESIDENT (The Hon. L. C. Diver) took the Chair at 4.30 p.m., and read prayers.

## QUESTIONS (3): ON NOTICE

1. *This question was postponed.*

### TELEVISION IN COUNTRY CENTRES

#### Government Assistance

2. The Hon. R. H. C. STUBBS asked the Minister for Mines:

(1) To assist in providing television services to isolated areas such as the goldfields and the rural towns of Kalgoorlie-Boulder, Kambalda, Coolgardie, Norseman, Salmon Gums and Esperance, and other places in Western Australia with equal entitlement, where it is practical so to do, will the Government—

(a) be prepared to give technical, financial, and moral support immediately to this project;

(b) give very serious consideration to the reservation of the profits of the Totalisator Agency Board agencies in the towns concerned to be utilised in financially assisting the establishment of such services when the cost of the installation of transmitters has been ascertained?

- (2) Does the Government realise that an action of this nature would materially assist in the policy of decentralisation?

The Hon. A. F. GRIFFITH replied:

- (1) (a) In general terms, the Government supports the provision of television services in rural areas. The responsibility for the development of these

facilities, however, is that of the Commonwealth Government.

(b) Answered by (1) (a).

- (2) Yes.

## WATER SUPPLIES

### Manjimup: Additions

3. The Hon. V. J. FERRY asked the Minister for Mines:

(1) Is it proposed to construct additions to the Manjimup water supply?

(2) If the answer to (1) is "Yes"—

(a) what work will be carried out;

(b) what is the total estimated cost of this work;

(c) how much will be expended during the financial year 1966-67;

(d) when will this work commence;

(e) when is it anticipated that this work will be completed; and

(f) is it considered that this additional supply will be sufficient to give Manjimup an adequate water supply for the future?

The Hon. A. F. GRIFFITH replied:

(1) Yes.

(2) (a) A 160,000,000 gallon capacity dam is to be constructed at a site six miles west of Manjimup, together with a pumping station and associated pipeline connecting the storage dam to the existing service tank.

(b) \$344,000.

(c) \$125,000.

(d) It is anticipated that the contractor will commence work on constructing the dam during December, 1966.

(e) Prior to the heavy rains of the 1968 winter.

(f) Yes.

## METROPOLITAN REGION IMPROVEMENT TAX ACT AMENDMENT BILL

### Third Reading

Bill read a third time, on motion by The Hon. L. A. Logan (Minister for Town Planning), and passed.

## STRATA TITLES BILL

### Third Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Justice) [4.39 p.m.]: I move—

That the Bill be now read a third time.

Last night I undertook to answer one or two queries which were raised in connection with this Bill. I think I am now in a position to answer those queries satisfactorily.

First of all, a question was asked as to who would be the registered proprietor. This is a term of long standing used in connection with the holders of land in fee simple under the Transfer of Land Act. The term is not to be confused with the use of the word "proprietor" in the Bill, who is defined as meaning the person who is the owner for the time being of a lot; that is, the holder of a strata title for a lot in the building. I direct members' attention to the definition of "lot" in the Bill.

It may be helpful if it is explained that the provisions in this Bill do not apply to any land except land held in fee simple under the Transfer of Land Act. They do not apply to "old title" land. As pointed out, the registered proprietor is the owner of the parcel of land which is the land comprised in a strata plan. This parcel is the original land held in fee simple and the title for this land will be cancelled by the Commissioner of Titles and strata titles issued for each lot in the building. Each strata title will give the right to use the common property. There will be no title to the common property as such.

To repeat: The registered proprietor is the owner of the original land and if he owns one of the parts of the building on the strata plan, he is the proprietor and owner for the time being of a "lot."

The question was asked as to who owns the land when a building, the subject of a strata plan, is destroyed. The land is owned by the proprietors as tenants in common proportionately to unit entitlement.

Under clause 10, all proprietors are required by unanimous resolution to direct the company, etc. This term is defined at length on page 3 of the Bill. It is considered that in these matters a simple majority would not be reasonable; and unanimity is desirable for uniformity and harmony. I think the disadvantages of lack of harmony were raised by Dr. Hislop.

In clause 13 is a reference to replacement value. The use of this word in the Bill has its normal meaning. The law is that one cannot insure unless one has an insurable interest; and at page 13, in subclause (5) of clause 13, the company is deemed to have an insurable interest and naturally this interest is to the replacement value of the building.

Incidentally, on page 13, subclause (5) makes reference in the second line to paragraph (a). This should read paragraph (c); a matter which will necessitate the Clerk's attention in tidying up.

Clause 20, relating to certificates for subdivision, allows the local government authority and the Town Planning Board 40

days within which to issue a certificate. There have been suggestions that this period might beneficially be shortened. Both the New South Wales and Queensland Acts state 40 days, so it may be said that the time set in this State is the same as that in two pieces of comparable legislation and, as far as is known, those States have had no cause to amend their provision. The New South Wales Act has operated satisfactorily for five years and the Queensland Act for one. If time proves that an amendment is either necessary or desirable in this respect we can always have a look at it at that time.

The question was asked as to why there should be a new chairman at every meeting. In this regard, it may be desirable to read page 33, clause 4 (1) and (2) of the schedule.

The provision in subclause (7) for the appointment of a chairman at each meeting has been inserted because the meetings of the council are normally in present practice relatively family affairs. There is, therefore, a desire for flexibility; and to meet the informality of the occasion, it is considered wise to permit the several members at the council meeting to elect a chairman for that meeting.

Meetings are quite often called at short notice. They may have a few beers on a Sunday morning and get on with the business without having to worry whether an otherwise permanently appointed chairman has taken a trip to England. On the other hand, he may be absent for some other purpose.

Those are the explanations which I have ascertained in respect of the points raised. I hope what I have said is satisfactory.

The Hon. W. F. Willesee: How did you get on in regard to the replacement value?

The Hon. A. F. GRIFFITH: I gave information on replacement value.

The Hon. W. F. Willesee: I am sorry; I must have missed it.

The Hon. A. F. GRIFFITH: Yes, I did give replacement value, insurable interest, and that sort of thing.

The Hon. W. F. Willesee: Okay.

The Hon. A. F. GRIFFITH: I trust the explanation I have given is satisfactory to members who queried certain matters.

Question put and passed.

Bill read a third time and passed.

## LOCAL GOVERNMENT ACT AMENDMENT BILL

### *Second Reading*

**THE HON. L. A. LOGAN** (Upper West—Minister for Local Government) [4.49 p.m.]: I move—

That the Bill be now read a second time.

This Bill contains 21 clauses and is designed to provide amendments which have been found necessary during the

course of the year, and in most cases these have been referred to the three associations connected with local government and have their support.

Clauses 1 to 3 prescribe the title, the date of coming into force to be fixed by proclamation, and an amendment to the arrangement of the Act necessitated by subsequent amendments.

Clause 4: The attention of the Government has been drawn to the fact that the definition of "owner" does not at present include a life tenant and doubt has been expressed whether a local authority is acting within its legal power in raising an assessment against a life tenant.

The Act at present contains a section which enables a local authority to raise an assessment where the owner cannot be ascertained, but it has been suggested that the present situation in respect of life tenancies is not that the owner cannot be ascertained, but rather that there is no provision in the legislation for the owner to be defined. The present definition of owner, so far as is relevant, where used in relation to land, means "the whole of a legal or equitable estate in fee simple in the land." A life tenant is said to be the proprietor for life of an estate in land and this estate is freehold estate but is not "an estate in fee simple in possession," whether legal or equitable.

Under the Road Districts Act, "owner" was defined in section 5, as follows:—

Owner as applied to land means "any person who is in possession as:—

(a) the holder of a legal or equitable estate of freehold in possession therein."

Under this definition the holder of an estate for life would clearly be included and it is therefore proposed to substitute the words, "of freehold" in lieu of, "in fee simple" to ensure that such holders of land are rateable.

Clause 5 deals with the difficulty which has been experienced in outlying districts for a qualified person to be available to administer the oath of office for members of a council upon election. The Declarations and Attestations Act provides that in respect of the witnessing of declarations, etc., town clerks and public servants are eligible to perform this function. The actual authority to take oaths is not contained in this Act, however. In order to preserve the dignity of the function of administering the oath, and to overcome the difficulties which may exist in outlying areas, it is proposed that section 38 of the Act will be amended to enable the oath or a declaration to be made before any person before whom a statutory declaration may be made under the Declarations and Attestations Act.

Representations have been made that the electoral roll preparation costs are greatly affected because of the necessity

of the electoral roll to be numbered, owing to the fact that amendments to the lists consequent upon claims and objections necessitate a complete replacement of the numbers when compiling the roll. A number of councils have adopted a system of preparation which involves photographing the lists for reproduction; and the necessity to provide numbers, after the rolls have been revised, involves the council in unnecessary expense. Clause 6 proposes to delete the necessity for numbering of the rolls by an amendment to section 58, and the proposal has the support of the majority of the Local Government Association, the Country Shire Councils' Association, and the Country Town Councils' Association.

Section 117 of the Act is amended by clause 7 and this will enable the preliminary checking in respect of absentee voting papers to be performed during the conduct of an election on polling day. The proposal will in no way affect the secrecy of the poll nor will it entail the counting of votes prior to the close of the poll. It will, however, obviate delay in commencing the counting of votes after the close of the poll. Each candidate is to be notified of the time when this procedure is to take place.

Section 174 of the Act makes provision for prohibiting a member of a council from voting or taking part in a consideration or discussion at a meeting of a council in respect of a matter in which he has an interest. The amendment contained in clause 8 is designed to provide that when a member's interest is other than pecuniary, he will not be so prohibited.

Clause 9 amends section 295 of the Act which at present provides that in the case of a subdivision the council may require the person creating the subdivision to assign a name to an area the subject of the proposed subdivision; or if a name is already assigned, to alter or change that name. A person shall not assign a name to the area, or to a street, unless the name is first approved by the Minister for Lands.

It has been claimed that land has been sold in areas under a different name from that originally assigned to the area, and this has amounted to renaming the area. It is considered unsatisfactory that a person could accept a name agreed upon by the council and the Minister for Lands at the time of a subdivision, and subsequently change the name to suit himself. The amendment is designed to ensure that the Minister for Lands must approve of any changes made subsequently in the names of areas or streets.

The object of section 297A is to facilitate the closing of unwanted rights-of-way with the minimum cost. The act provides that Titles Office registration of the transactions under this section shall be without fee, but the Town Planning Board is required, under its regulations, to levy fees

in connection with these closures. The amendment contained in clause 10 is designed to obviate this necessity.

Clause 11 contains an amendment to section 329 of the Act, which deals with the constitution of country or regional councils. The Country Town Councils' Association requested the amendment to provide for the appointment of deputy members to represent the constituent municipal councils in the absence of the ordinary member representing the council. Section 179 now provides for the appointment of deputy members of committees of municipalities. This amendment is considered desirable to ensure that the business of county and regional councils may proceed with adequate representation from constituent councils.

Clause 12: A metropolitan council has sought power to order the owner or occupier of land in which various activities, such as woodyards, junkyards, etc., are used for the storage of materials, to fence the property and, by so screening the activity, to present an appearance in conformity with the general standards of the locality. The proposal was referred to the Local Government Association, the Country Shire Councils' Association, and the Country Town Councils' Association, and it meets with their approval.

Provision is made for the right of appeal to the Minister against an order of the council under this section, and for the council to undertake the work and recover the cost from the owner of the land in the event of non-compliance with the order.

Clause 13 provides for the amendment of the heading of division 12 to incorporate the power to be sought in a new section 409A.

In clause 14, a new section 409A is introduced to grant authority for a council to make by-laws providing for notice to be given to the owner or builder of an uncompleted building requiring him to show cause, within a specified period, why the building should not be demolished or removed, and where good and sufficient reasons are not provided, for the council to order the demolition and removal. A right of appeal to the Minister is provided.

A similar provision was contained in the original uniform general building by-laws gazetted in 1961, but this was subsequently found to be *ultra vires* because no enabling power was contained in the Act, and when the by-laws were revised last year, it was deleted and it was intended to rely upon the provisions of sections 408 and 409. However, metropolitan councils consider that a by-law is essential to prevent unsatisfactory development in a district, and the proposal has met with the approval of the Building Advisory Committee. It is intended to amend the uniform general building by-laws when this enabling power is included in the Act.

Provision is made in clause 15 for an amendment to section 410 to exclude from the application of this section the actions of a council made in pursuance of a new section 410A.

Clause 16 sets out the new section 410A which provides for pensioners and persons with insufficient means who are in occupation as owners of buildings upon which orders are served under sections 408 or 409 of the Act, which relate to neglected and dilapidated buildings, to request a council to carry out the work on their behalf and to provide for the deferment of the payment of the cost of the work, which becomes a charge upon the land. In the case of pensioners, provision is made for the cost to be postponed until the death of the pensioner, or the sale of the land on which the building stands, whichever occurs first. This proposal emanated from a metropolitan council and has the approval of the association.

Section 532 of the Act is amended by clause 17 to provide for the exemption of rating of land used solely for the storage of grain by Co-operative Bulk Handling Ltd. where the company agrees to contribute to the cost of roads in the vicinity of the installations as is required by the council. Provision is included for the right of appeal to the Minister by the company against the requirement of a council. This amendment is considered to be equitable, because in the majority of cases these installations are on railway property and are already exempted from rates by subsection (2)(a) of this section. It is claimed that there should be no distinction between this land, which is on leased railway property, and similar land used for the same purposes elsewhere.

Clause 18 amends section 533 in respect of valuations of leases, licenses, or concessions from the Crown which grant the right to take profits from the land. At present section 533(3)(g) provides for a valuation of such concessions at 50c per acre, and it is proposed that this amount should be increased to one dollar.

Paragraph (g) is substituted by new paragraphs (g) and (h), thus making a distinction between cutting permits granted by the Forests Department and other concessions or licenses. Large areas of some municipalities are State forests and it is felt that permit holders should contribute more to the revenue of municipalities. The valuation figure has remained unchanged for many years.

New paragraphs (i) and (j) are also included under this section to provide for the separate valuation by a council of adjoining land held in the same ownership. Such separate valuation is not permissible where a building is so built that it is partly on two or more lots. This amendment is made to resolve a doubt that lots valued on the unimproved values may be valued separately in a similar manner to lots which are valued

on annual values. Section 533(4)(g) provides that the lots in the one ownership, when valued on the annual value, shall be valued separately.

