Legislative Assembly

Thursday, 31st October, 1957.

CONTENTS.

The SPEAKER took the Chair at 2.15 p.m., and read prayers.

QUESTIONS.

BETTING CONTROL BOARD.

Totalisator Dividends, etc.

Mr. EVANS asked the Minister for Police:

(1) Is there power under the Betting Control Act, whereby the Betting Control Board can regulate or control the dividends paid by totalisators so as to ensure that dividends are never less than the stake invested?

(2) Does the board agree that an instance similar to that which occurred at the York race meeting on the 23rd October last, when a horse ran a place and paid a dividend of 3s. 6d. for every 5s. invested, is grossly unfair and alien to the principle of sport, when it is considered that one successfully and fairly negotiates an event and loses?

(3) If the answer to No. 1 is "No", will he refer the position to the board for its opinion as to the best means of amending legislation for the purpose outlined?

The MINISTER replied:

(1) No.

(2) It must be realised that the dividend is payable only out of the money invested on a particular race, less tax and charges. Therefore, if every bettor or nearly every bettor puts his money on the same horse, the dividend on that horse must be small or even less than the amount staked.

(3) Yes.

BARRISTERS' BOARD.

Interpretation of Rules, etc.

Mr. EVANS asked the Minister for Justice:

(1) With reference to the amended rules of the Barristers' Board, made under the Legal Practitioners' Act and printed in the "Government Gazette" on the 28th May, 1954, is it considered that Rule 28, which reads—

> Subject to Rule 30, every articled clerk shall while articled attend at the University of Western Australia the lectures provided in the LL.B. degree course in the following subjects and pass examinations therein, etc.

prevents a person from becoming an articled clerk to a country practitioner, when, for reasons of distance and probably finance, he or she could not attend 80 per cent. of such lectures at the University, as required as a minimum under Rule 30?

(2) Should there not be provision in the rules, whereby country articled clerks could pursue their studies, if they desire, in a similar manner to that existing prior to the amending Rules 28 and 30 being made?

(3) Will he take the necessary steps to rectify this situation?

The MINISTER replied:

(1) Subject to Section 9 of the Legal Practitioners Act, any person can become articled to a country practitioner. Grants are made where necessary to enable students to attend at the University. The

Western Australian system of legal education is in line with that in other Australian States.

(2) The Barristers' Board would normally grant permission to a country articled clerk to pursue his studies in the country if satisfied that he would receive full-time training in the office of the practitioner to whom he is articled, and that it would not be reasonable to require him to attend lectures at the University. However, it would normally be much better for the clerk—and eventually for the public—if the clerk were to attend lectures at the University.

(3) At least not at this stage.

NEW ZEALAND LAW PRACTITIONERS ACT.

Comparison with Western Australian Statute.

Mr. EVANS asked the Minister for Justice:

(1) Is it considered that Section 8, Subsection (2) of the Law Practitioners Act of New Zealand, in providing the following:—

> The Senate of the University shall prescribe the nature and conditions of the examinations and the educational and practical qualifications of those candidates who are required to pass any such examinations and may also prescribe such courses of study and practical training and experience for those candidates as it thinks fit. Provided that it shall not be competent for the Senate to require that any course of study or practical training shall be taken at a University College in New Zealand by any candidate who for the time being is resident more than ten miles from that College, or who, being engaged in qualifying for a profession, or earning a livelihood is thereby prevented from attending lectures

encourages country persons to qualify for admission as law practitioners?

(2) Is it further considered that the New Zealand system in this respect is more realistic than the situation existing in Western Australia, under rule 28 of our Legal Practitioners' Act, 1893-1956?

(3) Is he aware that under the New Zealand Act no provision applies, similar to that of Section 13 of our Western Australian Act, whereby a person of limited means, is often, and in most cases, discouraged from becoming an articled clerk, because of—

(i) Section 13 of our Act; and

(ii) the attitude of the Barristers' Board as to articled clerks holding any employment whilst employed in articles?

The MINISTER replied:

(1) The New Zealand provision appears to be designed for the purpose suggested, but with what result is unknown

(2) No. The Western Australian system of legal education is not markedly different from the systems in other Australian States.

(3) The New Zealand system appears to be quite different from the Western Australian system. Section 13 of the Western Australian Act is an original section and is considered to provide protection for the public and for the student. The attitude of the Barristers' Board is explained in another answer given by me today. I am not aware of any case of a person of limited means being deterred from becoming an articled clerk for the reasons suggested.

EDUCATION.

Enlargement of Collie High School.

Mr. MAY asked the Minister for Education:

(1) What provision has been made for this financial year to enlarge the Collie High School?

(2) What number of rooms are to be added?

(3) When will the building of the rooms be commenced?

(4) Will the additions be of brick to keep them in line with the present brick building?

The MINISTER replied:

(1) It is regretted that no funds are available this financial year.

(2) Three and an administrative block.

(3) At this stage it is not known.

(4) Yes.

LESCHENAULT ESTUARY

Siltage, Pollution, etc.

Mr. ROBERTS asked the Minister for Works:

(1) Does the answer to my question of the 8th October, 1957, with reference to the siltage, pollution and marine growth aspect in the area of water from Turkey Point to the head of Leschenault Estuary, imply that the siltage (or shifting sand banks) between the cut and the mouths of the Collie and Preston rivers, is not being closely watched?

(2) If not, what are the details of the last report in reference to this matter?

The PREMIER (for the Minister for Works) replied:

(1) No. Comprehensive soundings were taken in March, 1957, covering the extent of the cut itself, and both seawards and on the estuary side of the area affected in depth by the current flow in the cut. Aerial photographs extending

over the cut environs, and including the mouths of the Collie and Preston Rivers, are taken twice annually, the last available being March, 1957.

(2) Answered by No. (1).

BUNBURY PORT ZONE.

Shipment of Materials through Bunbury.

Mr. ROBERTS asked the Premier:

(1) When it is necessary for materials and equipment to be imported for use in the construction of fitting out of hospitals, schools, roads, power stations, water schemes, railways, public buildings, harbour works or other Government or semi-government works being carried out within the Bunbury port zone, will he ensure that the required goods, where possible, are shipped direct to the port of Bunbury?

(2) What tonnage of goods has the Government shipped through the port of Bunbury during each of the last three years, and what was the nature of such goods?

The PREMIER replied:

(1) Many things which are possible are not necessarily economical or desirable. Materials and equipment for Government use in the Bunbury zone will continue to be forwarded in the most economical and desirable way.

(2) This information will be obtained and furnished later.

TUDOR AREA, ALBANY

Drainage Possibilities.

Mr. HALL asked the Minister for Works:

Will he investigate the possibilities of draining Tudor area adjacent to Albany thus releasing approximately 3,000 acres for selection?

The PREMIER (for Minister for Works) replied:

Some investigations have already been made and field surveys are carried out when circumstances permit.

TRAFFIC.

Charges of Exceeding the Speed Limit.

Mr. CROMMELIN asked the Minister for Transport:

(1) How many charges of exceeding the speed limit were laid in the metropolitan area from the 1st July to the 31st December, 1956, against drivers of motor-vehicles—

(a) under 21 years of age;

(b) adults?

(2) What amount of fines imposed as penalties was received from—

(a) juniors under 21 years of age;

(b) adults

for the period referred to in No. (1)?

(3) How many charges for the same offence were laid in the same area from the 1st January, 1957 to the 30th June, 1957 against drivers—

(a) under 21 years of age;

(b) adults?

(4) What amount of fines as penalties was received from—

(a) juniors;

(b) adults

for the period referred to in No. (3)?

The MINISTER replied:

(1) Separate figures for under 21 years not available. Total 1,478.

(2) £7,205.

(3) £1,719.

(4) £8,027.

ALBANY WOOL SALES.

Road Cartage and Distances.

Hon. D. BRAND asked the Minister for Transport:

From what centres with rail facilities are growers permitted to cart wool by road to the Albany wool sales, and what are the respective distances?

The MINISTER replied:

Growers are not permitted to transport wool by road from centres with rail facilities except under exceptional circumstances—for instance, where shearing is delayed and there is urgent necessity to get the wool on to a ship or to a sale.

The South Stirling area and the Ongerup-Jerramungup area have been exempted as these areas are not adequately served by a railway.

LEIGHTON.

Report on Beach Area.

Mr. ROSS HUTCHINSON asked the Premier:

Is it possible at this stage for him to release the report on the future of the Leighton beach area?

The PREMIER replied:

No.

CRAWLEY BATHS.

Condition and Plans.

Mr. ROSS HUTCHINSON asked the Premier:

Is it possible at this stage for him to make a report on the condition and plans for Crawley swimming baths?

The PREMIER replied:

It is possible but inadvisable to release the report at this stage. It will be made available later.

WAR SERVICE HOMES.

Delay in Transfers.