A further amendment to section 533 provides for the substitution in subsection (7), for the words, "the members of a Council and its officers and any valuer," the words, "any valuer." This section refers to the right of entry upon ratable land for the purpose of making a valuation and, unless amended, it conflicts with the provisions of subsection (5) of this section, which states that no person other than a valuer may make a valuation.

Section 660 deals with the conditions under which certain action may be brought against municipalities. Subsection (1) (c) requires particulars of a cause of action to be given within 21 days after it arose. It has been claimed that the requirement to give notice within this time is quite unrealistic as a victim of an accident might remain in hospital, or even be unconscious, for a period longer than this. The substitution of the requirement of 21 days notice with "as soon as practicable," will remove the cause of this complaint.

Clause 20 has been included on the advice of Crown Law officers to remedy a deficiency in the Act, which does not specifically provide for the amendment of Orders-in-Council. Subsection (2), which provides for the rectification of errors in Orders-in-Council, has been substituted by a new subsection to revoke orders, wholly or in part, and otherwise to vary the orders. A new subsection (2a) has been included to make the application of subsection (2) effective before and after 1966.

The amendment in clause 21 merely deletes the provision in the eighth schedule—electoral roll—of the heading "No." in the first column, in order to conform with the amendment to section 58.

Debate adjourned until Tuesday, the 25th October, on motion by The Hon. R. Thompson.

## **BILLS (2): RECEIPT AND FIRST READING**

### **1. Fire Brigades Act Amendment Bill.**

Bill received from the Assembly; and, on motion by The Hon. L. A. Logan (Minister for Local Government), read a first time.

### **2. Perth Medical Centre Bill.**

Bill received from the Assembly; and, on motion by The Hon. G. C. MacKinnon (Minister for Health), read a first time.

## **SUPPLY BILL (No. 2)**

### *Second Reading*

Debate resumed from the 18th October.

**THE HON. W. F. WILLESEE** (North-East Metropolitan—Leader of the Opposi-

tion) [5.4 p.m.]: A Bill of this nature can be expected at this time of the year, but I have always felt, despite the fact that a great deal of freedom is given to members by the introduction of the Bill, that their remarks on the debate should be confined to the subject of finance. In that regard the address on this issue yesterday by The Hon. H. K. Watson left nothing to be desired. At one stage I was quite enthusiastic about the fact that we might have a free convert to the Australian Labor Party. However, at the conclusion of his remarks I was disappointed to find that he was somewhat suspect not only of the existing Commonwealth Treasurer but also, possibly, of future Commonwealth Treasurers. However, be that as it may—

The Hon. A. F. Griffith: Be that as it is.

The Hon. W. F. WILLESEE: Well, to be perfectly exact, be that as it is, the recent interjector, by this measure, requires a sum of \$50,000,000 to enable the Government to continue supply for the affairs of State.

While it is essential, in the interests of good government, that this Bill be passed, I note that despite all the modern tendencies in commerce, and the new ideas and new developments that are introduced, we still use, in this measure, the somewhat quaint approach of submitting the issue to Parliament to provide supply for the affairs of Government. This indicates the procedure is as old as democracy itself, and that the principles behind democratic Government are not new.

It is not my desire at this stage to do anything other than support the measure. I am not in the position to make a forthright and deliberate speech on finance, as it may affect either the Commonwealth or the State, but in supporting the Bill I hope that in the near future the State will get some justice in regard to the taxation paid by its people by way of reimbursement to us of sums of money to which the State can make a just and rightful claim.

If the State could get some justice in this connection it would, in turn, save the Government continually having to submit legislation to enable it to raise more money, and it would save the Opposition, on every occasion this happens, having to oppose it.

The Hon. H. K. Watson: Do you think the brothers Willesee might get around the family table and give us a helping hand?

The Hon. W. F. WILLESEE: If one could look into the crystal ball to see what is likely to happen in the future, and the brothers Willesee were ever given the opportunity to sit in conference around any table, they would be very pleased to have sitting next to them, and egging them on, The Hon. H. K. Watson.

**THE HON. C. E. GRIFFITHS** (South-East Metropolitan) [5.10 p.m.]: Mr.

President, I made a last minute decision to speak on this measure.

The Hon. A. R. Jones: What changed your mind?

The Hon. C. E. GRIFFITHS: During the debate on the Address-in-Reply many speakers placed great emphasis on the subject of tourism in Western Australia, and the financial effect it was likely to have on the State as a whole in the future. While thinking about the subject of tourism I read many newspaper articles and I thought perhaps I should read some extracts from them to the House because I believe they are appropriate to this subject. In *The West Australian* of the 26th April, 1966, under the heading of, "Some W.A. Caravan Parks Need Improvement," there is an article by one Frank Platell in which, among other things, he states—

Western Australia faces the prospect of losing hundreds of thousands of dollars of tourist money.

Completion of the sealing of the east-west road by 1970 is expected to result in a big influx of Eastern States visitors.

There could be as many as 200 tourists a day making the journey across the Nullabor. Many of these will be towing caravans for a family holiday.

He then goes on to say—

A big attraction will be the lower South-West which abounds in natural wonders—caves among the best in the world, forests of giant trees, rocky coastlines and quiet beaches.

But the stopovers in this area will be marred, generally, by the sub-standard caravan parks unless they are improved.

The position in Perth is just as bleak for the caravanners. There is reported to be only one caravan park which measures up to a reasonable standard. This has room for 30 caravans and is already fully occupied.

If ten caravans pulled into Perth tonight the owners of at least seven would not be able to find space within 15 miles of the city.

Mr. Platell refers to many other matters, but further on in the article he raises a very important question. He states—

The establishment of a modern caravan park in Perth could cost \$60,000 to \$100,000. Private enterprise is showing no enthusiasm so it may be up to the government to give a lead.

It is this reference to private enterprise not showing any enthusiasm to which I shall refer later on. However, he continues a little further down in the article—

If worthwhile facilities are to be provided to maintain the expected influx of caravanners from other States the time to start is now—not after they begin arriving on the new sealed road.

The sub-standard parks which exist now could give us a bad overall reputation which could take years to live down—and W.A. could lose a lot of money.

So much for what Mr. Platell had to say about the subject. In *The Sunday Times* of the 18th September, 1966, under a heading, "Request For More Caravan Parks in Perth," there is a big story about the lack of suitable caravan parks in the metropolitan area, and in Perth in particular.

I do not profess to know very much about caravan parks, and as I said earlier, this was a last minute decision by me to draw the attention of the House to a peculiar situation which has arisen. I have a letter which seems to contradict what Mr. Platell has said about private enterprise in Western Australia not showing any initiative in this respect.

I now wish to show what private enterprise has to put up with in an endeavour to establish caravan parks. Only this morning I received a letter from Bl-Tone Caravans & Trailers. It states—

Bl-Tone Caravans, the partners being, L. C. Penn and F. H. Flavel have been in the caravan trade for fifteen years and at present employ fourteen workers in building, repairing and hiring caravans.

In 1960 we purchased land on Lot 2, Location 24, Great Eastern Highway, South Guildford with the intention to establish a caravan park ready for the Empire Games. We made application to the Swan-Guildford Shire Council for permission and their reply was the land was zoned for residential purposes and would have to be re-zoned to industrial for this purpose if a caravan park was to be established.

That is fair enough. This firm then decided to establish a caravan park elsewhere. It approached the Minister for Local Government, and the letter goes on to state—

The Acting Minister, Mr. Perkins replied that as the area was zoned residential we had no right of appeal under the Caravan By-Laws. We were unable to make progress and as the Empire Games were now at hand we felt we could not complete arrangements in time to help with accommodation for this event as we were receiving no help from the Government Officers or Shire Councils. The impressions gained were that a caravan park was unwanted at this time.

After this set-back we concentrated on the manufacture of caravans and have built up a reputable business.

In 1962 we were notified that portion of our factory block was to be resumed for an access road. During discussions with the Resumption Officer, Mr. Beeson, we enquired where to purchase suitable property without fear of re-

possession. Mr. Beeson recommended we approach the Town Planning Office who would point out suitable locations. This we did and subsequently purchased eleven acres in William Street, Gosnells. This block was held for six months after which time, once again, we were notified that the Standard Gauge Railway had been relocated and it was necessary to resume this eleven acres.

The Hon. L. A. Logan: I hope you do not blame the Town Planning Department for this.

The Hon. C. E. GRIFFITHS: I am not blaming anybody. I am not talking about the merits or demerits of land resumptions. This firm had one block of land, and when the local authority decided it was in a residential area, and could not be used for a caravan park, the firm relinquished the land. It then purchased another block on which it wanted to manufacture caravans, but this was subsequently resumed for an access road.

Wanting to know what it should do, the firm approached an authority which suggested that the firm purchase a block of land which would be suitable for the establishment of a caravan park. Then within six months, the land which the firm bought and understood would not be resumed, was resumed. I would have supposed at that stage the firm would be engaged in door-to-door sales of vacuum cleaners! That was not the case, and the firm carried on. The letter goes on to state—

This being the third resumption we approached the Industrial Development for assistance in obtaining property adjoining the factory block in John Street, Welshpool.

Further on it goes on to state—

An officer from the Industrial Development recommended the State Government Insurance Office be approached to help finance this venture, and together with assistance from the Industrial Development and State Government Insurance Office we were able to purchase Lots 114 and 115 Welshpool Road, Welshpool. This land being industrial we were of the opinion through our last experience there would be no difficulty in establishing a caravan park.

That would be a reasonable assumption, in view of the answer the firm received in respect of the first block of land which was zoned residential but should have been industrial. This time the firm purchased a block which was industrial, so it would be reasonable for the average citizen to assume that the firm could build a caravan park on it. The letter goes on to state—

Applications were made to the Canning Shire Council for the erection of a caravan park, only to be rejected on the grounds that industrial land could not be used for this purpose

and this Council will only consider residential. Further application was made through the Chamber of Manufacturers for re-zoning to no avail.

The Hon. A. F. Griffith: Apparently it did not occur to the firm to approach the local authority to find out the position before it purchased the land.

The Hon. C. E. GRIFFITHS: Apparently it did not. The point is that this firm spent \$20,000 in purchasing this block of land, and another \$15,000, or thereabouts, on the first block of land. It has elaborate plans—which I have before me and which are available for the perusal of any member who is interested—for the establishment of a caravan park. It would be the most elaborate caravan park in Western Australia. I find it very hard to understand why obstacles have been placed in the way of the firm, especially after articles, such as the one I referred to, have appeared in the newspapers to the effect that Western Australia is in great need of caravan parks. In fact, there is much criticism about private enterprise not doing anything about the establishment of these parks. People who are interested in building caravan parks seem to be hamstrung.

I am not suggesting that the local authorities are at fault; quite the contrary. Local authorities have the right to zone land as they deem fit, and far be it from me to suggest that they should be deprived of such rights; but there is no land zoned for "caravan parks" in the majority of local authority areas. A person has to assume that land is suitable for caravan parks.

Eventually this firm was offered some land by the Canning Shire Council; and it was able to obtain a lease for 30 years. But the firm found that the land offered—apparently this is the position with much of the land under the jurisdiction of this particular local authority—has to be built up before septic tanks can be installed. To do this it would cost the firm an additional \$21,000; that is, to cover the land with sand before proceeding with the construction of the caravan park. Even after this has been done the firm will have to obtain the approval of the Department of Public Health, and approval can be refused at this stage.

While local authorities should retain the right to zone land as they deem fit, I believe some method of appeal to the Minister should be allowed under certain circumstances. The Minister should be given the power to reconsider an application, in view of the great need for caravan parks in Western Australia, so that any local authority concerned could be induced to permit the establishment of a caravan park on the land in question.

The land which this firm bought for \$20,000 is in a wonderful situation. It is located in an area which does not require prior preparation before building can be

commenced. There is a £4,000 house next to the block, in which the caretaker could be accommodated. The firm presented plans for landscaping and garden treatment along the road frontages. I do not know the number of caravans intended to be accommodated in the park, but it is more than the 20 or 30 which are accommodated in the existing caravan parks in Perth.

The present situation should not be permitted to continue, and private enterprise should be allowed to build caravan parks. If more caravan parks are established many thousands of dollars will flow into Western Australia from the tourist trade. The Government should take steps to enable private enterprise to build more of these parks.

The Hon. A. F. Griffith: If you were intending to build an electrical workshop and wanted a block of land for that purpose, would you not make sure the land was in a zoned area before you bought it?

The Hon. C. E. GRIFFITHS: I would, and I would know there was a shopping site available somewhere in the area. But there are no caravan park areas zoned as such available.

The Hon. A. F. Griffith: Could not this firm have gone to the local authority first, and told the local authority it intended buying the block in Welshpool Road for the purpose of building a caravan park?

The Hon. F. R. H. Lavery: Don't you think it did that?

The Hon. C. E. GRIFFITHS: It should have done so, and the Minister and I would have done that. I must point out this firm had already approached a local authority, and was told that residential land could not be used for the building of caravan parks, but that industrial land could. I am not giving this as an excuse for the firm; it did not know the regulations, and it assumed that what it had been told applied to other local authority areas.

The firm made sure it acquired an industrial block, but then found the reverse situation existed in that particular local authority district. I am not blaming the local authorities, but it seems that under the existing set-up nobody can build caravan parks. Irrespective of what is done, the applicant always seems to be in the wrong.

The Bill before us seeks the supply of \$50,000,000, and it has been indicated in the newspapers that Western Australia is losing out on thousands of dollars in tourist traffic because tourists are not being adequately catered for. Yet we find obstacles placed in the way of private enterprise which seeks to build caravan parks. Definite steps should be taken by the Government to enable private enterprise to provide more caravan parks, or the Government itself could provide them. Apparently there is a desperate need for

more of these parks in Western Australia. Those are all the comments I have to make on this Bill.

**THE HON. R. F. HUTCHISON** (North-East Metropolitan) [5.29 p.m.]: I take this opportunity to speak on a few matters which befit the occasion. Firstly, I want to deal with the paucity of money that is available to Government departments, and this prevents them from doing many things which matter very much. I am speaking as a mother and of things about which I know. The home is the hearth from which all humanity springs, and to me the home is the prerequisite because happy people make happy homes.

The Housing Commission is hampered in this way: It does not have enough State help to enable it to build houses quickly enough to provide accommodation for those who do not yet have homes. A number of years have passed since the last war and now our men are going to another one. Yet they do not have homes to fight for. I suppose that is what they are doing—protecting their future homes and ours.

After the last war the housing situation was desperate indeed. Certificates were given to overseas tradesmen coming here, but they were not honoured by the Government; and the Government then was composed of the same political parties as the present one. I found this out and I took the matter up very earnestly. The outcome was that when the Government changed, Manning Park was established and all the houses there were given to the tradesmen with certificates—those who had come out to Australia to work.

A migrant with nine children recently approached me because he could not get a house. Nine children are very precious assets to this State, but five of his children were in a home and he was battling to get a house in order that the family might live together. I approached the State Housing Commission for him but as yet I do not know if he has been successful. For some reason he could not automatically apply for a house. Large families are precious assets to Western Australia and no pettifogging ideas should prevent their being allocated houses.

Another department which is starved for money is the Child Welfare Department. Humanity comes first on my platform. In my opinion society begins and ends with good child welfare. This subject has been given publicity lately, and I do not blame the Minister for what is happening. I blame the shortage of money which does not allow better conditions. The department does not have enough money to do what it desires to do. I am working in that field all the time and know how difficult it is to get enough money to do what is necessary for the needy families in this State. In my younger days no-one received help from



anyone. Society, thank God, has improved since then, and these days those things which used to occur in my day do not occur.

The children who are causing trouble today are the children of parents who were themselves children during the last war. I saw this situation developing because I was in a position to do so. Many of these folk went through my hands and I saw what war can do to a family.

The very first thing we should have done after the war was to build houses and more houses. If we had settled our society, we would have been repaid; because not so much money would have been spent in legal costs and on overcoming disabilities experienced because of a lack of housing.

I have so far mentioned two departments which have not enough money allocated to them to achieve all that is necessary and desirable. They are the Child Welfare Department and the State Housing Commission. I come now to a third department which has never had enough funds. This is the Education Department. There is always a paucity of funds for education, from the university level downwards. It is a kind of pinch-gut affair. A home and good education are necessary to train a good citizen.

Another very important department is that dealing with mental health. An improvement has been effected in this field and I give the Government any kudos it deserves in this connection. However, not nearly enough money is available to deal with the problem of mental health. Mental health affects all levels of society. People have nervous breakdowns through worry and drink. Drink is a curse and is only a means of escape. It is not so much a vice as a way of escape from worries people cannot face. These worries should be controlled by good government.

Fortunately the old idea of isolation for those mentally afflicted has been discarded. It first went overboard in England. As members know I am fairly well versed in this matter following my world trip when I inquired into it. People would not be affected mentally if they did not have problems of money and a shortage of houses. People can do with less money if they have a house in which to live because then they can have happiness surrounding them. They do not need luxuries in those circumstances.

When things become difficult, people react in different ways and they react contrary to the way they should. I mention this because we are dealing with a Supply Bill. We hear of millions of pounds being spent on foreign investment, and at the moment we are very reckless concerning this matter. It behoves the Government to take more notice of the home front and ensure that those departments which are directly concerned have enough money to obviate the tragedies which occur now. All these tragedies

arise because of a lack of money and, to a certain extent, insufficient staff in the departments. However, good men can be appointed to these departments, but if they do not have sufficient money to implement their ideas, we will not get the desired results.

In the same category are the police. We have been very wrong in our approach to the Police Force. In the first place we have not enough men and women in the Police Force. The women police do a marvellous job; I know this because I work close to them at times. It is not always in the police courts where the work is done. The valuable work done by the women police is in keeping cases out of court. I cannot speak too highly of the work they do for the ordinary people.

I know that the police individually do far more work for the welfare of people than is readily acknowledged. The trouble is that an insufficient number of policemen and women is available to do all the work required. Those in the force are harassed and are called out to the worst cases at all hours. We should have a good strong Police Force for the safeguarding of society.

I am speaking now as a woman. Not enough money is being granted to the departments which vitally need it. It is like providing a person with a new hat or a new dress while the body has not sufficient nourishment.

I hope someone will take notice of what I am saying and will do something about the situation. If my party were in Government, I would be pushing for more money to be channelled to the departments I have mentioned. I do not blame the Ministers who administer the departments. I blame the Government itself—the Cabinet. All that those in Government are thinking of at the moment is glittering gold, and iron ore is their gold at the moment.

What is there in life if a person has not the essentials? There is too much crime amongst the adolescents these days to give me peace of mind. This problem will not be solved by arresting people and taking them to court. This only involves more and more money. The Law Society has just appealed for more money. I recently took a very worthy case to the Law Society but was told it could not help because it did not cater for that type of thing.

The Hon. A. F. Griffith: What type of thing?

The Hon. R. F. HUTCHISON: Divorce. This woman has no money, but has six children, and a husband who will never be any good. She just wants peace of mind to enable her to raise her children. I believe any woman deserves that, and if she has insufficient money—and this can be easily ascertained—it is our duty to help her.

The Hon. A. F. Griffith: Did the Labor Government give the same type of person assistance?

The Hon. R. F. HUTCHISON: I hope it would.

The Hon. A. F. Griffith: It did not, because it couldn't—no more than we can.

The Hon. R. F. HUTCHISON: There is no such word as "couldn't." It can be done and should be done. It is not done because men will not think in the right way. They do not think of a family as a mother does; and I am speaking for all the mothers in Western Australia—and the fathers too.

At the moment I am trying to help a father—the one to whom I referred earlier. If a man comes to this country as a migrant, surely he is entitled to a home. He has nine children, making 11 altogether in the family. He is a good father and only wants to get his family together; but at the moment he cannot do so.

The Hon. A. F. Griffith: Do you really think that a migrant who comes into this country, irrespective of who he is, should have a Government house waiting for him?

The Hon. R. F. HUTCHISON: I think it should be provided. We should not be so short of Government houses. The housing grant, whatever it is, should be doubled. A chronic shortage of houses is the most damaging thing to society, and this Government has done nothing of which to be proud in this connection. The first thing it cut down on was housing.

The Hon. A. F. Griffith: That is a plain untruth.

The Hon. R. F. HUTCHISON: I am talking about the Child Welfare Department, the Education Department, and other departments which really count when it comes to building a good society. If a Government is not in power to build a good society, what is it there for?

The Hon. H. R. Robinson: What year were the financial resources of the State Housing Commission reduced?

The Hon. R. F. HUTCHISON: Let me say it has not improved, if the honourable member objects to my saying it has been cut down. The situation has not improved. The commission should be building twice as many houses as it did when the Government first came into office. Mr. Robinson knows that; he does not need to be told.

The Hon. H. R. Robinson: We have built more houses than you built when you were in Government.

The Hon. R. F. HUTCHISON: I have voiced my protest which is on behalf of the family unit, and I hope my remarks will have some good effect. The departments which need looking after are the Child Welfare Department, the Housing Commission, the Police Department, and the Education Department, which has a big education programme in front of it.

**THE HON. J. DOLAN** (South-East Metropolitan) [5.45 p.m.]: I am a little like my leader, because when I listened to Mr. Watson yesterday I thought we had a convert. I cannot help but remark on some of the statements which he made which I thought were rather intemperate. For example, he said the Commonwealth Government taxes for the sake of taxing, and then looks for ways of spending the money. I could not go along with that suggestion. However, I could go along with the statement that at most Premiers' Conferences, real statesmanship has been conspicuous by its absence. As at most of the Premiers' Conferences, for some years now, four Premiers out of the six who attended have been of the same political persuasion as the honourable member, it seems obvious that Mr. Watson is being very critical when he says there is no real statesmanship among them. I would also like to say that I have not seen anything published to the effect that the two Labor Premiers, Mr. Reece and Mr. Walsh, have complained about the treatment they have received. Evidently, they must run their affairs in such a way as to satisfy themselves they are doing a good job.

The Hon. G. C. MacKinnon: I think you should talk to the Premiers concerned before making that kind of statement.

The Hon. J. DOLAN: I also could not go along with Mr. Watson when he said—

Successive Commonwealth Treasurers had played one State against another and had worked on the policy of divide and conquer.

They had doled out only enough to keep the States from going broke. Miserable party politics had also played a part.

I think the only two names which were mentioned when it came to playing party politics were those of Sir Robert Menzies and Sir Henry Bolte, who were working out some scheme as to how they could diddle someone out of something.

So far as Victoria is concerned, I would agree it is one of the worst governed States in Australia. Victoria has the worst roads in the Commonwealth; it has terrible schools; and it has an education system whereby there are 4,000 teachers who are unqualified. I do not think it could be said that the State of Victoria is governed properly. If the Commonwealth Government did not give Sir Henry Bolte as much as he wanted, I think this would be to the benefit of Victoria because that State Government does not know how to spend its money properly.

The Hon. A. F. Griffith: The electors in Victoria have returned that Government to power four times in a row.

The Hon. J. DOLAN: I could tell the Minister why but I do not think that you, Mr. President, would allow me to do so, because that is not pertinent to the Supply Bill. That Government is in power for

the same reason as Sir Thomas Playford was in power in South Australia for so long, and the Minister knows the reason for that. For the same reason, Sir Henry Bolte and his Government are in office. Although the party obtained only 10 per cent. of the poll at one election, one Premier remained in office in Victoria in a way on which there is no need for me to dwell at this stage.

It might be of interest if we knew what the State really does get out of the Commonwealth. I make no apologies for saying I am an Australian first and a Western Australian second. I bow to nobody in regard to trying to get help for our State. I support to the utmost such projects as the Ord River scheme, and others which I feel will make this State really great. But I will not go along with the statement that the Commonwealth is doing its best to leave the States short. I suppose the Commonwealth is really like a father. It has the purse strings and it has to dole out the money as best as it can. I hold no brief for it on many matters. I consider there are many other ways in which it could help the States.

With Mr. Watson, I am rather critical about the Federal Government. There are many ways it could help and one is in the field of primary education. I feel the Commonwealth should have entered this field long ago and should have educated our children, not because they are Western Australians, or Victorians, or anything else, but because they are all Australians. The higher the standard of education the better chance we have to become a really great nation. I would not say we are not a great nation now, but if we want to be in the real top flight, we must have an educated community. I consider we will not have it in full measure until the Commonwealth steps into the breach and gives us some of the millions of dollars which Mr. Watson tells us it receives.

There are many ways in which the Commonwealth Government spends money in this State which were not recorded, perhaps, in some of the utterances which Mr. Watson made yesterday. Because I am using his name so much, I hope the honourable member does not think I am having a shot at him. He expressed one point of view and I think he stuck rather narrowly to it.

The Hon. H. K. Watson: I concede that, apart from having two barrels pointed at me, you are not having a shot at me.

The Hon. J. DOLAN: Because of my knowledge of the honourable member, I think these barrels are pointed over his head and, possibly, if I let them go, the shots would still go over his head. We in Western Australia feel we have complaints, but in the last 16 years Victoria has provided in excess of \$1,300,000,000 over what has been returned to it. I suppose it is no wonder Sir Henry Bolte is begging a little.

There have been some fields in which the Commonwealth Government has spent money in this State, and I think these should be mentioned. Beef cattle roads is one item and a Bill was passed this year under which Western Australia received \$1,500,000. I do not know whether the money has been made available, but the Bill was passed by the Federal Government. Also we have received assistance for goldmining and, over the years, the dairying industry has received Commonwealth assistance. As a matter of fact, since 1954 the dairying industry in Australia has received £187,000,000 from the Commonwealth Government, and we in Western Australia have received our share of that. I think our farms have shared in the phosphate fertiliser bounty which, for 1964-65 was no less than £11,250,000.

In such matters as the work carried out by the C.S.I.R.O., the State has benefited. Of course, sometimes we have not benefited directly, but indirectly we have received substantial benefits from this great organisation. The State has received medical help; it has received help in respect of quarantine; and all the other matters with which the Commonwealth deals.

The Hon. V. J. Ferry: If Mr. Dolan keeps this up he will win the next election.

The Hon. J. DOLAN: This year the Commonwealth Government is spending on defence the sum of \$1,000,000,000. As I drive past *Leeuwin*, the Naval depot, and as I see the Army headquarters at Swanbourne and the Air Force base at Pearce, I realise that quite a considerable amount of money is being spent in those areas on defence by the Commonwealth Government. Last year the Commonwealth provided \$147,000,000 for education. I went to the opening of the W.A. Institute of Technology, which was built mainly with money from the Commonwealth. I have been to the opening of many science blocks and, again, these have been built with money supplied by the Commonwealth Government. There are many spheres in which the Commonwealth operates and in which it gives some help. In that respect, while perhaps we feel the Commonwealth Government should give us more, at least it should be given some credit for what it does.

A reference was made to a new department which is to be built up. As a matter of fact, I think the Bill is before the Commonwealth Parliament at the present time; that is, the Trade Practices Bill.

The Hon. H. K. Watson: It is an Act; it has gone past the stage of being a Bill.

The Hon. J. DOLAN: The latest Commonwealth *Hansard* contains the debate, which I have seen. Mr. Watson said that a good illustration was the proposed establishment of the Trade Practices Department, with a highly-paid commissioner and a host of other departmental heads. He said—

There will be more than 100 highly-paid men in that new department doing what?

Either needlessly harassing the business community or else—when not playing golf—sitting in their chairs shining the seats of their trousers and watching the clock.

I know many in the Commonwealth Civil Service and I would not subscribe to one word of what the honourable member has said about them. I feel the necessity for a trade practices department is long overdue. A few years ago an attempt was made by Sir Garfield Barwick to introduce a Bill along these lines. I consider it was an anaemic Bill and did not go deep enough. Sir Garfield was considered a real pirate when he tried to introduce the measure, and I mention this by way of comparison with the Bill which has been passed by the Federal Parliament and, as Mr. Watson says, has now become an Act.

I do not think Mr. Watson need worry about the contents of this Act; I think he can sleep soundly, because it is a rather anaemic kind of measure and does not get to the real heart of the problem.

The Hon. L. A. Logan: Why is all that staff necessary?

The Hon. J. DOLAN: I do not know but I suggest we should wait until the department is set up and the staff is working. I cannot see any point in supposing a staff of 100 highly-paid people, and so on, before the department is set up.