Mr. WILD asked the Minister for Housing:

(1) What is the reason for the long delay in finalising costs and transfer documents in connection with purchases of war service homes in Marbellup-rd., Albany?

(2) As at least two applicants in Marbellup-rd. were advised some months ago that the transaction would now be finalised, will he advise on what date such finalisation will be implemented?

The MINISTER replied:

(1) Of plans involved, only one is not available and this is at present with the Titles Office and should be available within a week or two.

Installation of sewerage was also responsible for some delay in finalising costs.

(2) Four cases will be finalised for the December quarter. They are:—

Retallack, G. P.
Wilson, A. E.
Spershott, R.
Jones, S. R.

RAILWAYS.

Reopening of Lines for Wheat Season.

Hon. D. BRAND asked the Minister representing the Minister for Railways:

When does the Government expect to reach a decision on the proposal from the Farmers' Union that railway lines in wheat-growing areas on which services have been suspended, should be reopened for wheat and superphosphate traffic and kept open during the grain receival and superphosphate period?

The MINISTER FOR TRANSPORT replied:

The Farmers' Union has been advised that its proposals would be uneconomical for the Railway Department.

PARLIAMENTARY SESSION.

Closing Date and Remaining Legislation.

Hon. D. BRAND (without notice) asked the Premier:

I understand that the Premier indicated to the House that we would finish the session somewhere about the end of November. Could he tell us, at this stage, what other legislation will be introduced between now and that time?

The PREMIER replied:

The target date which I suggested to the House was the 21st or 22nd November. There are still some Bills to be introduced, most of which are either of a minor or of a year-to-year character.

Hon. D. Brand: Hardy annuals.

The PREMIER: Some of them are hardy, some not so hardy, and some usually pass through both Houses with very little discussion. I should think there would not be any substantial Bills yet to be introduced. The Government has already abandoned some major Bills, which are not necessarily urgent but are of a major character, because of the lateness of the session. Wherever possible, Bills of major importance, where they are not urgent, will be held over until next session.

CHAMBERLAIN INDUSTRIES.

Presentation of Committee's Report.

Mr. WILD (without notice) asked the Premier:

As we are nearing the end of this session, and it is three weeks since I asked the Premier a question in regard to Chamberlain Industries, and he told me that it would be only a few days before the report was made available, can he indicate whether the report on Chamberlain Industries will be made available before the end of the session, as was promised to this House?

The PREMIER replied:

The parliamentary committee which has been operating in connection with this matter has carefully considered all angles of the industry and has made certain recommendations. Those recommendations have been carefully considered by members of Cabinet, and the stage of approval has been practically reached. However, there are still some features which require additional close consideration. As soon as I am in a position to make a detailed or explicit statement to the House in connection with the matter, I will be happy to do so.

BILLS (2)—FIRST READING.

1, Bunbury Harbour Board Act Amendment.

Introduced by the Minister for Mines.

2, State Transport Co-ordination Act Amendment (No. 3).

Introduced by the Minister for Transport.

BILLS (2)—THIRD READING.

1, Land Agents.

2, Electoral Act Amendment (No. 2).

Transmitted to the Council.

BILL—LONG SERVICE LEAVE.

Second Reading.

Debate resumed from the 22nd October.

MR. COURT (Nedlands) [2.30]: The most charitable view that one can take of the Government's handling of the introduction of this particular measure is to say that it is an attempt at political manoeuvring.

Hon. J. B. Sleeman: I have heard that before.

Mr. COURT: This attempt at political manoeuvring has turned out to be a "fizzog." It has deceived no one. It was the hope of the Government that, with a fairly certain knowledge that the Opposition had accepted the principle of long-service leave, by introducing something which was radical and completely different in respect of qualification to the national agreement, the Government would curry some favour with the workers of this State. I am able to say without any reservation at all, from all the inquiries I have made, that no one has been deceived.

It seems to be generally understood and accepted that the national agreement which has been publicised is a fair and equitable basis. It is the general opinion of those with whom I have discussed this question and of those who will be directly affected by this legislation, that the 20-year qualification for three months' leave is a fair and equitable proposition.

The Minister for Transport: Fair and equitable to whom?

Mr. COURT: To those men and women who will qualify for long-service leave, whether they be in the higher or lower income bracket.

The Minister for Transport: I presume they told you they preferred to wait 20 rather than 10 years.

Mr. COURT: No, they have not. They have taken a responsible and sensible view of this matter.

Mr. Lapham: Would you say that the present long-service leave provision, as applied to Government employees, is unfair?

Mr. COURT: I was anticipating that question and I had better get it out of the way during this stage of the second reading debate. The hon. member realises that the question of long-service leave in the Government has always been considered an entirely different subject for a variety of reasons, to the question of long-service leave in private industry.

Mr. Lapham: What are the reasons?

Mr. COURT: For very many years it has been understood that a member of the Government service received certain emoluments and certain conditions of employment which were out of step with private industry. The fact remains that whenever there has been legislation for private industry in respect of long-service leave throughout Australia, Governments of all political colours, and particularly Labour Governments, have acknowledged that great difference. I would remind members of this state of affairs: For very many years, where the legislatures of some of the States controlled by Labour Governments —whether it be in the Upper or Lower House, or both—did not legislate for long-service leave at all for private industry, they still retained the long-service leave principle within the Government service.

It was always treated as an entirely different set of conditions so far as private employment was concerned. It is also significant that where Governments have introduced long-service leave, they have introduced it on an entirely different basis to the Government long-service leave. That is sufficient explanation of the difference between the two systems of leave.

Mr. Lapham: You do not think we should co-ordinate the two?

Mr. COURT: If the hon. member wants to bring the Government long-service leave to the same basis as long-service leave in private industry, in view of the changes that have been made throughout Australia in the emoluments of office, that is another matter.

Mr. Lapham: Are you suggesting that?

Mr. COURT: I have not, but the hon. member has.

Mr. Lapham: I have not.

The SPEAKER: Order. I must ask members to keep order and refrain from cross-questioning.

Mr. COURT: If this attempt by the Government is not a political manoeuvre to bring in the 10-year qualification as distinct from the 20-year qualification, it must be written off as something much worse, because it means that the Government has abandoned the policy of conciliation and arbitration in these matters, and in place of it desires to institute a system of political direction.

I would say that the brightest spot in our industrial law and history in the last few years has been the negotiations conducted between the A.C.T.U., representing the employees, and employer organisations in connection with this particular matter. Unless we are prepared to encourage negotiations of this type, our chances of industrial peace and progress are about nil. A Bill like this is being introduced by the Government at the very time when the State Arbitration Court is considering an application in respect of the goldmining industry in which the workers have requested leave on the 10-year principle.

If ever anything was illtimed and grossly illtimed—unless the introduction was purely accidental—the introduction of this Bill is. Just as the Arbitration Court is considering this very important matter in an industry which has already suffered great disabilities in regard to costs, the Government brings down a Bill on the 10-year principle—a principle completely foreign to the principle contained in the national agreement that has been entered into.

Mr. Andrew: There is no agreement.

Mr. COURT: The hon. member is apparently not very well versed in what has been going on in this country for some months, and particularly during the last few weeks. I shall remind him, if he needs reminding, that these negotiations have reached a culminating point whereby a document has been made available—which has been referred to as the code or a national agreement—setting out the understanding between the two parties, namely, the A.C.T.U. and the employer-organisations from all the States. I would like to remind the hon. member that on the 25th September last the A.C.T.U. Congress approved the negotiations which its executive was conducting—not starting to conduct—with major employer-organisations for a national long-service leave code for 1,500,000 workers under the Federal awards. That is important. The council hoped that the code, based mainly on the New South Wales Long Service Leave Act, will incorporate the best features of similar State Acts.

Mr. Andrew: Which will incorporate.

Mr. COURT: That was the objective. They have achieved that objective. If the hon. member studies the national agreement, he will find that they have reached agreement.

Mr. Andrew: I said that was a proposal; it is in the future.

Mr. COURT: I am quoting the words of the person making the statement. If the hon. member were to study the code, he would find that it was in line with the best features of the several States' Acts.

Mr. Johnson: Who made that statement?

Mr. COURT: This statement was made by and on behalf of the A.C.T.U. Congress in Sydney on the 25th September of this year.

Mr. Johnson: That is a newspaper cutting and is not reliable.

Mr. COURT: Do I have to produce statutory declarations to prove that the document which the Minister referred to the other day and which he knows to be the official document between the parties, is a reliable document?

Mr. I. W. Manning: The member for Leederville is only making a nuisance of himself.

Hon. D. Brand: He does not have to do that.

The SPEAKER: I suggest that members permit the member for Nedlands to continue.

Mr. COURT: I want to make clear the attitude of the Opposition towards the principle of long-service leave. We have for some time supported this principle of long-service leave in private industry, and the main headings under which we have approached the matter are as follows:—

(1) The capacity of industry to pay and the economy to absorb.