The Hon. H. K. Watson: It is not a question of supposing; the commissioner has made that declaration.

The Hon. J. DOLAN: I still say the department has to be set up and has to operate properly before we are competent to judge.

On this Supply Bill, mention was made of the fact that the Commonwealth Government intervened over an agreement in connection with iron ore. The Commonwealth Government insisted a much higher price could be paid in connection with one contract.

The Hon. A. F. Griffith: May I correct the honourable member in one small matter. The Commonwealth Government did not insist on a much higher price but on a higher price. In fact the price was just slightly higher; it was not the much higher price you mention.

The Hon. J. DOLAN: As the Minister says, a slightly higher price was insisted upon by the Commonwealth Government. Nevertheless, it was a higher price and there was resentment that the Commonwealth Government insisted this higher price should be paid.

I would like to cast members' minds back to not so many years ago when another Government made an approach to the Commonwealth for permission to export 1,000,000 tons of iron ore, with the

hope that it could establish an integrated steel industry in Western Australia. The request was refused. I feel that Government had more grounds for complaint than the present Government has.

I rose to my feet to make the plea to this House that, no matter what we may think of the financial relationships as between the Commonwealth and the States, and no matter how strongly we feel we are not getting back from the Commonwealth as much as we are entitled to, we should not be intemperate in our utterances nor should we necessarily have to go cap-in-hand to the Federal Government to ask for help.

In that respect I go along with what Mr. Watson said. I consider that when the Premiers go to the Commonwealth they should present a united front. If they present their problems fairly and squarely, on the basis as suggested and, that is, along the lines of the Three Musketeers, whose policy was, "All for one and one for all," we will get somewhere. I support the Bill. I feel—and so, too, does the Government in all probability—if we had the money available we would be asking for double the supply and then the State could be doing double the work and in a much better way than is hoped for now.

*Sitting suspended from 6 to 7.30 p.m.*

**THE HON. H. C. STRICKLAND** (North) [7.30 p.m.]: I rise to support the Bill, but I do have some criticism and comment to make in relation to financial affairs as they affect some of the people in the out-back areas of the State. I have often been required, in the exercise of my duty, to speak on behalf of the people in the remote areas of the State, and to express myself in connection with their views relating to the extra costs and taxes which are placed upon them.

The Pastoralists and Graziers Association of Western Australia, as most members of Parliament and the Government are well aware, is concerned at the increased cost of transport in the pastoral areas of the State, and its members have been negotiating with the Government, through the Ministers, and directly with the Premier, seeking some relief from the restrictions placed on trucks, cattle trains, and various other vehicles operating in the area. They have also sought some relief from the road maintenance tax, or what is commonly known as the heavy haulage tax.

Many members of Parliament have received correspondence from the Pastoralists and Graziers Association together with deputations in connection with the matter; but up to date no practical relief has been afforded as a result of their efforts.

I would like to quote one or two paragraphs from correspondence which I have

received, and which I think are very pertinent and sum up the position quite clearly. On the 27th April last the secretary of the association addressed correspondence to the Premier in which, among other things, he said—

The association has members in all grazing areas of Western Australia, from Wyndham to Esperance, and in the last three months there has been a continual flow of reports from district committees (branches) indicating that members are extremely concerned at the impending increase in transport costs due, not only to the loading and dimension regulations, but to the combined effect of the road maintenance tax, the other traffic regulations relating to safety operation of vehicles and the decision of the local governing authorities to limit concessional licenses to one per primary producer.

That paragraph in the letter sums up the opinions of the Pastoralists and Graziers Association very neatly and very concisely. One would not want to enlarge upon it in any way for the Government to realise the effect which these restrictions and taxes have upon the people who live in the remote areas of the State under what are actually extremely arduous conditions.

The correspondence I received is rather extensive. There is another rather pertinent reference in it in relation to the correspondence from the Minister for Traffic on the 4th August last which states—

Referring to the dimensional limits, Mr. Craig stated that he could not agree that oversize vehicles should be allowed to operate generally south of Meekatharra and Carnarvon, and said that north of these towns, applications for oversize vehicles and combinations of vehicles would receive sympathetic consideration providing they did not exceed the dimensions laid down for road train operation.

It seems rather strange that in his decision regarding oversized vehicles Mr. Craig was able to draw a line at Meekatharra, particularly when we find that there are places south and east of Meekatharra where people are operating under the same extreme conditions, and with the same type of transport service. For example, there are the people in Wiluna, Leonora, Sandstone, and all those areas around the back of the goldfields who are in exactly the same position as those who operate north of Meekatharra.

It is not quite understandable, therefore, how Meekatharra could have been chosen by the Minister as the line of demarcation, when he said he would give sympathetic consideration to vehicles operating north of Meekatharra, yet excluded the rest of the remote areas of the State.

I hope the Minister will have another look at that particular decision, and if there is to be some liberalising of the restrictions I trust it will apply to each remote area, and not just to the area north of Meekatharra.

The road maintenance tax, of course, has been attacked from time to time by various members in Parliament, and it has been opposed by them because the hardest hit are those living in the most arduous and most extreme areas of the State.

Accordingly, I feel a good look should be taken at this particular tax. It has been operating now for only 12 months, but it could perhaps be abolished and something else substituted which would be more equitable. It could be shared by all types of traffic using the roads. I should imagine that in order to raise the target amount the Government said it intended to raise through this heavy haulage tax, a very small increase in the license fees of all vehicles would have brought about the same result without hurting anybody at all; it would certainly not hurt people to the extent that the heavy haulage tax has hurt some of those who are operating in the outback areas of the State.

If the Government is not prepared to do something of that nature then, I suggest, it could perhaps make a decision in relation to the request made by the pastoralists, that transport be subsidised in their areas, to offset the impost of the tax.

There could also be other alternatives, but I imagine the fairest and most equitable of any alternative would be a very small increase in the license fee of every vehicle that uses the roads and which requires to be licensed.

It will be remembered that last session I attempted to amend the Road Maintenance (Contribution) Act to exempt goods being transported to primary producers in the remote areas, and also to exempt the produce which came from those areas. My attempt to amend the Bill was defeated, and I then attempted to amend it to exempt the area north of the 26th parallel. I think I mentioned it was the North Province that prompted me to move the amendment, because every member of the Western Australian Parliament had supported motions submitted to Parliament at various times to exempt that area from all taxation—to relieve the area of taxation.

All-party delegations were sent on two occasions to Canberra to support the move that every person living north of the 26th parallel should be exempt from taxation.

Of course, when a tax which was designed to raise something like £500,000 was sought, at the time it could not attract one supporter from the Government side. So we find there are some ridiculous happenings in our Parliament and some things which are not understandable at times.

I also want to refer to the remarks of the Minister for Mines when I attempted to introduce those particular amendments. Mr. Watson interjected and asked if I

had any idea what my amendment would cost in revenue from the tax. I said that I had no idea. The Minister when he replied, jumped up and danced around, and said my amendments were ridiculous, and I was irresponsible to move them since I did not know what it would cost the State, or words to that effect.

The Hon. A. F. Griffith: Words to that effect; that covers a multitude of sins.

The Hon. H. C. STRICKLAND: It covers what the Minister said. Although 12 months have elapsed, my response at that time was that the Minister should be able to give us that information. That started him on another stepdance. He wanted to know if we thought he was there simply to answer questions.

I asked some questions during this session of Parliament and it is interesting to hear the replies. On the 16th August, at page 320 of *Hansard*, I asked the following question of the Minister for Mines:—

- (1) What is the total area of the Kimberley division of the Main Roads Department?
- (2) What is the estimated amount of tax to be collected in the Kimberley division this financial year under the Road Maintenance (Contribution) Act, 1965?

The Minister replied—

- (1) 162,361 square miles.
- (2) It is not possible at present to estimate the amount of tax which will be derived in the Kimberley division.

So after the tax had operated for almost 12 months the Minister was not able to give a reply. However, I received more information than that later on when, on the 30th August, I asked the Minister a further question which was right in line with my amendment. I asked—

What would be the cost to the road maintenance fund if the area of the State situated north of the 26°S latitude was exempted from the provisions of the Road Maintenance (Contribution) Act of 1965?

The Minister replied—

It is not practicable to segregate the information to indicate the amount of road maintenance contributions derived from vehicle operations north of the 26th parallel of south latitude. This would involve examining every trip on every return for each vehicle likely to have operated in the north. This would be impracticable and with the present staff, impossible.

I submit that when the Minister accused me of being irresponsible for introducing an amendment, the cost of which I did not know, he was not quite in order, as after 12 months' operation of the tax, he found his departmental officers were in exactly the same position.

The Hon. A. F. Griffith: For how long did you say the tax had been operating?

The Hon. H. C. STRICKLAND: I do not know how long the tax has been in operation. I do not know when it started, but I think it would be six months.

The Hon. A. F. Griffith: You said 12 months, a minute ago.

The Hon. H. C. STRICKLAND: It is about 12 months since we debated the Bill here, but I would not argue with the Minister as to how long the tax has been in operation. I will not dispute what the Minister has said in that respect.

I would also like to refer to the funds which are supplied to the State by the Commonwealth Government from the Commonwealth Aid Roads Act, or as it is more commonly referred to, petrol tax funds. On the 3rd August I asked a question of the Minister for Justice in relation to receipts from this particular fund over the past two financial years. The receipts from this fund, excluding the special beef roads fund which amounts to \$1,500,000 per annum, and which comes under a special Act passed by the Chifsey Government, provide for an allocation to the Kimberley district as follows:—

	\$
1964-65	1,873,000
1965-66	1,907,000

On the 4th August I also asked the Minister what the allocation would be for the year 1966-67. The allocation amounted to \$1,811,000 from the Commonwealth Aid Roads Act and \$239,000 from the road maintenance tax. The Commonwealth beef road grant was \$1,500,000. When we examine this allocation thoroughly, we find that although the Kimberley area has received more each year, it is also subscribing more to the building of roads in other portions of the State.

I will explain that by analysing another question which I asked the Minister, and which can be found on page 320 of *Hansard* of the 16th August. I asked the Minister the following question:—

What amounts of money have been allocated to the State this financial year under the Commonwealth Aid Roads Act in respect to—

- (a) area;
- (b) population;
- (c) motor vehicle registration; and
- (d) matching money?

The Minister replied—

	Basic Grant \$	Matching Grant \$	Total \$
(a) Area—	16,854,661.84	2,208,362.93	19,153,024.62
(b) Population—	3,057,121.50	416,880.21	3,474,001.71
(c) Motor Vehicle Registration—	3,453,987.63	470,998.31	3,924,985.94
Total	\$23,365,770.97	\$3,186,241.50	\$26,552,012.47

(d) Matching Grant: Answered by (a), (b) and (c).

If we disregard the population and motor vehicle registration allocation and deal only with the amount allocated for

Western Australia, we find a rather interesting position in relation to the Kimberley district—and most other remote areas would be in the same position. I am taking the Kimberley, because I have the figures which, I take it, are correct. The total area of the State is 975,920,000 square miles; and the area of the Kimberley main roads district is 162,361 square miles—slightly more than one-sixth of the total area of the State. So if we divide the amount of money which is allocated for the area of the State by one-sixth, it will show what the area of the Kimberley main roads district brings to the State.

Of the \$16,854,661 allocated from the basic grant, one-sixth would represent \$2,809,110; and one-sixth of the matching grant—from the same fund—of \$2,298,362 represents \$383,090. Therefore the Kimberley brought to Western Australia not less than \$3,892,200 by virtue of its area. We find the allocation for this year from that fund is \$2,050,000. Therefore \$1,842,200 is being spent elsewhere in the State. I cannot see how all of the money can be spent in the area that earns it, but I have always objected to the fact that the remote areas of the State, where roads are urgently needed, are being filched and starved for funds, while other works, such as the Mitchell Freeway, are being carried out in other parts of the State.

The Pastoralists and Graziers Association referred to an area which represents one-quarter of the State; and most of the money derived from remote areas is spent in the South-West Land Division. On the formula of area, we find that only slightly more than 52 per cent. of the money which the Kimberley area brings to Western Australia is spent there. In fact, we have no means of establishing the amount which the district produces because of its population and its motor vehicle registrations. I have not been able to cover that.

The Hon. J. Heitman: It would not be much.

The Hon. H. C. STRICKLAND: It would reduce the 52½ per cent., and even if it is by only ½ per cent. it is a reduction. When Mr. Dolan was speaking the Minister referred to a cent, but over millions of tons of ore, that becomes quite a large amount. However, those are facts and nobody can deny them. They do not apply only in the Kimberley area, but I am using that area as an example because I have been able to obtain the figures through questions asked in this House, and I have been able to analyse the answers. No doubt, other areas of the State are in the same position.

The votes in Parliament have a lot to do with where money will be spent, and that fact cannot be denied. The greatest representation is from the South-West Land Division, and it is there that the greatest expenditure takes place. I refer to

the railways which were to cease operation under direction from Parliament. When there was a change of Government, the railways in the wheatbelt did not cease operating until the bitumen road was laid down to enable road transport to take the place of the railways. The direction came from the Government parties. However, nobody bothered about the line from Meekatharra to Wiluna, or the line from Kalgoorlie to Laverton. No-one said that the roads to those places had to be bituminised, but those areas are bringing millions of dollars to the State, and that money is being spent in other portions of the State.

I have protested about this before, not only from this side of the House, but also when I was a Cabinet Minister. I have always protested against the disproportionate expenditure of road funds for remote areas, and until the position is rectified I will continue to protest. With those remarks I support the Bill.

**THE HON. F. R. H. LAVERY** (South Metropolitan) [8.3 p.m.]: The Bill before us is to apply out of Consolidated Revenue the sum of \$40,000,000, and from the General Loan Fund, \$10,000,000 to the services for the year ending June, 1967. It is a Bill which, of course, we expect to be brought before the Chamber at this time of the year, and it is one which must be supported. This Bill gives members an opportunity to speak for and on behalf of the State, or to criticise for and on behalf of the areas they represent.

I wish to speak on three matters, the first one dealing with housing. I notice that in the Estimates which were presented to the Legislative Assembly on the 21st September, 1966, the estimated expenditure for 1966-67, over and above the expenditure for 1965-66, by the State Housing Commission, is a little over \$1,000,000. The figure for 1965-66 was \$1,151,924; and the estimated expenditure for 1966-67 is, \$2,540,000. I would like the Minister to give an explanation of that situation.

I wish to point out an anomaly which exists with the State Housing Commission with regard to the provision of housing. From my experience in the district I represent, there is a general move towards asking the Government to build practically all the homes for the middle, or lower income groups. What I mean by that is an enormous number of applications is being made to the State Housing Commission by people wishing to borrow money to build homes for themselves. The proposition which was placed before Parliament by the ex-Minister for Housing, Mr. Arthur Griffith, some three or four years ago was that when money was made available to this State it was hoped that more homes would be built for sale rather than for rental purposes. I could not agree with him more.

The situation at the moment is that there are increasing numbers of younger

people who find that when they go to the various banks and building societies, and to the State Housing Commission, to get assistance to build it is not easy to obtain the money which they require. The Perth Building Society is not taking any more applications at the present time because it has no funds available. I obtained some figures from the Perth Building Society, and on a brick property worth £6,000 the maximum the society will lend is £4,200. That means the persons concerned must have £1,800 as a deposit, or have the equivalent in land. Virtually, because of that situation, the State Housing Commission is now being called upon more and more to provide purchase homes. The number of applicants from the district which is represented by Mr. Ron Thompson and myself is rising.

The Hon. R. Thompson: It is a good district!

The Hon. F. R. H. LAVERY: It is now possible to get a rental home from the State Housing Commission in a shorter period of time than it is possible to get a purchase home. I think the Minister will agree with me that three or four years ago the position was the opposite. At that time it was possible to obtain a purchase home within 12 or 14 months, according to the locality. At the same time it took about two and a half years to obtain a rental home. That has been my experience. I understand the State Housing Commission is now dealing with applications for purchase homes which were lodged in April-May, 1965.

To make the picture a little clearer I will quote the case of a person for whom I was inquiring. That person does not look like getting a purchase home before February or March of next year, and it is going on for 20 or 21 months since the application was lodged. Only three or four years ago the State Housing Commission was able to make homes available within 12 or 14 months from the date of application. I am not blaming the State Housing Commission for this situation; I am blaming that awful group of people called "private enterprise." Private enterprise is not building homes for letting purposes. Mighty blocks of flats are being built and the rents are £7 and £8 a week. The people looking to the State Housing Commission for help are within the group of people who can only pay an amount of £5 10s. or £6 a week. Those people are not in the group which can afford to live in flats.

I was wondering if, when the Minister replies, he could supply information as to whether this proposed increased expenditure by the State Housing Commission will be made available to those people who wish to purchase their own homes. I believe that private enterprise could capitalise on the present situation by providing homes around the £3,500-£4,000 mark. The homes would have to be provided in areas not

necessarily so close to the city as to require a block of land costing £2,000. The land would have to be more in the vicinity of £800 a block.

The Hon. A. F. Griffith: When you referred to private enterprise, to whom were you referring?

The Hon. F. R. H. LAVERY: To use the name of one firm I have in mind, Landalls. That is one of the big companies which builds some hundreds of homes each year. Those firms advertise homes for £4,500 but when an inquiry is made it is usually found that another £1,500 or £2,000 is required for the block of land. People with £700 or £800 cannot get financial accommodation for those homes.

I hope the Minister does not think I am being critical on this matter; I am making suggestions. There are several investors who are building flats. A number of people still rent the luxury type of flat, but flats at about £5 or £6 a week are not obtainable.

As we all know, people these days seem to be marrying younger than they did previously. Usually both partners continue working because they do not want to be like their mothers and fathers and pay rent for years. They try to get their own house. Only this afternoon I had a phone call from a young woman who is working in Perth, and whose husband is working with a shire council. That young couple have been 16 months on the list waiting to get a house. They are paying £8 a week and the wife is working only until they are able to get a home of their own. To use her words, "I have been married for three years and I want a family. However, I cannot have a family while I am living in a flat."

My reference to the State Housing Commission relates only to the purchase homes. I will speak about the rental homes at another time.

The Hon. L. A. Logan: The Cockburn Shire tried to get a large number of blocks released, but the move was unsuccessful.

The Hon. R. Thompson: The embargo should be lifted from some of the land which is tied up.

The Hon. L. A. Logan: There are thousands of blocks available.

The Hon. F. R. H. LAVERY: There was some tie-up with regard to the Gerald Road Scheme to which the Minister for Local Government referred. An investor held quite a big portion of the land, and instead of blocks being sold for £450-£600, as was anticipated by the local shire, the blocks are being sold for £1,600-1,800. The local shire, together with the Minister for Local Government, went to a lot of trouble to make the particular area available for housing.

I have evidence to prove that this is so. Some of these people have half paid



for their blocks, and when they have gone to the State Housing Commission and told the commission what happened, that authority has had to apply another £800 or £1,000 to cover the final payment on each block, and there has not been much left to enable these people to build their houses.

So while the plans of the Cockburn Shire were very good, someone from one of the big estate agencies—one that sells probably more homes than any other in the State—was able, in some way or another, to get under somebody's guard and get control of a big area of the land which the shire expected would be used for a housing scheme and which, I am sure, the Minister for Local Government also thought would be the case. I feel sure both the Minister and the shire thought that in this area there would be opportunities for people to get lower-priced land.

The Hon. L. A. Logan: The same thing happens with every subdivision. Two or three houses are built and then the other blocks are sold at enhanced prices. Whatever happens one never gets a cheap block.

The Hon. F. R. H. LAVERY: I do not want to labour the question, but when one member was speaking this evening another member asked how many houses had been built when the Labor Government was in office. The last Labor Government came into office in 1954, and in 1955, out of the 9,400 houses built in the State, just over 4,000 houses were completed by the State Housing Commission—and I emphasise the word "completed." Those houses were not on the drawing board, or merely pegs in the ground; they were completed houses. Yet last year the State Housing Commission completed fewer than 2,500 houses, despite the increased population.

Therefore, how can Mr. Ferry, who said he is having plenty of houses built in his district, compare the period of 1954, when 4,000 houses were built, with last year, when only 2,000-odd houses were built by the State Housing Commission, despite the increase in the population of the State since 1954?

I suppose one of the answers to the question would be that so much of the finance of the State Housing Commission for home building has been bypassed to the building societies. For the sake of argument, if the Federal Government advanced £1,300,000 to the State Housing Commission, I understand some 40 per cent. of that sum has to be allotted to the building societies. Therefore that would be part of the answer to my own question.

The Hon. A. F. Griffith: I think if you recollect, the last Labor Government came into office in 1953. I have occasion to remember it.

The Hon. F. R. H. LAVERY: I was fairly close with my estimate. My recollection was that it was 1954.

The Hon. H. K. Watson: Also, I think the figure you mentioned should be not less than 30 per cent.

The Hon. F. R. H. LAVERY: Mr. Strickland mentioned the heavy impost placed upon general carriers through the imposition of the road maintenance tax. I would like to discuss this subject, too. One of the biggest carriers in the Fremantle area, who operates over 50 vehicles, said to me, "We have to look at this question in a commonsense businesslike way. The Government has to have extra funds as each year goes by, and we must admit we have to accept the responsibility of paying some of these taxes. However, why cannot the Government put a straightout tax on us instead of getting its money in this way? If I have a vehicle that costs £90 or £100 each year to licence why not increase that figure by 10 per cent, or something like that? Why place all these other charges on us? We have to employ a lot more staff now to keep our books because all the mileages for trucks, whether full or empty, have to be kept under the requirements of the Transport Department, whose officers have to handle this tax."

I think his suggestion is worthy of consideration. Take a firm like Manfords. I have not spoken to any member of the firm but I suppose it would operate well over 100 vehicles. Just imagine how many extra staff have to be employed to keep up with all the bookkeeping required to find out how many miles a truck has travelled when full or empty! It is almost an impossible task for some of these firms.

The Hon. A. F. Griffith: Do you think the suggestion you have just made would be one which would be accepted without criticism?

The Hon. F. R. H. LAVERY: I do not think the imposition of any tax, at any time, by any Government, is received without criticism. I think we have to expect that.

The Hon. A. F. Griffith: I think that is a very fair statement.

The Hon. F. R. H. LAVERY: I am concerned, and as long as I am in Parliament, and I have the opportunity, I shall draw attention to the next matter I wish to discuss—I refer to level crossings which are built for the standard gauge railway. In this regard I refer to page 4 of the Estimates of Expenditure from the General Loan Fund. On this page will be found the expenditure for last year and the estimate for the next financial year. The expenditure for the financial year 1965-66 on the standardisation of gauge was \$1,905,941, and the estimate for next financial year is \$5,936,000. That is the amount expended and the estimate for next year for our contribution to the standard gauge construction cost.

I am sorry to have to say, "I told you so"; but on two occasions I have referred to the standard gauge railway coming into the metropolitan area, the fact that level

crossings would be used, and the danger they would be.

Lights have been installed where the line crosses the main Toodyay Road, just out of Midland, but at that crossing there has already been one fatal accident. A man's car stalled and he was caught between the boom gates. A lady in the car, and the children got out, but the driver was killed. As far as I am concerned this is one death which should never have occurred because this area is fairly level, and it would be a simple matter to install an overway or an underway.

This is clay country, not many miles from where the bridge crosses the Swan River, and it would be quite easy to build an underway. When we build railways in areas where there is heavy traffic, such as there is now that the road from Goomalling to Toodyay and to Perth is bituminised, and a great number of vehicles use the road, it is courting disaster not to build overways or underways, and signals or boom bars, or gates, are not the answer. Only a few mornings ago I was waiting at the Moore Street crossing.

The Hon. L. A. Logan: The Lord Street crossing.

The Hon. F. R. H. LAVERY: Yes. A line of motorists were stopped waiting for the bar to lift and when the train went through the bar went only half way up and two detectives on a motor-bike were half way across the lines when the bells started to ring again. The bars came down, and these men were locked between the two bars, on the railway line. That happened less than 10 days ago, and it is quite easy to see how accidents can occur. Therefore, why make it easier.

The fourth point I wish to raise is in regard to the nursing profession. I was fortunate enough to attend, by invitation, the annual meeting of the Royal Perth Hospital Board the other evening, and the report which was presented was one of which any organisation could be proud. Throughout that report it is shown that the hospital is facing a shortage of nursing staff. Whether the hospital is short of staff now, or whether it is estimated that it will be short of staff in the next six to 12 months is beside the point. I believe the Government should give consideration to giving a girl the opportunity to join the nursing profession if she has the Junior Certificate. I make that suggestion because at the present time a Leaving Certificate is required.

The Hon. G. C. MacKinnon: That is not so. The requirement is the Junior.

The Hon. F. R. H. LAVERY: In actual fact, I think it is the Leaving Certificate; because if 10 girls applied to join the nursing profession, and five of them had the Leaving Certificate and the other five had the Junior Certificate, the five who had the Leaving Certificate would be selected first.

The Hon. G. C. MacKinnon: Certainly.

The Hon. J. Dolan: And so they should be.

The Hon. C. E. Griffiths: That is like anything else.

The Hon. F. R. H. LAVERY: Yet I found in the report that the wastage is in the vicinity of 30 per cent.

The Hon. G. C. MacKinnon: About that.

The Hon. F. R. H. LAVERY: A great number of girls who have the Leaving Certificate, once they discover what type of work nursing is, by devious means find other employment and leave the hospital. Probably this happens after they have been working there for about 12 months. I know it is difficult, but I think the Minister for Health would agree with me that with whatever plan is put up anomalies will occur. However, I think there is a group of people available for the nursing profession if people in that group were given the opportunity to join the profession—I refer to girls who have the Junior Certificate.

The Hon. G. C. MacKinnon: Many of them leave to get married, of course.

The Hon. F. R. H. LAVERY: That is so; but as the Education Department requires the lodging of a bond, in the case of girls studying to be teachers, I was wondering whether something similar could be adopted in the case of the nursing profession in order to cover the situation.

The Hon. G. C. MacKinnon: We do use that system.

The Hon. F. R. H. LAVERY: I am concerned at the number of girls whose parents have come to me and said, "My little girl would like to go nursing but she has only the Junior Certificate." One parent said to me that her daughter had gone to the Fremantle Hospital to find out about the position and was told that unless she had the Leaving Certificate she would find difficulty in getting into the nursing profession. I do not want that to be taken as the general position, but the person who told me about it was sincere, and probably the girl was given good advice.

The Hon. G. C. MacKinnon: That happens even with a tremendous number of apprentices—they have their Leaving.

The Hon. F. R. H. LAVERY: I hope the Minister does not think I am criticising.

The Hon. G. C. MacKinnon: No; I realise you are not.

The Hon. F. R. H. LAVERY: Even though girls have the Junior Certificate only, I am sure many of them would be able to continue with nursing work and pass the other examinations required of them. One of the problems is that girls with the Leaving Certificate find, after they have been nursing for a period, that there are so many other jobs which they

can get because of their qualifications, and for which a bigger salary is paid, that they leave the nursing profession.

I again congratulate the Royal Perth Hospital for the report it sent out. I wish it luck in its attempts to reduce the enormous debt that is now outstanding from, I understand, the third party insurance trust.

**THE HON. N. E. BAXTER** (Central) [8.30 p.m.]: In addressing myself to this the second Supply Bill of the session, I would like to say, firstly, that I can go some of the way—but not all the way by a long shot—with the comments of Mr. Watson.

The direction in which I can go some of the way with him is in relation to the national debt of the Commonwealth Government, the State Governments, local government, and other government authorities. I have some figures dealing with the years 1953 to 1963, and these were given in answer to a question asked in the Senate as to the amount of the national debt, related to the Commonwealth Government, the State Governments, local authorities, and other government authorities.

These figures present a rather disturbing picture. We find that as at the 30th July, 1953, securities on issue by the Commonwealth Government amounted to £1,888,200,000, with an annual interest liability of £52,200,000. By 1963 the national debt of the Commonwealth had been reduced to £1,560,300,000, with an annual interest liability of £55,400,000; the increase was probably due to a higher interest rate.