(2) Uniformity throughout the Commonwealth.

(3) Recognition of genuine long and loyal service as distinct from a hand-out regardless of loyalty and service.

(4) Smoothness of implementation with the minimum of dislocation to industry.

(5) Administration free from political interference.

Each of these points merits some examination.

There are those who completely disregard the capacity of industry to pay and the capacity of the economy to absorb. Such a scheme could have but one fate; it would rebound worst against the people it was originally intended to benefit, because any scheme which is not sound for the nation, must of necessity be of no good to the individual receiving benefits under it.

On the question of uniformity throughout the Commonwealth, we have had a policy that this matter should be promulgated initially through the Federal Arbitration Court. That was declared in the policy speech of Sir Ross McLarty for the 1956 State elections in very simple, clear language, so that there was no doubt where we stood in the matter.

At that time it was expected that the initial announcement would be made through the Federal Arbitration Court. However, it has come through voluntary negotiations between the employer and employee bodies. Frankly, we think that is even better than a lead being given from the Federal Arbitration Court. It is assumed—and I think generally accepted—that the Federal court will now, on the joint application of the parties, write into the Federal awards the provisions of this national agreement that has been reached.

With a full knowledge of this agreement, one is entitled to ask just what is the Government's attitude towards this method of arriving at an agreement on such a major issue. I would say that the whole matter has been treated by the Minister in his speech—and presumably he spoke on behalf of the Government—with scorn. He just wiped it off as though it had no significance whatsoever in the proceedings.

One of the greatest economic problems with which Australia is confronted is that of uniformity, the unbalance between the States in connection with industrial matters; and that goes right back to the basic wage problem in connection with which there has been a failure to reach

agreement over the years on a sound, common basis on which to set up our wage structure.

The Minister for Labour: You think the Federal basic wage should apply to Western Australia?

Mr. COURT: No; I did not say that.

The Minister for Labour: No; but do you?

Mr. COURT: I feel that we should take a lead on these matters of national significance from the declarations of—

The Minister for Labour: Do you favour uniformity by the application of the Federal basic wage to Western Australia?

Mr. COURT: I favour the States and the Commonwealth reaching an understanding on a uniform wage. From there we could all regulate our wage structures with confidence. I am not suggesting that the wage has to be reduced. It might be the reverse, or it might be that we must have part of both. But until we can get some commonsense in these matters, we will have this continued unbalance.

Let us examine the position between the States. This scheme must have some effect on the wage force in the different States when there are anomalies between them. On this occasion we had a heaven-sent opportunity for legislating in a major matter of industrial arbitration, on a basis which would have been uniform throughout Australia, taking the whole matter out of the political bickering field and creating a degree of satisfaction amongst employees who would know, whether they were in Queensland or in Western Australia, they would have a standard basis of long-service leave thoroughly understood by all concerned.

The third point on which I touched regarding the approach to the principle of long-service leave was the recognition of long and loyal service as distinct from a hand-out regardless of the degree of loyalty and service. My understanding of long-service leave has been that it is a reward or an acknowledgment of long and faithful service, continuous service; and if we have a system of long-service leave which does not acknowledge that principle, it must fail. It becomes another form of remuneration for every day worked, regardless of the loyalty of employees to their employer and through that employer to their industry. It is important therefore, in drawing up a code on which legislation is to be based, to have due regard for that principle of recognising genuine long and loyal service.

On the next point of smoothness of implementation with the minimum dislocation to industry, I think it goes without saying that all of us would want a system introduced on a basis that would cause minimum dislocation. It would be possible to introduce a scheme in such a manner as to make it almost impossible to implement initially. There must be some difficulties during the early stages of a scheme; but if the legislation is realistic, it will provide a degree of flexibility in this regard. I do not think the Government's measure provides sufficient flexibility; but the national agreement does, without any detriment to the recipients of long-service leave.

On the question of administration free from political interference, I propose to have something more to say in a few moments. From what I have already said, members will appreciate that we of the Liberal Party are supporting the national agreement as distinct from the Government's legislation. We are supporting long-service leave, but on the basis of the national agreement; because we feel that that agreement is fair and proper and within the capacity of industry to pay and the economy to absorb, given a degree of understanding on both sides.

Further, we feel that if we do not take notice of these employer and employee negotiations, we will have these bodies saying, "What is the good of getting together and trying to have some conciliation when the first time we reach a conclusion and publicly declare ourselves, the legislature takes no notice or goes contrary to our declared wishes?"

The recent history of long-service leave has been quite an interesting one. It has been a process of steady progress towards long-service leave. It was only a matter of time before a system would be worked out as an integral part of the conditions of employment in this country. We have seen voluntary schemes achieved within industries; and we have seen some achieved by negotiation, where the employer body has got together with the employee body in a particular business or industry and managed to achieve a form of long-service leave. We have seen schemes developed within firms covering superannuation, retiring allowances, pension schemes, and so on.

All of this is part of the overall structure under which the Australian industrial laws have been developed. And not only laws but also practices. We are now at the stage where we are about to legislate to make compulsory and lawful a system of long-service leave, as a permanent part of our industrial law. These negotiations culminated in this national agreement on an Australia-wide basis, but in this State they have culminated, for the moment, in the introduction of this legislation by the State Government.

I invite the attention of members to the scheme previously reported as being under consideration by the State Government. We were never able to determine whether it was officially under consideration, but there is good reason to believe that it was and that it had to be abandoned on the

score of cost. One of the schemes was a contributory one whereby there would be a charge on payrolls to build up a fund, from which all employees, regardless of years of service, would receive an accumulation of long-service leave.

Mr. Gawler, the actuary, visited this State and the reports given, and which the Minister was cautious not to deny or affirm, were that within the next three years they would need to accumulate £10,000,000 with which to meet the liabilities of the scheme. The Minister has a look of query on his face, but he has never denied or affirmed that particular calculation or Press report, and from the calculation which I have made, and which I propose to mention later, it would appear that that figure is not far off the mark.

However, it looks as though the actuary's report wrote "finish" to the scheme and I think that, on reflection, members will agree that a scheme under which one builds up a fund out of which people get payment regardless of long and loyal service, is destined to failure because it cuts across the concept of long-service leave. I have tried to reduce to very few headings the main points of difference between the Government's scheme and the national agreement.

There are many points of detail where the agreement differs from the legislation and in due course members will see the amendments on the notice paper, which, I regret, run into many pages and which seek to convert the Bill from its present form to one consistent with the code. From that members will see the detail that is necessary to achieve the code as distinct from the Bill. The main headings are as follows:—

Qualifying period: Under the Government's scheme, 10 years with three months' leave entitlement; under the national agreement 20 years with three months' entitlement.

Commencing age: Under the Government's scheme, 18 years; under the national agreement, the school leaving age, which at the moment, of course, is 14 years, but which will automatically increase by anything from six to 12 or 18 months if the Government raises the school leaving age. At all events it will be from the commencement of the working life of the employee.

Retrospectivity: Under the Government's scheme, seven years; under the national agreement, 20 years.

Cost: On the score of cost the difference is even greater and we will deal with that later.

Pro Rata payment provision in lieu of leave: Under the Government's scheme they would start after three years—that is, three years after 1961, which is virtually the base year, but under the national agreement they would start after 10 years, subject to certain conditions being complied with —not very onerous conditions. After 15 years under the national agreement pro rata payment will be for all practical purposes automatic.

Implementation of scheme: Under the Government's scheme the supervision is in the hands of the Secretary for Labour and under our proposal it comes under the existing industrial arbitration system.

Exemptions from the scheme: Under the Government's scheme there will be no offsetting provisions for superannuation and similar funds but under the national agreement there are such provisions.

I would not like to mislead the House on that point. There is provision in the Government measure for the offsetting of long-service leave schemes, but I am referring more particularly to superannuation schemes. I mention all these principal headings because I am sure that, in fairness, members will acknowledge that in putting forward the code as the basis there are pluses and minuses. It is not suggested that the cheap things out of the code should be adopted and the dear things abandoned but, on the contrary, a complete acceptance of the code, with some things being more favourable to the worker and some, perhaps, less favourable to him, but nevertheless a complete acceptance of it.

It is impossible to pick the eyes out of one or the other, and most undesirable. One of the most contentious points in the Minister's speech, apart from the circumstances under which the legislation was introduced, at a time when the agreement was at the Government's disposal, was his failure to give an estimate of the cost. He threw it back on us and said he expected us to do it, or words to that effect, and that he would be interested to hear our figures.

The Minister for Labour: I am always interested to hear you.

Mr. COURT: In dealing with a Bill affecting the national economy and this State in particular, the Minister had a responsibility to put forward an estimate of the cost.

Mr. Marshall: It is easy to calculate.