Dealing with the national debts of all the States of the Commonwealth, we find the figure in 1953 standing at £1,543,600,000, with an annual interest liability of £48,100,000. By 1963 this had risen to £3,156,800,000, with an annual interest liability of £138,500,000, or an increase of just over £90,000,000. This shows the huge increase in the amount that was owing by the State Governments in the 10-year period. During the same period the national debt of the Commonwealth Government dropped by some £328,000,000.

If we turn to the figures for the local authorities, and other government authorities, we find that in 1953 the debt stood at £819,200,000, with an annual interest liability of £28,600,000. By 1963 it had risen to £2,293,500,000, with an annual interest liability of £73,900,000.

From those figures it would appear that while the States, local government, and other government authorities faced an increasing indebtedness, by some device the Commonwealth Government reduced its debt to some extent. I believe that for the period since 1963 these figures show the same trend. It appears that the Commonwealth Government could be using some sources of revenue to reduce

its national debt, while the States, with their limited revenue, face an ever-increasing national debt to the stage where the annual interest liability is becoming a killer.

That makes it difficult for the States to operate satisfactorily. This is as far as I can go with what Mr. Watson has said. The honourable member went on to launch a satirical attack on the Prime Minister (Mr. Harold Holt) who has held this position for only a very short time. He took over from the Rt. Hon. Sir Robert Menzies, now Lord Warden of the Cinque Ports. Mr. Holt took over at a time when Commonwealth-State financial relationships had been established for a great number of years, and we cannot expect him to alter this arrangement in the short time he has been Prime Minister. I should point out that Mr. Holt is not the Treasurer; Mr. McMahon is. But when Sir Robert Menzies was Prime Minister Mr. Holt was the Treasurer. I have a lot of time for Mr. Holt, and I think he will make a very good Prime Minister. To date he has done an excellent job.

I do not agree with the suggestion of Mr. Watson that Sir Henry Bolte should contest the seat held by Mr. Holt at the next Federal election; that will not do Australia any good. If Mr. Holt is defeated we will lose a very good man.

I refer to another part of the contribution made by Mr. Watson in which he accused the present Minister for Trade and Industry for interfering, for interference sake, with the iron ore contracts between the Japanese interests and companies in Western Australia.

I say without fear of contradiction that at no time in the history of Australia have we had a better Minister for Trade and Industry than Mr. John McEwen. We all respect him; he is respected not only by his own party but also by the business people of this country, by the Chamber of Manufactures, and by the Chamber of Commerce of Australia, for what he has done. There is not a more indefatigable worker. The statement of Mr. Watson was a slight to one of Australia's greatest statesmen, and to what Mr. McEwen has done by way of trade agreements and by the hard work he put into their finalisation. He did a terrific job.

I would like to read out a summary of the iron ore contracts of Western Australia. This is a subject concerning Commonwealth-State relations. The summary is as follows:—

In 1938, the Commonwealth placed a prohibition on the export of iron ore. This was designed primarily to conserve the then limited known resources for Australia's own use but, it was also at that time, some hostility towards the export of iron ore to Japan was in the public mind.

This policy was maintained for more than twenty years, although, the ques-

tion was reviewed by successive Governments over the period.

1960 saw the first change in Commonwealth policy, and this was formally conveyed to State Premiers in November and December. Sir William Spooner, who was then Minister for National Development, made a statement announcing the Government's new policy. A copy of this statement is available. In this, there is specific mention of the Government's desire to see processing, and, if practical, shipment in Australian bottoms.

In May, 1961, the new policy was put into practice when approval was given for the Western Australian Government to invite tenders for the export of up to 15 million tons from Mt. Goldsworthy. The approved tender documents contained provisions providing for maximum possible processing and shipment in Australian bottoms if practical.

This limited relaxation on the export of iron ore remained policy for more than two years, during which time the Western Mining Corporation received approval to export 5.1 million tons from Talling Range and Koolanooka Hills.

The next major development was in 1963 when, on June 9th, Sir William Spooner announced a lifting of limitations on the quantity of ore which could be exported from any particular deposit and indicated that each case would be judged on its merits. At the same time, he issued a statement announcing the issue of a general export approval to Mt. Goldsworthy Mining Associates. This was for 64 million tons and was subject "to the Commonwealth being satisfied that the price is reasonable". This was the first general approval which specifically mentioned the need to negotiate a price satisfactory to the Commonwealth if the contract was to be approved and a specific export approval granted by the Minister for National Development.

Subsequently, in accordance with this policy, general export approvals were granted to Mt. Newman for 210 million tons and Hamersley for 200 million tons. Both of these approvals specifically required the Commonwealth's approval to any price negotiated.

As is well known, a number of substantial contracts have been negotiated by these companies, and, after due consideration, all except one have been approved by the Commonwealth. The question of the latest Hamersley contract now arises.

Hamersley has submitted five different contracts to the Commonwealth for approval. These were 65 million tons of ore at 15.1 cents F.O.B., 16

million tons of pellets at 18.5 cents F.O.B. and 5 million tons of low grade lump ore at an average of 9 cents per Fe unit. Only after a lot of discussion was the 18.5 cents for the pellets approved. Similarly, in the case of Mt. Newman, it was felt that the price obtained was too low, particularly when the discounts were taken into consideration, and it was only after a lot of discussion and talks with the company that Cabinet went along with the Newman contracts. No doubt Cabinet's uncertainty about the reasonableness of Hamersley's pellets and Newman's ore contracts filtered through to the industry.

When the latest Hamersley contract was put forward, it confirmed the fact that competition between the Australian suppliers had forced down the price and, in so doing, had aided the Japanese in their desire to buy as near as possible to the cost of production. The Company's proposal to export an additional 8.6 million tons of pellets represented an extension of the contractual arrangement Hamersley had already entered into for the sale of 16 million tons of pellets to Japan. Specifically the company sought approval of arrangements amending the previous pellets contract of 16 million tons of pellets at a base price of 18.5 cents per Fe unit to one involving the sale of 24.64 million tons of pellets which have an average price of 18.32 cents per Fe unit. At the same time, Cleveland Cliffs was seeking approval to 19.1 cents per unit for more than 70 million tons. Furthermore, just previously, a contract negotiated by Savage River which provided for comparable prices had been approved. Therefore, in comparison with other Australian prices, the Hamersley price was low and to approve of it would have meant a new low level for pellet prices.

In addition, it was well known what prices currently were being paid by Japan for a comparable product. On the best information available, the c. and f. Japan price of Australian pellets is considerably below that of pellets from other sources such as the U.S.A., Peru and India. The Commonwealth, therefore, would be placing itself in a position where it could be justifiably accused of forcing down world prices. Approaches on several occasions by the Indians had been made to the Department of Trade requesting that Japanese pressures for reduced prices be withstood in order to help maintain iron ore prices at a reasonable level.

The Hon. H. K. Watson: The Commonwealth was trying to control world prices which, of course, is ridiculous.

The Hon. N. E. BAXTER: Yes. I will come to that in a minute. To continue--

For India to meet the prices approved by Australia would cost the Indians £10 million a year in foreign exchange, and there is no need for me to emphasise how short India is of foreign currency. While Australia cannot afford to forego its competitive advantages, it must have regard to the problems of less developed countries, some of whom are main competitors for iron ore sales. This, then, was the background against which the Commonwealth decided that the price was not reasonable.

The Hon. H. K. Watson: In other words, he is suggesting that Hamersley experts are a lot of dills.

The Hon. N. E. BAXTER: He is suggesting nothing of the sort. It was a case of fair and reasonable trade within the world, and the honourable member knows that. To continue—

There has been some comment about the grounds on which it was decided that the price was not satisfactory. It has been stated that on average Australian f.o.b. prices are good when compared with the f.o.b. prices of ore of other suppliers to Japan. This is correct, but this is not necessarily a yardstick. It might be as well to compare Australia's f.o.b. prices with the f.o.b. prices of Sweden for Germany and of Canada for the U.S.A. They are irrelevant. The only reasonable yardstick to use is what is the going market price for ore or pellets in Japan or in any other market to which a particular contract relates. The Commonwealth Government had to look at the Australian prices on a c. and f. basis Japan, when considering the reasonableness or otherwise of the contracts negotiated with Japanese steel industry.

In any consideration of our iron ore export policy, Mr. McEwen said he could not go past the philosophy which he had been propounding for many years, namely, that producers of bulk commodities should receive remunerative prices. Generally, Mr. McEwen's campaign to have this accepted by the leading trading nations of the world has been conducted in regard to primary products. It is now generally recognised that Australia's ability to grow and prosper depends on whether or not the foreign exchange earnings from its great primary industries provide sufficient foreign exchange for its needs of equipment and raw materials. Receipts from exports of Australia's primaries will only be satisfactory if it continues to campaign for recognition of the need to pay remunerative prices to efficient producers. This philosophy is just as applicable to the iron ore industry, but from a national point of view it is essential that the prices should be remunerative not only

to the producer but should also be considered remunerative to the nation as a whole. It is here that there has developed some conflict between the interests of the individual producer and the welfare of the country as a whole.

The Hon. H. K. Watson: There is a lot of airy-fairy nonsense in that.

The Hon. N. E. BAXTER: Mr. Watson might think that there is a lot of airy-fairy nonsense in it. Perhaps he does not believe in orderly marketing and fair prices throughout the world for basic products. I do and we all do if we are to be fair to other nations in this world, and see that they have a decent standard of living.

The Hon. A. F. Griffith: If we are to be in world trade for iron ore pellets, what do you think we can sell them for on the European market?

The Hon. N. E. BAXTER: On a fair and competitive trading basis with other countries.

The Hon. A. F. Griffith: More or less than the figures in that statement? Do you think it will be more or less?

The Hon. N. E. BAXTER: I say it should be comparable with the higher figures in the statement, not the lower figures.

The Hon. A. F. Griffith: In other words, —be honest—you do not know.

The Hon. N. E. BAXTER: Well—

The Hon. H. K. Watson: Come on.

The Hon. N. E. BAXTER: I am talking about what the statement said in regard to prices.

The Hon. A. F. Griffith: And dodging the question I asked.

The Hon. N. E. BAXTER: I am acting on those figures. The Minister naturally has the advantage. He has been over to the east to discuss this with the Federal Government. He knows exactly what prices it is prepared to approve and what prices it is not prepared to approve. He knows the terms wanted by that Government in regard to prices at which the ore can be sold to the Japanese. There is no gain-saying the fact that the Minister and the Minister for Industrial Development had lengthy discussions on this particular subject. I do not think the Minister can deny that the facts were put on the plate and discussed with Federal Ministers.

The Hon. A. F. Griffith: Have I ever tried to deny the fact that I travelled with Mr. Court to Melbourne for the purpose of this conference, and got no change?

The Hon. N. E. BAXTER: The Minister did not get any change because he did not want any. He wanted one thing, and that was the contracts. Whether the price was fair or not to other sellers, and Australia, did not worry him.

The Hon. A. F. Griffith: Normally I would ask for a stupid statement like that to be withdrawn.

The Hon. N. E. BAXTER: The Minister himself think it is stupid.

The PRESIDENT: Order!

The Hon. A. F. GRIFFITH: Really, that is a stupid thing to say.

The Hon. N. E. BAXTER: It is no more stupid than the statement the Minister himself made to the effect that he got no change. He did not go over to get change. He went with Mr. Court to see if the Federal Government would approve the contract prices as agreed with the company and the Japanese.

The Hon. H. K. Watson: He went over to ensure that a valuable contract did not go overboard.

The Hon. N. E. BAXTER: It all depends for whom it is valuable. How valuable is it for Australia? As I said before, I do not think men of the calibre of Mr. McEwen, Mr. Fairbairn, and our Prime Minister are going to refuse a contract they believe is advantageous not only to Western Australia, but also to Australia as a whole. They are not there, as Mr. Watson implied, to interfere just for the sake of interference.

The Hon. H. K. Watson: That is what happened in this case.

The Hon. N. E. BAXTER: That is a poor statement when referring to men of this calibre—to say that they interfered just for the sake of interference. Are any of these Ministers dealing with this matter men of the calibre who would do that? I do not think so. I am sure they are not.

I end on that note by stating that I do not like to see statesmen in Australia referred to in the way they have been. These men are doing their utmost and are doing a wonderful job for this country. I feel I am justified, on this Bill, in rising to their defence.

I support the measure.

**THE HON. A. F. GRIFFITH** (North Metropolitan—Minister for Mines) [8.52 p.m.]: I never cease to be amazed at the sort of debate which Supply Bills evoke. These range often from the wordly and knowledgeable to other points of view.

Mr. Dolan said that primarily he is an Australian, and then he is a Western Australian. I do not join issue with him on that point. I put it this way: I think it is wonderful to be an Australian, but it is one better to be a Western Australian; and that is the spirit in which the Minister for Industrial Development and I journeyed to Melbourne to talk to the gentlemen just referred to, in the interests of the State.

The Hon. R. F. Hutchison: You were going to sell it pretty cheap.

The Hon. A. F. GRIFFITH: I will not hinder the debate by replying to that interjection at this time. We felt that the progress made so far in the exploration,

production, and sale of iron ore to Japan had a chance of being jeopardised because the price at which the iron ore company wanted to sell its product was not acceptable to the Commonwealth Government.

I must say we had a very fair hearing from both Mr. McEwen and his colleague, the Minister for National Development (Mr. Fairbairn). However, we came away unconvinced that the law of supply and demand, and market opportunities of the world should have been allowed to prevail. I think subsequent history will tell us when it comes to selling these commodities in other parts of the world, that the price factor is one about which we must learn.

A comment was made about trading with Japan and letting that country turn the product into bullets to shoot back at us. That may be so, but Mr. House, and every other primary producer, would look sick if the trade balances of Australia were affected by the sale of wool to the same country.

The Hon. E. C. House: That is one of the reasons they are trying to fix it at an equitable price. It is all tied up with the same thing.

The Hon. A. F. GRIFFITH: I repeat that it is very important to us that the trade balances of this country are protected to the extent they are in connection with the sale of wool and all forms of primary produce. So far as the mineral market of the world is concerned, it is very important indeed that we get other markets for our commodity.

That is what we have been searching for for some time, and that is what the companies in question have been trying to achieve. I think too much emphasis has been placed on the words used by Mr. Watson to prove some point which is not terribly important in the scheme of things. I find one has to be mighty careful of what one says. I have to be more careful than perhaps I used to be because at times speeches are made on words that we use.