Mr. COURT: I would have thought so until I started, but when one has burned midnight oil for a considerable while dealing with it, one appreciates that the problem is not as easy of solution as the Minister would have us believe. He has the services of an actuary, a statistician and an economist, and surely this House was entitled to receive from him an estimate, even if he had to make reservations about its accuracy!

But we were given no estimate at all; not even a calculated guess. I have made a stab at this and I will make this reservation, that it will not be an accurate calculation, because I defy anyone to claim that he can hit the bull's eye within £500,000 so far as the accrued liability is concerned. One can only take certain available statistics and had the Minister been good enough to give to the House his basis of calculation, I would have been prepared to reciprocate.

However, I have made my stab at it and it is up to the Minister now to demonstrate where I am wrong. I have found, in this Chamber, that if one makes a submission to the House and it is of a fairly contentious nature, there are always plenty of members ready to tear it to pieces, but very few prepared to make counter proposals.

The Minister for Transport: Be quick! We are waiting for this.

Mr. COURT: I estimate that under the Government's scheme the accrued liability at the base year of 1961 for this State will be nearly £17,000,000.

Mr. Marshall: Rubbish!

Mr. COURT: Right, oh! The hon. member will have his chance. I am not unmindful of the fact that the Gawler figure quoted for the fund as at 1960 was £10,000,000. It is apparent that my prediction is fairly correct. It is also apparent that this estimate will be attacked and perhaps we will get within £500,000 of the correct figure before we finish. Under the national agreement, the immediate liability, bearing in mind that under the proposition that we put forward the long-service leave entitlement accrues for 20 years and is retrospective for that time and would apply immediately with provision for its smooth implementation by negotiation between employer and employee, cannot be positively calculated because it varies according to the approach between £4,000,000 and £6,000,000. That is the accrued liability, assuming everyone went on leave immediately—

Mr. Marshall: They will not do that.

Mr. COURT: They have to within a reasonable period and under the Government's scheme within 12 months, but under the other scheme there is more flexibility, with fairness to all concerned. Having looked at the initial cost—that is, the accrued liability or the pent up liability over the past few years—let us have a look at the annual cost. Under the Government scheme, it is my estimation that we will get no relief in the annual cost until about 1965. It will be appreciated that if we fix a leave system based on 10 years' continuous service with one employer, as against one based on 20 years, the incidence of people becoming qualified for leave is different; and this accounts for the disparity between the figures. We cannot say "let us double it or halve it." We have to take it on the circumstances of the case, bearing in mind that after 10 years there are fewer people qualifying than up to 10 years.

Accordingly, I assume that the annual cost to private industry in this State up to 1965 once the scheme gets going under the Government's proposition—that is, in 1961—will be £4,000,000 per annum. The annual cost in fairly normal times to private industry under the national agreement scheme is an estimate of £1,000,000 for a year, after the initial liability has been discharged, and the pent up liability has been got rid of—and this will, of course, increase as a per annum cost under the national agreement scheme for the reason that it is intended to be a scheme to encourage people to give long and loyal service to industry.

I anticipate that it will eventually bring about a very desirable state of affairs; that there will be a more static market. In other words, there will be a lower labour turnover which will bring in its wake greater commitments of long-service leave, but at the same time it is logical to suppose that it will also bring in its wake greater efficiency, greater contentment in industry, and that it will have an offsetting effect in the costs which should react to the benefit of the economy of industry in this State.

Under the State scheme, the annual cost, after it settles down, could also increase, and if it achieved that desirable result there would be greater stability in the labour force. However, when we allow for the fact that the Government scheme provides for a pro rata payment after three years, it will be seen that we have there one of the conditions for an unstable labour force. It will encourage people to find ways and means to break their employment so as to get cash in lieu on a pro rata basis for the long-service leave due to them.

The Minister for Labour: It provides that there will be no pro rata if the employee terminates his service.

Mr. COURT: The Minister is treating this aspect rather lightly. If he has another look at the Bill, he will find that there are ways and means whereby an employee can terminate his employment under conditions which make him qualified and it will be hard to prove that those conditions do not exist. I do not want to go into the legal definitions that are used because those will be discussed in the Committee stage. The present wording of the Government's Bill encourages people who might be short of a few pounds to get their long-service leave for the normal period.

Mr. May: You are being unfair to the worker.

Mr. COURT: I am not.

Mr. May: You have no right to make a statement like that.

Mr. COURT: I do not know whether the member for Collie thinks that I and other members are innocents abroad. He knows what people think when they see a few shillings dangling before them. They break their continuity of service to their own detriment, and that is what we want to avoid.

Mr. May: Very few do that.

Mr. COURT: I do not doubt that, as a class, they do not but there are, of course, the exceptions. The next heading under which I want to discuss this Bill is the question of the supervision of the measure. The Government's measure is based on supervision of the Bill by the Secretary for Labour. The Bill provides that the responsibility for administering the Act will be with the Secretary for Labour. We oppose this because we feel the whole atmosphere is wrong. We see no reason for failing to use the existing Arbitration Court machinery.

The Minister for Labour: That is what it does in effect.

Mr. COURT: That is not so. The administration of this Act has been placed in the hands of the Secretary for Labour and he has considerable powers. He may conduct all sorts of investigations, summon witnesses and hear these cases, and I do not think for one minute that the Minister will seriously state that the Secretary for Labour has not been given greatly increased power to administer this Act.

The Minister for Labour: Certainly he has, but practically any decision he makes will be subject to appeal to the Conciliation Commissioner or the Arbitration Court.

Mr. COURT: That is an entirely different matter. I do not deny that there is appeal machinery there, but one has to appeal first, and it is bringing about an entirely wrong atmosphere. We could introduce the correct atmosphere into this matter if we handled it very carefully so that there is a workable arrangement between the employer and the employee; it is not the atmosphere of the department of the Secretary for Labour. There are legal rights and privileges well established by legislation, and we do not want it to be surrounded by an atmosphere of trial and punishment and Act enforcement. Once we place in the hands of the Secretary for Labour the machinery provided in this Bill, I think that is the atmosphere that will automatically be created.

Another point is that the Secretary for Labour is very close to the Minister—he must be because of his duties and the nature of the work he does. It is bad for this Act, and it injects the wrong atmosphere. My remarks are not meant to be any reflection at all on the incumbent of the office to which I have referred. This matter should be left to the present industrial machinery that exists in this State. There is also provision in the Act to give powers to factory inspectors in excess of those possessed by policemen. It is bad to commence a piece of legislation with that atmosphere. Anyone would think that this should be administered in the same manner as one would chase a gang of thieves.

The Minister for Labour: It is not for the ordinary employer; you know the justification for it.

Mr. COURT: What is the need for these people to snoop around in the middle of the night?

The Minister for Labour: It is there to provide access to the books of account to find out whether the correct particulars are being supplied.

Mr. COURT: It is all wrong to create an atmosphere of trial and punishment and Act enforcement instead of a proper basis of co-operation between employer and employee. Surely we do not need such searching machinery for a Bill such as this, as that which is necessary for some other forms of industrial law.

The next point is one that deals with awards. There will be argument unless Parliament declares itself as to whether the Arbitration Court will fix the long-service leave agreements in certain cases outside the provisions of this legislation. We cannot have it both ways. Parliament has decided to legislate for long-service leave, and we cannot then step outside that and leave the people to make their own arrangements with the Arbitration Court. I do not deny the right of the employer to make some better arrangements if he desires. He can pay over the award rates if he wishes. That is his business. The Arbitration Court provision, or the legislation, as the case may be, is the minimum: from there the matter is between the employer and the employee. But we cannot have it that the union can go straight to the Arbitration Court as soon as this Bill is passed and then make some special arrangement outside the legislation.

Therefore, I feel that provision must be made in the Bill that where provision has been written into an award for long-service leave, that either of the parties can make application to the court for the cancellation of that provision so that the statutory provision prevails; for by that means we will get a degree of balance throughout industry generally in this State. The national agreement was enacted as an Australian standard.

The Minister for Labour: A minimum.

Mr. COURT: I am not disputing that. All awards are minimums. An employer can still give privileges in excess of an award if he wishes, which they frequently

do. There is nothing unlawful in exceeding the provisions of the award, but one cannot give less than the provisions of the award.

The Minister for Labour: But if the volume of workers say, "That is the minimum and we think we are entitled to something more", there is the possibility of a strike.

Mr. COURT: There is machinery provided and it has served this State pretty well. The Minister is not suggesting for one minute that they could not do anything about it. We acknowledge that they can go to the court and have their case dealt with in a proper and constitutional manner; and this has worked well.

Mr. Johnson: Surely what you suggested previously will prevent what you say.

Mr. COURT: I cannot follow the hon. member's reasoning.

Mr. Johnson: You say the Arbitration Court cannot award better conditions.

Mr. COURT: The hon. member has apparently misunderstood me, or did not hear what I said earlier. I pointed out that we could not have it both ways. We cannot say to the workers of this State on the one hand, "Here are your long-service leave conditions; this is the Australian standard," and then on the other say to the Arbitration Court, "You can make your own arrangements." If we had done it the other way and said, "The Arbitration Court has the responsibility for determining long-service leave," then we would have left the matter to that body just as we leave it to that tribunal to determine what will be the award rate of pay. We do not as a Parliament say that the margin will be 35s. or 55s. or 75s., in a particular industry.

Mr. Hall: It is a maximum in most cases.

Mr. COURT: I cannot follow the logic of that statement. The point is that if they are dissatisfied with their salary and wage award, they go to the Arbitration Court. The Parliament of this State is saying on long-service leave, "We are taking over the responsibility for this," and in a few years time we will find that some other Government will come in and say "We want to alter the conditions" and Parliament will then accept the responsibility again—unless at that point of time it says "We are relinquishing the right to say what the long-service leave conditions will be, and we are handing it over to the Arbitration Court completely." Members opposite cannot have it both ways and they must make up their minds which they want.

One other point on which I wish to touch in conclusion is the question of long-service leave in the rural industry. There is a degree of concern among those engaged in the rural industry as to how this legislation will affect them. Their conditions of employment, and the conditions under which they operate are very different from the ordinary well-organised hours which we can regulate in most secondary industries. The rural industries are peculiar inasmuch as they have to give accommodation almost without exception, and the provision of long-service leave could bring in complications which are completely foreign to other industries.

Under the Government scheme the burden on rural industries could be extremely heavy; in fact, impossible. But, subject to closer examination, there is the possibiliy that under the national agreement scheme, it will be worked out reasonably well because of the different qualifying conditions and they could have the effect of overcoming the objections that the rural industries would have in this State to a long-service leave code. I can say this without reservation that the Government's legisation for long service leave would be completely unacceptable to rural industries and completely unfair.

In recent days we have had a timely warning on the question of long service leave and its finance by the way of further evidence of the need for bringing in a scheme which is a reasonable one; one which this State can afford.

In "The West Australian" of the 24th October, 1957, appeared a report of a statement made by the chairman of Tomlinson Steel Ltd. at the firm's annual meeting. It reads—

> The State's long-service leave proposals would tax local industries' ability to keep absorbing additional costs, chairman Ernest Tomlinson warned at the annual meeting of Tomlinson Steel Ltd., yesterday.
>
> Local industry was not being given a sporting chance with the burdens it was forced to carry when competing in world markets, he said.
>
> If the company had to absorb 13 weeks' long-service leave every 10 years of service, it would be equal to an extra 53 hours per year per employee on top of the present 80 hours' annual leave, 80 hours holiday pay and 48 hours of sick pay. It would make in all 261 hours from the total of 2,080 hours a year.
>
> These factors reduced productivity drastically, but industry must live on the efficiency or productivity of its plants.
>
> Local manufacturers also paid more for electric power than in any other State, Tomlinson said. The average cost per unit in 1955-56 was 3.23d. in Western Australia compared with 2.14d. in Victoria, 2.56d. in New South Wales, 2.58d. in South Australia and 2.61d. in Queensland.

I had better read all of this, because it is criticism of the Commonwealth Government and it might be said that I was being partisan—

> Last year it paid £10,992 in payroll tax—for what purpose? In addition, £34,079 was paid in taxation, while taxes were also collected on the £450,000 paid in wages.

I think the rest is irrevelant to the matter under discussion.

I conclude on the note that our proposition is for the adoption, through legislation, of the national agreement as being a fair and equitable proposition. It has merit in that it has been reached by mutual agreement between the two bodies; the workers and the employers. The Minister made no reference to it, but I am sure that Western Australia was represented in the negotiations, and that complete agreement and satisfaction was reached by both parties.

The Minister for Labour: In regard to the amendments you say you are going to move, are you going to put them on the notice paper?

Mr. COURT: I have handed them in and they are very lengthy. I do not know whether they are printed.

The Minister for Transport: Do you think the Government has an electoral mandate to introduce legislation?

Mr. COURT: I do not deny it. As a matter of curiosity, I looked up what the Leader of the Opposition then had to say and what the Premier had to say. If the Minister would like it recorded, I will read both. The Premier said—

> The Arbitration Act will be amended to provide for quarterly adjustments of the basic wage. Legislation will be introduced to provide long-service leave for workers in private employment.

There was no comment about how much it would be or the basis.

The Minister for Transport: You said you questioned the right of Parliament to interfere in something which is a matter for the Arbitration Court.

Mr. COURT: I have never questioned the right of Parliament. The matter under discussion at the time was whether the Arbitration Court should be allowed to make its own arrangements in regard to long-service leave when Parliament legislates specificially for the entitlement. Somebody interjected with other ideas on the matter and I explained that we give the right to the Court of Arbitration to fix wages and margins. We do not say in Parliament that if it fixes the margin at 35s., it should have been 45s. We leave it to the Arbitration Court. In this case we are saying that we, the Parliament of the State, will fix by legislation the entitlement to long-service leave.

The Minister for Transport: You admit the Government is authorised and indeed has a duty to introduce long-service leave legislation?

Mr. COURT: I am not opposing that.

The Minister for Transport: You admit that.

Mr. COURT: I admit that as being the Government's right and privilege.

The Minister for Transport: It was the platform endorsed by the people.

Mr. COURT: On the 13th March, 1956, the Leader of the Opposition said this—

> His party was not opposed to long-service leave. In the interests of Australia's industrial and economic stability, however, the question must be resolved first by the Federal Arbitration Court.
>
> If the court granted long-service leave, his party would remove any legislative barriers to its introduction in Western Australia.

As I explained, at that time we thought the first decision would be made by the Federal Arbitration Court and we welcome the fact that Commonwealth agreement has been reached between employers and employees on a voluntary basis.

MR. MOIR (Boulder) [3.21]: I have listened closely to the Deputy Leader of the Opposition and it would appear to me that the position, as enunciated by that hon. member, is that they are taking the stand that they must bow to the inevitable so far as long-service leave to employees in private industry is concerned, but have made up their minds to be as conservative in regard to the provisions of the measure as they possibly can.

Mr. Court: Are you assuming that the A.C.T.U. has not been the representative for the workers?

Mr. MOIR: I am not assuming that at all.

Mr. Court: They agreed to it.

Mr. MOIR: If they have agreed to it.

Mr. Court: Are you saying they disagreed?

Mr. MOIR: I listened intently to the Deputy Leader of the Opposition when he spoke, and he never stated at any time that it had been agreed upon. He said it was the subject of negotiation.

Mr. Court: I said "agreed on" several times.

Mr. MOIR: Let us deal with that statement. He has not produced the provisions of this code with the exception, of course, that it provides for 20 years' service for an entitlement of three months long-service leave. We know perfectly well there must be a lot of other provisions attached to it.

Mr. Court: I will arrange for somebody to rise and read it later if you like.

Mr. MOIR: It plays a very important part. What are the provisions in the agreement? We can assume with this code that it would be based, so far as the trade unions are concerned, on the best aspects of the various measures which operate in the other States. We must remember that long-service leave provisions have been in operation in various States for quite a number of years; in New South Wales, since 1951; Queensland, 1952; Tasmania, 1956, and Victoria, 1953.

Hon. J. B. Sleeman: Western Australia, 1957.

Mr. MOIR: I understand that South Australia has a measure before Parliament at the present time. Perhaps it is through Parliament. Western Australia, as usual, is running a bad last with this legislation. I cannot understand the anxiety of the Deputy Leader of the Opposition to have a 20-year basis and to have the provisions that go with it, because I think the 20 years in the various Acts I have here are retrospective.

Mr. Court: We have put forward a retrospective proposal for 20 years.

Mr. MOIR: I heard the hon. member. I cannot see that the employers would be very happy about that. They would not be happy about something of that nature being thrust upon them almost immediately. The proposition in this Bill—

Mr. Ross Hutchinson: The worker would be happy.

Mr. MOIR: —provides that there is a period of some three years before an employer has to find the money to pay for the long-service leave. When a measure like this is introduced and becomes law for the first time, we have the position that there would be a larger number of employees who would have an immediate entitlement than at any other stage. It certainly would be a problem for quite a lot of employers to find the money or make provision to pay these amounts. I regard this Bill as a reasonable measure, although it certainly does not go as far as some of the other State Acts. In both the New South Wales and the Victorian Acts, service in the armed forces of the Commonwealth is counted as time worked in the service of the employer.

Mr. Court: That is put forward in the code we have submitted.

Mr. MOIR: As I mentioned before, I can imagine that what is in the code embodies the best points in those Acts.

Mr. Court: That is why we are supporting it.

Mr. MOIR: Very good. The Deputy Leader of the Opposition seemed to be quite upset. I think that would be the right word.

Mr. Heal: He is upset quite a lot lately.