I repeat that I am interested in the sort of subjects dealt with on Supply Bills. These Bills give members an opportunity to submit to the Government their views on various subjects, whether they be parochial issues affecting their electorates, matters of State finance, or State-Commonwealth finance. In fact they have an opportunity to speak on any matter which comes into their minds when they have the floor.

I would like at some time in this House to have a full-scale, well-informed debate on the difficulties of State-Commonwealth finance. Whilst I do not agree with all the remarks made by Mr. Watson, I am not going to put them into categories, those with which I agree and those with which I disagree. Suffice it to say that whilst I do not agree with all he said, at least he gave us a thinking point on a situation as he sees it.

I know that what I am going to say now may not be received with full support, but here are a few facts: Western Australia has the fastest rate of growth of any State in Australia. It has the lowest unemployment figure which is, I think, something less than .7 per cent. of the work force. I will stand corrected if I am wrong. It has the highest rate of immigration; the highest job-rate increase of any State in Australia; and the highest increase in bank savings. It registers the greatest number of vehicles per head of population of any State in Australia. As Mr. Watson has said, proportionately Western Australia makes a greater contribution to overseas trade than any State in Australia. Nevertheless we are told, as opportunity presents itself, that the Government of the day is not doing enough. It is not making enough available for housing.

The Hon. L. A. Logan: People seem to be more concerned about the arch.

The Hon. A. F. GRIFFITH: We are told that the Government is not making enough available for education, for health, and for this, that, and the other thing. However, I will bet—no, I am not allowed to bet: I will wager—

The Hon. J. Dolan: What is the difference?

The Hon. G. C. MacKinnon: That is a fine distinction.

The Hon. A. F. GRIFFITH: I am probably not allowed to do that, but I will take a guess that when I have the unenviable task later of presenting some of the Government's taxing Bills we will hear a few things.

The Hon. J. Dolan: We will really take to you then.

The Hon. A. F. GRIFFITH: Probably if Mr. Lavery had the opportunity to make another speech, we would hear a few things, but let me say it for him. I am hearing the same sort of thing I used to say when I was a private member, but I have a better realisation of the position now, after 16 years in Parliament. Eight of the 16 years has been spent as a private member and, Mr. Lavery, it was in 1953 the Labor Government came into office, not 1954. That was the year of reckoning for me. I was making a speech on the back of a truck in Forrest Place and I made a tactical political blunder. The political parties have alternate days on which to speak in Forrest Place. I had a period of 15 minutes—or perhaps 20 minutes—in which to speak and I made a tactical mistake by looking at the clock at the railway station and saying, "Well, ladies and gentlemen, I think my time is nearly up." Some fellow replied, "You are telling me." As a matter of fact he was right.

The Hon. J. Dolan: Mr. Lavery referred to the Minister as the late Mr. Griffith.

The Hon. A. F. GRIFFITH: I am sure this was not really in the mind of

the honourable member—at least, he did not wish me to be deceased. I remember 1953 only too well, because of that fact.

To return to the point, one cannot have the best of two worlds. When these taxing measures come down shortly I will hazard a guess they will not be received without criticism.

The Hon. R. F. Hutchison: We know that all members of the Government are bad managers.

The Hon. A. F. GRIFFITH: Nobody likes to introduce taxing Bills, and they are not introduced for the pleasure of it but because of the cold, hard facts.

The Hon. J. Dolan: No Government?

The Hon. A. F. GRIFFITH: No Government likes to introduce taxing measures.

The Hon. J. Dolan: Mr. Watson said that some Governments do.

The Hon. A. F. GRIFFITH: This is one point on which I do not agree with Mr. Watson. The cold, hard facts are simply that we are governed by the financial scheme under which we live. We know the taxing powers of the Commonwealth; we know the financial arrangements between the Commonwealth and the States; we know the percentage we get from the so-called "turkey" which is referred to when the cut-up comes. I have heard The Hon. Frank Wise say—when he was Leader of the Opposition and sat on the other side of the House, and indeed since he has been sitting on this side of the House—that had it not been for the Grants Commission, Western Australia may have fared a lot worse.

As long as we have the standard States of Victoria—with or without a contest by Sir Henry Bolte against the present Prime Minister—and New South Wales, and the situation they are in, and the necessity for those two States to raise their taxes in order to meet the same sort of situation of which members have accused us here tonight—that is, of not spending enough here, there, or somewhere else—and so long as there is the necessity to make up this spending ability from internal taxation of their own, and out of their own States, Western Australia has to follow along or be left lamenting.

The Hon. R. F. Hutchison: Yet, there is such a howl when men want sixpence or ninepence more in their wages.

The Hon. A. F. GRIFFITH: That is the kind of remark I would expect from Mrs. Hutchison. Perhaps a more appropriate occasion will rise which will lend itself to a repetition of that remark, but please do not interrupt the train of thought I have for the moment. As I have said, this is the situation and unless we are prepared to say, "We need this much money"—for the very things which you, madam, were talking about tonight—we will not receive it.

The Hon. R. F. Hutchison: I want more of what the Government gets.

The Hon. A. F. GRIFFITH: What does the honourable member mean by that statement? I think we should talk about this later.

The Hon. R. F. Hutchison: I do not want Western Australia to be sold out to the Japanese; I do not want cheap labour for Western Australia; I do not want Western Australia to be sold out to the Americans. I do not want any of this to happen; I want Western Australia to be treated a bit better.

The Hon. A. F. GRIFFITH: I think I could continue, and perhaps for a long time on this point, but to no real advantage. To a certain extent, I do not think that kind of remark should be allowed to go unchallenged. Here, in Western Australia, we are living under excellent conditions.

The Hon. R. F. Hutchison: Some are.

The Hon. A. F. GRIFFITH: We are not, as implied by that suggestion, selling out to the Japanese.

The Hon. R. F. Hutchison: Yes, the Government is.

The PRESIDENT: Order!

The Hon. A. F. GRIFFITH: We are not selling out to any foreign power at all. We are getting the things we need in Western Australia, and that is money for investment. If we sit down—if we do not get money for investment—these huge projects which you, Mrs. Hutchison, and other members saw filmed tonight in respect of the development in the north, cannot take place. These could not take place, because whilst one wants money for one purpose or another, one would not expect the State Government to find the moneys that are necessary to go into the development of the iron ore and mineral projects of the north. Therefore we need this capital in Western Australia, and Mrs. Hutchison knows we need it, in order to develop this State; and the development that is going on here, and the money that is being invested in Western Australia has put us in the position that we are on top in Australia on the points I have mentioned.

The Hon. R. F. Hutchison: We barely own our own State.

The PRESIDENT: Order!

The Hon. A. F. GRIFFITH: Perhaps I might interject on Mrs. Hutchison for a moment to refer to the peculiar situation we found ourselves in a year or two ago when there was a great deal of unemployment in certain of the States of Australia. In order to relieve this unemployment situation, the Commonwealth made certain grants to the States in relation to their population and to their employment. Western Australia's representatives went

to Canberra and came back, but not with a full basket by comparison to the other States. Why? Of course it was because we do not have the unemployment problems that the other States have.

The Hon. R. F. Hutchison: Boom or bust, whatever you say.

The PRESIDENT: Order!

The Hon. A. F. GRIFFITH: It seems to me that Mrs. Hutchison talks a lot of nonsense. This is not the basis on which we operate at all.

The Hon. R. F. Hutchison: Yes, it is.

The Hon. A. F. GRIFFITH: This is purely wishful thinking on the part of the honourable member who hopes we will boom and who, it seems, hopes we will then bust so far as the Government is concerned. The target is in sight; we must go on; we are doing very well and we must take advantage of the opportunity. We want to see this State progress. I would like to finish on the note that to me it is a good thing to be an Australian, but it is a damn good thing to be a Western Australian.

The Hon. J. Dolan: We can be both.

The Hon. A. F. GRIFFITH: Yes, and with that thought I commend the Bill to the House.

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.

## FIREARMS AND GUNS ACT AMENDMENT BILL

*Recommittal*

Bill recommitted, on motion by The Hon. A. F. Griffith (Minister for Mines), for the further consideration of clause 4.

*In Committee*

The Deputy Chairman of Committees (The Hon. F. R. H. Lavery) in the Chair; The Hon. A. F. Griffith (Minister for Mines) in charge of the Bill.

Clause 4: S.11 amended—

The Hon. A. F. GRIFFITH: Members will recollect that I undertook to have a look at the subject matter of clause 4 in relation to the power of the police to demand the production of a firearm license immediately. It was suggested that, in certain circumstances, it might be easier if some appropriate words were inserted after the word "demand," so that the police officer may have some discretion. Not many words are involved and I am hoping members will not require me to put this amendment on the notice paper. I have consulted with my colleague, the Minister for Police and, accordingly, I move an amendment—



Page 2, line 14—Insert after the word "demand" the words "or within such period as the officer may require."

The Hon. H. K. Watson: I think that covers the point.

The Hon. W. F. WILLESEE: As a conclusion has been reached on this clause it is now only a question of the provision being put to the test. The clause will now give an officer in authority the right to seize a firearm on demand, but if he considers that the owner of the firearm is genuine he can, in his discretion, give him a reasonable period in which to produce the license for the firearm.

The Hon. A. F. GRIFFITH: I do not wish to mislead the Committee, but would point out that the addition of these words does not add a great deal more to the clause. A policeman can still demand, at a moment's notice, a firearm license from any person in possession of a firearm, but the addition of these words gives him discretion to allow such a person a reasonable period in which to produce the license.

The Hon. H. K. Watson: Mr. Willesee summed up the position quite clearly.

The Hon. R. THOMPSON: I agree with the addition of these words. A reasonable officer would say to a person in possession of a firearm, but who at the time, did not have in his possession a license, that he could produce it within two or three days. Nevertheless the clause would still give an officer the right to confiscate a firearm if he thought it were being improperly used.

Amendment put and passed.

Clause, as amended, put and passed.

Bill again reported, with a further amendment.

## COMPANIES ACT AMENDMENT BILL

### *Second Reading*

Debate resumed from the 13th October.

**THE HON. W. F. WILLESEE** (North-East Metropolitan—Leader of the Opposition) [9.19 p.m.]: This is a most important piece of legislation and naturally, when it is being amended so frequently, it gives one cause to think of the advisability of continually amending the parent Act in view of its containing so many provisions and the fact that it is regarded as a very important Statute which is being constantly used by many people throughout Australia.

Company legislation has brought about many problems, because in recent years several large companies have failed miserably. Also, when they have reached the point of bankruptcy it has been found that their affairs were in a dreadful state compared with the air of prosperity that seemed to surround them in the eyes of many people.

My first thought on learning that this Bill was to be introduced was that this

important Statute could be amended less frequently to avoid inconvenience to those people who are constantly referring to its provisions; but, on a closer reading of the activities of some of the large companies that have crashed in the last few years, I find there is great activity among members of the accountancy profession who make a special study of company law in an endeavour to ascertain whether the responsibility for these company failures lies with the accountants and auditors or with the directors.

Early in 1965, at the W.A. University, a seminar was held dealing with selected accountancy problems, and one of the eminent speakers gave an address entitled, "The Responsibilities Of Directors And Auditors." This lecture was given by Mr. R. A. Irish, O.B.E., F.C.A., whose name is a byword in the accountancy profession, and who, over the years has written many books which have been of invaluable assistance to students of accountancy. He has written a book which is now 10 years old on a subject on which he is an authority. He ranks with such names as Gunn on taxation procedure, and Yorston and Fortescue on company accounting practices.

If the Companies Act continues to be amended year after year it will cause these textbooks on accountancy practices and company law to become obsolete and this, of course, will increase the cost of such reference books to accountancy students and will also increase the cost of the training manuals that are required by many in business organisations. In an endeavour to weigh up the situation that is brought about by the constant amendments to the Act, as against the need to bring them forward; I am inclined to think that the arguments for and against are running side by side when one views the problem of what has happened in the sphere of commerce during the last two or three years.

It was in February, 1965, that this paper to which I have referred was delivered by Mr. Irish. He commenced his remarks on a reminiscent note when he said—

When I was much younger I was appointed secretary to a company for the first time. After a little while it seemed to me that I did all the real work and knew more details of the Company's business than the Directors did. In the sweet innocence of relative youth I thought it must be much better to be a director than to be secretary or auditor. Fortunately some years were to elapse before such an elevation came my way. I say fortunately, because I had the opportunity in the interim of working with and studying quite a number of Boards, and what I propose to say is born of the experience then and since.

In recent years we have been shocked by a number of serious company failures. We were shocked not because they failed but because of the circumstances and size of the failures. This has led to a lot of public criticism of directors and auditors, rather unfairly, because the causes of criticism were a few weeds in an acre of lawn. Many of the critics have not served as directors or auditors and, therefore, have only an academic view of the facts of life—rather like telling someone else how to bring up their child when you have not done it yourself.

He then went on to say—

I believe the responsibilities of a director, the responsibilities of a board, and the responsibilities of an auditor go far beyond the boundaries of the law.

Mr. Irish gave quite a lengthy treatise in support of his remarks and every page of it makes interesting reading. He dealt with many aspects of accountancy and of all the facets of the duties of an auditor and a director. He asked the question: "Should a Director be an Expert in Company Law?" and also: "Should a Director be an Expert in the Company's Business?" He then went on to give long and complete answers based on the experience he had gained over several years in many fields of commerce.

After reading his treatise in full my reaction was that he considered there was nothing to be alarmed about early in 1965. As he said there were, in an acre of land, a few weeds. There were some people who had not observed the ethics of company practice, and the requirements of the law that had been built up over the years.

The Hon. L. A. Logan: Those few weeds of which he speaks can cause a lot of havoc, though.

The Hon. W. F. WILLESEE: At this stage we must recognise that the law has not kept pace with the development that has taken place in company practice. Early this year the Australian Society of Accountants conducted a searching inquiry, and its report has been published in the form of a booklet comprising 47 pages and entitled *Accounting Principles and Practices Discussed in Reports on Company Failures*. In it the members of that organisation have looked searchingly into the reasons for company failures from the point of view of whether such failures were the responsibility of members of the accountancy profession, and also other angles associated with that profession.

Then we find the Australian Society of Accountants Journal, as late as September, publishing articles side by side with the duties of company directors, which are very technical and very closely associated with the Companies Act. Immediately next to them we find the auditor's article, which again, is a very close and very candid report of the situation which is being

analysed in the light of the article and of successive company failures.