Mr. MOIR: Might be some more, too. He seemed to be upset at the fact that this legislation, if passed, would come under the jurisdiction of the Department of Labour. From what I can gather, his main objection was to the fact that under that department the provisions of the Bill provide for inspectors to carry out inspections to see the terms are being carried out. That again, I have no doubt, is a provision of this code, because in the New South Wales Act—which is in the form of an amendment to the Arbitration Act—there is provision for inspectors to carry out the duties that are laid down and to have powers under the measure. Likewise, the Victorian Act—which is an amendment to the Shops and Factories Act—also has the same provision, and we can readily understand that in any measure of this sort, there must be provision for policing it.

The Deputy Leader of the Opposition stated that it should be a matter for the Arbitration Court if any dispute arose. Of course, provision is made for that purpose in the Bill. Other circumstances could arise which would really not come within the jurisdiction of the court but would be more a matter of enforcement by an inspector. He would see that the terms of the Act were carried out. If a dispute arose as to entitlement, or liability to pay, it would have to be settled before some tribunal, but the matter of seeing that the Act was carried out could easily be attended to by an inspector. There is nothing new about the 10 years' entitlement for long-service leave. The Arbitration Court of this State has already awarded a 10-year period in the case of the Yampi Sound workers.

Mr. Court: The court made it clear that, because of the peculiar circumstances, it was not to be taken as a precedent.

Mr. MOIR: That may be so, but nevertheless the court granted 10 years; and it has just heard a case where 10 years was also the basis of the claim.

Mr. Court: I think it refused to allow the Yampi clause to be used as evidence in the goldmining case.

Mr. MOIR: I do not know that anyone desired to give that as evidence.

Mr. Court: I think you will find that a submission was made to use it as a basis, but that it was rejected by the court.

Mr. MOIR: For various reasons, most of which are quite obvious, I cannot imagine any industry that would have a greater claim to a 10-year entitlement period than the goldmining industry. One of the objections raised by the Deputy

Leader of the Opposition was in regard to the question of cost. He challenged the Minister to state what this would cost. It would probably be a difficult matter to make that estimate, but it would not be nearly so difficult for the people who employ labour. They could look back over the period involved to see how many employees they had, and how many remained the full period and how many did not. I have no doubt it would not take them long to get out a pretty accurate estimate of what it would be likely to cost.

Mr. Court: Have you made an estimate?

Mr. MOIR: I have heard estimates made. In the recent case on the Goldfields, the employers' advocate suggested 7s. 6d. a week.

Mr. Court: That is for the goldmining industry.

Mr. MOIR: Yes. I can easily make an estimate on the figures he worked on and my estimate is that it will cost most employers about 6s. 10d. per week for each employee. The employers' advocate in the goldmining case worked on the basis that every employee would be entitled to long-service leave; but we know that would be wrong.

Mr. Court: I do not think he did. I think he worked on a properly prepared and graduated table.

Mr. MOIR: The entitlement can be worked out quite simply on a three-months basis, and the yearly entitlement can be worked out on the yearly or weekly wage that is paid. The figure works out, as far as the Goldfields are concerned, to that which the court advocate submitted. He had assumed that every worker in the industry would qualify for long-service leave.

Mr. Court: I can assure you he did not. The figure you are quoting is the cost spread over every employee, but it does not assume that every employee gets long-service leave.

Mr. MOIR: As far as I can see that is the only way he could arrive at the figure, and I do not think he was serious about it when he put it up; it was just something to impress the court. We know that the figure would be considerably less than that and would take into consideration, I suppose, the fact that not half the employees in any industry would remain there for a 10-year period, let alone a 20-year period. There are good employers and some not so good; and there are some industries that are good to work in and some that are not so good, and the people employed in the latter industries change their employment to find something more congenial. In any case it has been proved that the cost, whatever it is, can be carried quite easily in other States. We hear no outcry about it from those States. The only place we hear any doubts of that nature expressed is in Western Australia.

Mr. Court: We have not expressed any doubts about a proposition based on the national scheme.

Mr. MOIR: The Deputy Leader of the Opposition had quite a bit to say about uniformity. No doubt in many matters it is desirable, but it is no good having uniformity in one direction if we do not have it in others. The hon. member mentioned the different wage amounts in the various States. Of course, he must remember, too, that there are different factors operating in the different States. In some of the States there is a measure of price control and that, of course, has a bearing on the cost structure of wages. I was rather struck by the fact that the hon. member put forward the desirability of uniformity, because he is not always in that frame of mind. When workers' compensation is mentioned, the desirable features of the measures which operate in other States, when they are pointed out to him, seem to leave him quite cold.

Mr. Ross Hutchinson: He treats each case on its merits.

Mr. MOIR: He does not then think that uniformity is a bit desirable.

Mr. Court: I always study the other States.

Mr. MOIR: On this measure, however, the hon. member seems to think that uniformity is desirable. I wish he would be more consistent because we would then, probably, be able to understand him better. It is all rather confusing when we get these different points of view—some completely contradictory—emanating from him.

Mr. Court: We have been trying to get the other States to be uniform with us on workers' compensation. That is how far we carry the principle.

Mr. MOIR: That is because we have the worst compensation Act in the Commonwealth.

Mr. Court: No, we have not.

Mr. MOIR: I only hope that the next time the Workers' Compensation Act is before us the hon. member will take the same view as he is adopting now. I find that not only Government employees, but those of local authorities, by and large, have their long-service leave entitlement based on 10 years. Is there any difference in the value of the services rendered by Government or semi-government employees and those rendered by employees in private industry?

Mr. Court: There are different bases of remuneration and conditions of service, throughout. You have to consider the question as a whole.

Mr. MOIR: I understand that; and I also know that the private employer seems to have more money than the Government.

Mr. Court: No!

The Premier: Not more money than the Government, but more to spare.

Mr. Court: He might be more frugal; more cautious.

Mr. MOIR: There is no doubt that this measure is long overdue, and the Government is to be highly commended for bringing it down, particularly as it has come before us in the form in which we find it. It will certainly be acceptable to the employees, and if the employers have decided that they must bow to the inevitable, the composition of the Bill must be satisfactory to them. I should think it would be preferable to the proposals put forward by the Deputy Leader of the Opposition.

I see by the notice paper that some amendments are foresadowed. Unfortunately, we have not the amendments before us so we cannot see what they are. I whole-heartedly support the Bill and I earnestly hope that the House will pass it in its entirety.

Sitting suspended from 3.43 to 4.14 p.m.

MR. CROMMELIN (Claremont) [4.16]: I wish to say at the outset that I support in principle this long-service leave legislation, because I think it is one of the improvements necessary in industry today. I do not propose to speak at length on the actual clauses in the Bill, but I want to draw a comparison as to what will happen to local manufacturers, under this legislation, which provides for a 10-year qualifying period, and under the national code which provides for a 20-year term.

I think the member for Boulder said he did not believe that employers would be pleased to see the 20-year term agreed to if it took effect immediately. But I would like to point out to the hon. member that if the 20-year term were adopted, it would be reasonable to assume that a lesser number of employees would qualify for long-service leave; and naturally the immediate effect on employers' cost structures would be considerably less. If the Government's proposals in this Bill were adopted, and the provisions took effect in three years' time, many more employees would be covered, and this would affect employers considerably.

The immediate effect of this legislation will not be felt so much by the large employer as it will by the small local manufacturer, no matter what type of business he may have. With that in mind, I picked a few factories and businesses at random, and I visited them to find out what effect this legislation would have on them in three years' time. I obtained very striking results, some so severe that I doubt whether the small factories concerned will be able to meet the financial demand imposed under the scheme.

Firstly, I selected a small manufacturer who employs 34 persons. He has been in business for about 20 years and most of his work consists of making component parts for agricultural machinery. In three years' time, of the 34 employees in his employ, 11 of them will be due for long-service leave. The average wage paid to those 11 employees is £198 per week. In four years' time only three of the employees will qualify for long-service leave, and their average pay is £51 per week. In five years' time another four will qualify and their average pay is £68 per week.

The average wage which he pays at the present time is £580 per week. It will be seen that out of the total staff, one-third will be due for long-service leave in three years' time. Among the 11 who will qualify in three years are two foremen. They have been in that establishment for over 20 years. It is reasonable to assume that the factory will be without the services of these two foremen in the first six months of the year when the Act comes into operation, because the Act provides that all long-service leave due has to be taken in the first year of operation. In this case the factory will be without the service of the two foremen for six months, and in a high class manufacturing business such a position could be very detrimental.

From the end of this year until the commencement of the Act, this manufacturer will have to set aside a sum of £2,600 to meet the long service-leave payments in the first year of operation. After setting aside that sum, that is not the end of the matter because he will have to find temporary replacements for the 11 men. If he is unable to do so, it can be safely assumed that the turnover will drop considerably. I therefore ask how is he to replace the 11 tradesmen temporarily for 13 weeks? That is a very difficult problem. The actual increase as a result of long-service leave will be £750 per annum for each of the next 10 years. That is in addition to retaining his usual wage strength.

This fixed amount of £750 per annum for each of the next 10 years will mean a 4 per cent. increase in overheads. On top of that 4 per cent., it is reasonable to assume that he will have to bear other direct costs which may not appear in his cost structure. These are brought about by the introduction of long-service leave in respect of the articles he has to purchase for the manufacture of the component parts.

With this direct overhead increase of 4 per cent., in comparison with a similar manufacturer in the Eastern States, this manufacturer is at a distinct disadvantage. In other words, his direct wages costs show an increase of 2 per cent. over the cost of the Eastern States manufacturer. That is a very severe blow, especially as he has to do his utmost to compete favourably with the Eastern

States manufacturers. As I said, 50 per cent. of his total turnover is related to the manufacture of agricultural machinery parts.

I visited another factory which was a little smaller than the first. In that 11 persons were employed, three of them being youths aged 16, 17 and 18 years. Of the 11 employees, eight will be due for long-service leave. The wages paid each week amount to £180, and of that amount the eight senior employees receive £154 per week. Thus, at the end of three years those eight employees will be eligible for a total sum of £2,002. This is a very small manufacturing firm. It will be compelled to set aside in the ensuing three years a sum of £667 each year to meet the obligation of £2,002 in long-service leave payments. The owner told me quite frankly that this payment was beyond his capacity. He appears to be very serious in his contention, and he is speaking sound commonsense.

I refer to another case, that of a plumber who employs 18 on his staff. Nine of them are due for long-service leave. In the next three years he will have to find a sum of £2,436, or £812 per annum for the next three years. Here again the problem of replacing the foreman arises. I understand that in the plumbing trade the services of foremen are at a premium.

Let me refer to another class of business, a trust company. All members are aware that the percentage which such companies are permitted to charge for administering estates is fixed by statute. There is no question of that. This company has a total staff of 52 employees. There are 24 males, 20 of whom are due for leave in 1961. They will have to take their leave in 12 months under the Act. I have been assured by this company that it is utterly impossible to obtain a trust officer, who must be qualified, to take over the duties; and where on earth would one get such a man to come along for only 13 weeks!

The Minister for Labour: Suppose one died.

Mr. CROMMELIN: So what? He dies.

Mr. Court: That is factual anyhow.

Mr. CROMMELIN: That is factual. The whole 24 could die.

The Minister for Labour: They would have to carry on.

Mr. CROMMELIN: They would not be forced to do so and all the 24 would not die within 13 weeks and need to be replaced. But let us see what happens to the company. In 1961, according to the present salary range, £8,000 must be found. That amount must be saved in the next three years—an annual cost of £2,660.

This is a public company. The total dividend—if my memory serves me aright—according to the balance sheet this year amounted to just over £6,000. For three years the firm would have to put aside £2,660, or 40 per cent. of the payable dividend. It has no means whereby it can, and no right to increase charges, which are definitely fixed by Act of Parliament. So how could that possibly be done except by cutting down the dividend by 40 per cent. It might be said that the dividend is very high, but it is less than 6 per cent. today. So that is the fairly drastic effect on a fairly small company.

Going a litle further, we find one which is somewhat bigger. The employees number 560 and the weekly payroll is £6,390. The number of employees due for long-service leave in three years is 153, whose weekly payroll is £2,495. All those employees are due for long-service leave in 1961 and the amount of money to be found in that year is £32,436. In other words, the wages bill for the three years of saving—and they have to save £11,000 each year—is approximately a 3 per cent. increase on the wages bill they have to pay.

On top of that, this particular business is divided into quite a few departments and a man whose business is selling saucepans, cannot be replaced by one who is engaged in the sale of clothing, because the latter would not know anything about saucepans. So the same old question arises: How are employees on leave to be replaced?

I have referred to one fairly large employer, and I could mention a lot more, but most would be in the class that employs anything from 12 to 40 hands. On a cash basis it would honestly be beyond the means of these people to save the amount of money required in the next three years. I think that most members in this House would know that the average local manufacturer is not making a fortune. The small man is always subject to heavy competition from the Eastern States and to severe dumping of certain lines. When goods are over-supplied in the Eastern States, manufacturers have no hesitation in sending them here and selling them at a cheaper rate than that at which they can be manufactured in this State. That arises from the smaller output here as against the mass production methods of the Eastern States.

Eastern States manufacturers are so big that they are prepared to lose on goods sold here so long as they can keep their staff employed; whereas the little man here with a staff of only 10 to 20 cannot afford to lose on the goods he sells, because he has not the capital behind him to do so. He cannot stand up to losses for any more than a short period of time. I feel sure that if we were able to adopt a 20-year term, there would be no complaints from local manufacturers, because they realise and appreciate that if a man has worked for 20 years, he is entitled to some reward.

Mr. Marshall: Why haven't they made provision before?

Mr. CROMMELIN: Why did the hon. member not think of it?

Mr. Hall: He thought of it all right.

Mr. CROMMELIN: It will be appreciated that it is somewhat drastic for the man with a small turnover to have this suddenly thrust upon him; to find himself faced with the prospect of losing one-third of his staff in one year and endeavouring to replace them. Members need have no doubt that it is not possible to replace trained men who have been working for years at the same job. They are artisans and it is not possible to advertise and obtain replacements the next day. Even if men were available, it is not likely they would respond to an advertisement for a job lasting about 13 weeks. The implementation of a scheme of this kind can only mean that costs to local manufacturers must be increased to such an extent that they will not be able to compete successfully against Eastern States manufacturers in the same line of business who have only to provide for long-service leave for 20 years' service. It is obvious that is a question of one into two. We cannot get away from that fact.

I have called on a lot of these people personally in the last few days in order to get their reaction to the proposed legislation. They say that they are not kicking against long-service leave but that they cannot stand up to the provisions of the measure financially and with their work force. One man said, "If this Bill passes, I will not be able to keep my business going, because I will be licked. I could not find the money to do it."

For my part, I would very much like to see long-service leave introduced provided it were for a 20-year period. Though it might be a strain on some manufacturers, particularly the smaller ones, if they felt they were getting the same treatment as applied in the Eastern States they would be much happier, and they would try to meet their obligations. I support the idea of long-service leave but not its implementation by such a drastic method as is proposed in the Bill.

MR. HALL (Albany) [4.40]: The points I wish to make in this debate concern the principle of long-service leave, the necessity for it, and the fact that health and efficiency go hand in hand with long-service leave for the worker and the management. The short title of the measure is self-explanatory. "Leave" means absence from one's employment or duty by permission of the employer. "Service" means work whether physical or mental performed in the course of duty or for the benefit of another; and "Long" means over a period of time.

The principle of long-service leave is not novel. Its gradual application by Governments to their own employees many years ago, followed by statutory corporations and by private employers voluntarily, particularly in the last decade or so, show a complete recognition of the principle. At no time since the intention of the Government to bring in this Bill was announced have I heard any denial of the principle of long-service leave. As a matter of fact, all the evidence is to the contrary: The principle has been approved.

In the year 1862, long-service leave was introduced in Victoria for the first time. It is true that we were then only a colony, and it may have been granted by the illustrious Legislative Council of the day in order to permit those who came here in the course of expansion of the empire to visit their relatives in the Old Country. However, the Civil Service Act was passed, and it granted six months' leave to persons who had rendered 10 years of civil service in the colony. The Government does not propose to go that far in this Bill.

In 1883 the Government of the day introduced long-service leave generally in the Public Service and made provision for six months' leave on full pay and six months on half pay to public servants. But there was a limitation. It was to be granted by the Governor-in-Council on the recommendation of the Public Service Commissioner. I use these illustrations merely to point out that the principle has been definitely accepted today. I intend to outline the history of this matter as I wish to make use of it for the purpose of another argument.

In refutation of some objections to the Bill, I would point out that in the year 1942 provision was made for employees of the Railway Department to be granted three months long-service leave after 25 years. There was a limitation in that case that the employees were prevented from taking leave during the period of the second world war. In 1946 long-service leave benefits were applied to employees of the Public Service. The Police Department, the Railway Department and the Education Department followed in perhaps a little more liberalised form inasmuch as the legislation then enacted provided that employees were to receive six months leave after 20 years' service and three months for every 10 years thereafter.

I have stated the history of long-service leave provided by the State legislature. In the year 1910 the Commonwealth legislated to give employees of the Commonwealth Public Service long-service leave. Certain amendments have been made to the legislation since then to liberalise the quantum of leave granted. At present Commonwealth employees are entitled to receive 4½ months leave for every 15 years of service, and 1½ months leave for every five years of service thereafter.