The report from which I intend to quote briefly is in the September issue of *The Australian Accountant*. It is by R. C. Dalton, and deals with the auditor's report. He says, *inter alia*—

Briefly in order to satisfy himself that a given debt, material in amount, will be converted to cash at its balance sheet valuation; he cannot argue that he was forced to regard it as good merely because he could not prove it was bad. He cannot excuse himself by saying he took the matter up with directors, if he does not take it up with members. He cannot accept the management's assurance that the debt is good unless reasonable proof thereof is in front of him; he cannot pass the debt as good if the evidence before him indicates otherwise—irregular and ineffective repayments resulting in a gradual long-term increase in amount, for example. Where these conditions are not satisfactorily met his only course is to report to members.

He continues—

While it is a fact that failure to make adequate provision for any contingency can hide or distort truth in the balance sheet, it is also true that auditing failures in recent years have revolved mostly around failure to insist on management providing sufficiently for bad debts. Had this important aspect of accounting been awarded the respect which was its due, failures here would have been reduced to insignificant proportions. "Little matters such as anticipating profit, capitalizing interest and other revenue charges, the inclusion of next year's income in this year's accounts, financing the purchase of one's own shares and so on," may perhaps be forgotten as they submerge in the dark, unfathomed ocean of loss attributable to bad debts.

Nevertheless, there are points regarding these "little" matters which should never be forgotten: in the first place, all of them clash with the law, or with rules of law; and they are laws or rulings which have prevailed for a long time—some of them for over a century. This simply means that, regardless of the Act and customary practice, there will always be those (directors and auditors) who will ignore them either through ignorance or something worse. And to seek to whitewash those responsible for these irregularities by saying the Act is deficient, is to say something completely at odds with the facts; every major blunder reported in recent years—every material loss suffered—would not have occurred had those responsible for the accounts paid as much

attention to ethics as they did to imagery and expedience.

It will be noticed that there was a very sharp difference from the approach of Irish. Here there is a definite concept of coming to grips with the problem; a definite attempt to stop this trend from going any further—the trend that public companies fail so quickly for unaccountable reasons.

In the September issue of the same journal, which only came out this week, there is a further series of articles by experts discussing the material raised in this report. I intend to quote from an article by E. H. Burgess which states—

At the present time the public's view of the accountancy profession is far from satisfactory, and with this I agree. Much of the criticism levelled at the companies by the inspectors is related not to accounting principles but to financial policies and deficiencies in management. No law can prevent bad management or mistakes in financial policies, but signs of deterioration in the financial affairs of the companies were obviously apparent long before disclosure to the public. Should the accounts or auditor's report have revealed the true trend of the affairs much earlier?

It is noteworthy that company failures examined by the inspectors are all groups of companies forming in each case a "composite corporate structure." To whom does the accountant turn for guidance in respect of such group accounts? For my part, I proceed on the assumption that he should look firstly to the law and secondly to the Australian accountancy bodies in relation to acceptable professional standards.

It will be noticed that for the first time the law has been brought forward as the principle to be looked at, rather than saying we must work on ethics rather than what is written into the law. To continue—

The law affords little or no assistance to the auditor; what about the accountancy bodies? Have they really faced up to the complex legal, financial and investment issues associated with the commercial concept of the group business and the problems connected with the group accounts currently used as the means of presenting the financial position and the trading results of the group business? If I may express a personal opinion, I would say that, as a profession, we are in default.

For a number of reasons, a considerable area of Australian commerce and industry is now organised by means of what can best be described as "the composite corporate structure"—a parent or holding company, the

shares and loan funds of which are generally subscribed by the investing public, and a series of subsidiary companies. The "composite corporate structure" is a commercial concept which at present has no real substance in law and in respect of which there is a great deal of confusion, misunderstanding and ignorance on the part of the investing public and, if I may add, on the part of our legislators.

The company failures have exposed a number of serious weaknesses in this commercial concept including—

- (a) the absence of suitable provisions in the Companies Act which recognise the commercial reality of the company group as such, and the failure to deal with the financial and other problems related to this concept;
- (b) the inadequacy of the existing provisions of the Companies Act in so far as they purport to define the responsibilities of auditors and directors in connection with group accounts;
- (c) the confusion in the minds of both the investing public and members of the business community with regard to the legal significance of the company group and the extent and scope which is available for financial "manoeuvring" within the separate companies comprising a group.

He goes on to say—

The Australian law, in my view, can properly be criticised on the following grounds—

- (a) it imposes no obligation on directors to report to members of the holding company on the consolidated balance sheet and profit and loss statement;
- (b) it leaves auditors in a great deal of uncertainty as to the precise nature of their duties, responsibilities and authorities when they "report" on the consolidated balance sheet and profit and loss statement, as required by subclause (4) of clause 4 of the Ninth Schedule;
- (c) it denies directors the flexibility and discretion which are open to their counterparts in the United Kingdom and the United States when deciding how group accounts should be presented to give "a true and fair view";
- (d) it ignores the responsibility to face the issue of whether it is

not in the public interest and commonsense to give some measure of statutory recognition to the commercial concept of the company group.

He defends his article by saying—

This sums up the challenge—let us accept it, there is much to be done by our professional bodies, by the legislature and by ourselves.

The third commentary was by a lawyer, Mr. W. M. Rogers, who begins by quoting an article which appeared in *The Nation* of the 19th March of this year, headed, "H. G. Palmer Fictions," which states—

"Where are the standards for valuing the assets of an unprofitable business on a 'going concern' basis? The accountancy textbooks are silent on this problem; the statute books lay down no rules; the field is wide open for works of imagination, and that is the realm in which the condition of the H. G. Palmer group of companies remains after the publication last week of the statutorily prescribed 'Statement of Affairs' for the group as at the time when the board of directors handed over to the Receiver on October 26."

Is not this but a new example of what is strongly suggested in the report, namely, that there is a widespread belief in the public mind that any company failure is in large part due to the deficiencies of accountancy and accountants?

He goes on to say—

The accountancy profession has a special problem in that most of its members are not in public practice on their own account, but are in salaried employment. What is to be the position and duty of an accountant if the requirements or directions of his superiors are in direct conflict with directions and standards of the profession? If the case is clear cut, that the man should follow the accountancy standards, should he resign, or disagree with or disobey his employer and wait to be sacked? (What if the man is in a senior position, nearing the retiring age and his resignation or dismissal would forfeit his pension?) But what if the case is not clear cut, where the matter is one of controlled estimation, e.g. the provision for bad or doubtful debts. It seems to me that to solve this sort of situation there ought to be some tribunal to which any such dispute could be quickly referred and before whom the governing body could be represented (a tribunal analogous to say the Law Society Statutory Committee), which could decide whether the accountant was justified in adopting the stand he took and if the man

has or is to leave his employment, what retirement benefits he is to receive. This tribunal should have power to publish its findings in appropriate cases.

To cover those cases where the tribunal found that the accountant acted in all propriety, but nevertheless his actions were misconceived, and his employer was justified in terminating his services, there should be a fund, established by the profession, to provide the man with compensation for his loss of office.

In this way, an employed member of the profession could do, rightly or wrongly, what he considered best to uphold the standards of the profession without financial consequences to himself.

Such a tribunal might also serve as a referee where there is disagreement between the auditor and management and steps are taken to have the auditor replaced.

I agree also that the control, particularly disciplinary control in the first instance, should be in the hands of the profession and not by an outside body.

Those are the thought-provoking articles which are current, and which give a clear indication as to how much thought is going into this question of company failure at the present time. As I see the position the measure before us deals, in the main, with the trial and error situation in favour of incidents.

For example, the extension of partnerships to 50 is brought about because I think it is better to have all the members of a partnership registered rather than to have some nominee members. In saying that, I agree that one might lose what might be termed personal contacts, to some degree, by these partnerships; but, nevertheless, from the point of view of the Companies Act it is better that they be extended under these provisions.

The situation of exempting the strata title companies from the Act has been brought about again as a result of a decision of law. The registrar can refuse a prospectus which he considers is not completely ethical whereby, in particular, investors may be tempted to take out shares in a company because of the glamour of a name associated with a prospectus which, while lending some colour to the company concerned, is no more than a shareholder in effect. Unfortunately many investors in the past have taken the view that because a big insurance company, or a banking name was attached to the prospectus it meant something more than it really did.

So in all of these instances I feel the Bill before us is justified. The official

manager situation—I prefer to term him a “creditor’s manager”—is written into the 1961 Act. It has not stood up to the test of time. As a result of that, this legislation is being amended and we are getting a more stringent code in regard to the activities of the official manager.

I think *The Bulletin* summed up the trend of this legislation when it said, on the 17th September of this year—

Post-mortems on company crashes may seem a bit tiresome and time-wasting when there is so much fresh work to do on so many more productive fronts. But if the Crown thinks it right to put investigators into companies, and those investigators come up with allegations of fraud, weaknesses in company law, and dubious accounting practices underlying losses of millions of money, their revelations deserve the full treatment by the courts, the legislatures, and the professional bodies concerned.

I would like to go on dealing with this matter in greater detail, but suffice to say I feel this Bill is justified in the light of practical experience.

**THE HON. A. F. GRIFFITH** (North Metropolitan—Minister for Justice) [9.48 p.m.]: First of all, I would like to thank Mr. Willesee for his obviously studied speech on this Bill; and I would also thank Mr. Watson for his remarks, which came to us as a result of a great deal of experience. The uniform Companies Act of 1961 took about two years, if not more, of research before it was enacted in each State of Australia, and by the Commonwealth itself. The objective was, of course, to have a uniform Bill so that requirements in respect of companies would be common to all of the States as well as the Commonwealth. I am sure it was expected in 1961 that there would be, in subsequent years, a number of amendments to the Companies Act. I would venture to suggest that as the years travel on there will be still further amendments, because I believe this is a particular piece of legislation in which perfection can never be obtained.

In Mr. Watson’s opening remarks, he implied this Bill was of a size not warranted at this stage, following the 1962 enactment. In his words, the Bill seemed “not to merit much congratulation.” However, I was pleased to hear that after making the observation that the bulk of the Bill is devoted to the part relating to official management, Mr. Watson endorsed the majority of the amendments contained in the Bill.

The official management part, when first enacted, was admittedly experimental. In practice, it was found to have been adopted, all too often, as a complete substitute—albeit, a very unsatisfactory sub-

stitute—for the formal winding up. The part is intended as a salvage operation for companies in difficulties; and it has been redesigned so that that salvage role may be performed.

The Hon. H. K. Watson: It will be more of a hospital operation.

The Hon. A. F. GRIFFITH: The honourable member can use that term if he likes. I think we fully understand what is implied by the two terms.

That salvage operations, by or through creditors’ management, can succeed is evidenced by the local example of Arcus Metal Products. This company was successfully managed by a committee of creditors for nine years and in that time paid 20s. in the pound to its unsecured creditors; and it still operates.

This arrangement was commenced prior to the enactment of the official management part, and so was outside the Act, but it did salvage an important manufacturing industry in this State. The official management part is intended to give legal sanction for just such a scheme.

Members are no doubt aware of Mr. Watson’s views on the question dealt with in his private member’s Bill of 1963. The subject matter of that Bill was discussed over a long period on a number of occasions by the Standing Committee of Attorneys-General. It was not approved as suitable for general enactment, and I believe he was told of this earlier by me. However, he believes in his proposition and continues to champion it. That is his prerogative; and I do not cavil at that.

However, from Mr. Watson’s closing remarks, in which he quotes a writer in *The Chartered Secretary*, it appears that he thinks company law should stand still for a while so that it may become known to and understood by those most concerned.

The latter thought will appeal to most people as being very logical, but I find it difficult to reconcile this with the radical proposal put so strongly by Mr. Watson for the deferment of the debts of a creditor holding company in the winding-up of its subsidiary.

The Hon. H. K. Watson: Mr. Willesee made some pertinent remarks tonight when he referred to a group of companies.

The Hon. A. F. GRIFFITH: That may be so, but I do not think the honourable member can have it both ways in a case like this. In the course of his remarks Mr. Watson asked me how many companies have appointed official managers; how many of such companies have recovered from their difficulties; and how many of such companies have gone into liquidation. I am advised that in the first case the answer is 12 companies; in the second case, nil; and in the third case, 5.

In addition to the five in liquidation, the remaining seven are as follows:—

Still continuing .....	3
Sale of Companies (Tax Losses to new shareholders) .....	2
Struck Off by Registrar as defunct .....	1

In course of above .....

That is the information which the honourable member requested of me. I do not propose to say anything further except to reiterate that from time to time I believe amendments to the Companies Act will be necessary.

For the information of members, I would like to explain the moves which take place in regard to amendments to the Act. First of all, the proposed amendments are considered by the officers and the Registrars of Companies from each State. Then they are dealt with by the Attorneys-General. The Standing Committee of the Attorneys-General is a body of people of completely mixed political thought, but I must say I have never had the privilege of being a member of a committee that approaches the problems of a country in a more open-minded manner than does this committee.

I would go so far as to say there is little of anything in the way of political consideration given to decisions made by this committee. No doubt Ministers will take into consideration their own set of circumstances pertaining to their particular State. This, I find, is predominant in all matters where States are represented by their Ministers; but the total objective is the main thing. It is in the interests of the whole; and in this case the investing public were the prime consideration.

I have pleasure in putting forward this Bill and trust it will be dealt with now in Committee. I am grateful to the two members who have spoken and for the support they have given to the measure.

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.

*House adjourned at 10.4 p.m.*

# Legislative Assembly

Wednesday, the 19th October, 1966

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

## QUESTIONS (16): ON NOTICE

### FAUNA AND FLORA RESERVES

#### Firebreaks

- Mr. NORTON asked the Minister for Lands:
  - Who is responsible for the clearing of firebreaks around fauna and flora reserves?
  - Is he aware of the great potential fire hazard these are to adjoining farms when no firebreaks are made?
  - What is the area of the fauna and flora reserve near Ajana?
  - How many miles of firebreak would be necessary to go around this reserve?

Mr. BOVELL replied:

- and (2) Where flora and fauna reserves are not vested in any authority, they are within the scope of section 34 of the Bush Fires Act, which authorises adjoining owners to take steps to protect their property.