Statutory authorities in recent years have introduced long-service leave. I do not intend to recite a long list of them, but

in the year 1945 the State Electricity Commission of Victoria granted to its employees long-service leave on terms somewhat similar to those applicable to the Public Service, namely, six months leave after 20 years' service. In the Commonwealth industrial sphere under the provisions of the Commonwealth Conciliation and Arbitration Act long-service leave was granted in two awards in the year 1949. References to them appear in 65 Commonwealth Arbitration Reports, page 312.

Long-service leave was also granted by a conciliation commissioner to persons engaged in the flour milling industry in the year 1950 and to certain employees in the hospital industry about the same time. In the liquor trades a period of three months long-service leave was granted after 25 years service, and for hospital employees six months after 20 years. Provision was made that the leave was not to be taken until six months before retirement.

At the moment I am not dealing with the variations that apply whether the long-service leave is granted under State or Federal determinations, or whether there is Commonwealth, Victorian or other State legislation. I am concerned only with establishing beyond all doubt that today the principle is almost a commonplace and a well-recognised feature of employer-employee industrial relationship.

We have heard today from the Deputy Leader of the Opposition something regarding the code, but I would refer members back to the legislation in Victoria in 1953 when the Flockhart case came before the court. We find the heading, "Long Service-Leave Fully Established" in "Textile Topics," a journal which circulates among textile workers both in the Commonwealth and overseas. There we see—

> We are now able to announce that at last the right of members to long service leave under State legislation has been fully established.
>
> For years past this matter has been the subject of long-drawnout legal battles, the only result of which has been to cause uncertainty and confusion.
>
> Even after the Privy Council had ruled that State legislation did not conflict with the terms of the Metal Trades Federal Award, employer organisations still endeavoured to find loopholes whereby the operation of the respective Acts could be held up.
>
> The deadlock was broken by a recent case in the Printing Industry. The Victorian Branch of the Printing Industry Union took action against an employer on behalf of one of its members to secure his long service leave.
>
> It was claimed on behalf of the employer that in the Graphic Arts section a log of claims had been served, which claimed, among other things, long-service leave.
>
> When the Award was made, the matter was "reserved," and it was claimed that because of this the long service legislation could not be applied. The Magistrate would not accept this contention and recorded a decision in favour of the employee.
>
> Application was then made to the High Court for special leave to appeal against the Magistrate's decision.
>
> The application came before the Full Bench of three judges in Sydney on July 2nd. The hearing commenced at 11.4 a.m., and concluded at 12.45 p.m. The High Court, without leaving the Bench, dismissed the application with costs against the applicant, and without hearing submissions against the application.
>
> When Mr. Menhennitt (for the employer) had concluded his submissions, Mr. Justice McTiernan said: "The Court does not wish to hear you, Mr. Gowans (for the Printers' Union). We are all of the opinion that even if this application survived the objection that Mr. Gowans proposed to make to it, special leave to appeal should be refused."

I have quoted that to prove that from 1953 to 1957, employer-employee relationships have not been very good. I am sure long-service leave can be introduced into industry smoothly and that any dislocation owing to its teething troubles, can be avoided. Legislation of an industrial character frequently causes inconvenience to some extent and that disability must be expected. However, as I said before, the Government has endeavoured as far as possible to avoid any hardship.

Employees who have served the one employer continuously for ten years and whose services are terminated by the employer for any cause other than serious and wilful misconduct, shall be entitled to leave in recognition of their years of service where an employee has a minimum period of ten years of service and the employee himself terminates his employment for some serious reason or pressing necessity which justifies such termination of service.

Employees will likewise be entitled to leave proportionate to their years of service in the case of those who qualify for long-service leave by virtue of their having worked for the one employer over ten years. Then after having continued in the service of the same employer for a further term if the worker's employment is terminated by the employer for a cause other than wilful misconduct or if, on account of some pressing necessity which justifies his action,

the employee himself terminates his employment, a proportionate amount of leave shall be likewise paid.

I do not doubt the ability of the Deputy Leader of the Opposition as an accountant, but it was staggering this afternoon to hear him quote the cost in £.s.d. The cost to industry of inefficiency caused by the health of the employee and the cost of the effect of the same factors on management is tremendous. If we were to go to Wooroloo, I think we could see the the answer in sick bodies instead of figures. The health maintenance of today's worker has become a management, as well as a personal, problem. Machines and equipment can be replaced. What cannot be replaced at will are the months of training and the years of experience that are the most expensive factors of all. Each employee represents a financial investment on the part of a company. The ability of a worker to produce at peak efficiency is closely related to his health.

Only about 40 per cent. of our industrial workers in manufacturing plants are given health protection of any kind, and the proportion is smaller among workers in non-manufacturing concerns. The need is not only for medical programmes. There is a need for better programmes. The need is for a sound approach to the employee health aspect. It applies to executives as well as to the general worker. Both types of workers are determinants of successful business.

The routine of the typical executive is generally becoming a matter of tension. His hours are undefined, his work is not measured by time served, but by goals achieved. His working day often extends far beyond the recognised hours of employment. The tension of his activities becomes the tension of the entire day, and of his physical and mental well-being, Tension is not, however, a badge of success of the executive. Many of todays' illnesses arise from emotional tensions. Office work gives little sense of personal achievement nor do the frustrations of the assembly line production.

In industry, if tensions are reduced it means the reduction of chronic absenteeism, tardiness, psychomatic illness complaints and complaints about other workers. It also means better parts, more parts and fewer discards. It is profitable, therefore, not to draw a line between executives and general employees, but rather to extend the health programme to the lowest paid manual worker in industry. Ideas in advertising agencies, insurance companies, for example: there are hidden costs, paid unconsciously by the workers themselves.

Managements must become aware that any profits in ideas they are making are phantom profits so long as they are made at the expense of the workers. Ulcers, allergies, skin complaints and generally rundown conditions have applied in recent years. Industry and business have found out how to utilise preventive techniques in organic disease to their own advantage, through periodic examinations, health consciousness, industrial hygiene and safety.

If through the lack of adequate health facilities, industry were hurt only by the number of days lost by employees, the need for more effective health programmes would be bad enough, but not nearly so critical as it really is. This fact needs emphasising in management. The company with average absenteeisms, not only loses the services while the employee is absent; it also loses many hours of productivity while the worker is on the job. It loses them because he is not working at normal efficiency.

To put it another way, the personal director's chart shows that a drill operator lost three days because of a cold. It does not show that for three weeks, because of an inflamed sinus which was associated with the cold, the operator was a drag on the job. The chart shows that a stenographer lost two weeks last year while undergoing an operation; it does not show the months in which she was gradually slowing down on the job because of the surreptitious development.

I make these comparisons to point out to members the need for careful consideration of the worker's health. As surely as the workers of all walks of life become sick, which I feel I have proved, beyond doubt, has a detrimental effect on industry, so does the worker become browned off through a long continuous term of employment without a period of relaxation.

I feel that in conjunction with long-service leave there should also be a medical service check-up on all employees, so as to ensure that an employee who might be agreeable to deferring his long-service leave by mutual consent could quite easily be doing himself and his employer more harm than good by working that extended period, when he should really be taking his long-service leave. In weighing up the total cost of the introduction of this measure, we must have regard to the human as well as the industrial cost.

MR. MARSHALL (Wembley Beaches) [4.58]: I welcome this opportunity to support the Bill which is one I have looked forward to for many years. I had long association with an industrial organisation, many members of which worked in Government establishments and over the years it was obvious that the question of long-service leave was always uppermost in their minds. I believe about 45 per cent. of the members of that organisation were Government employees and the other 55 per cent. had from time to time over the years endeavoured to influence the officials of the organisation to make approaches to the court regarding long-service leave, and to the employers who

were parties to the various types of awards and agreements under which those members worked.

It was early in January, 1927, that the Government introduced long-service leave legislation as it applies to wages employees in the Government service today. That scheme provided that all persons who had served prior to the 31st December, 1926, were entitled to the provisions laid down concerning long-service leave. That scheme was to apply to persons working in Government employment. After they had completed ten years' service, a period of three months or 13 weeks' leave was to be granted. The idea was that they should serve two 10-year periods and be granted three months' leave for each 10 years and following that a seven-year period for which they would be granted another three months' leave. After that, they would be granted leave for every seven-year period they worked. That scheme has been in operation for about 30 years, which is a very long time.

The measure before us today very belatedly endeavours to provide long-service leave conditions for those people in private industries. This system of leave for those people is long overdue. The number of people in Government employment has grown over the years and has increased considerably since 1927, and a considerable number of our working force has enjoyed the provision of long-service leave which was introduced by the Government in 1927. But during the intervening period many local authorities also introduced similar leave provisions for their employees.

Many private companies also made provision for long-service leave for their employees in some form or other. Accordingly, in our enlightened days, the principle of long-service leave should be generally accepted. In addition to the provisions that have prevailed—such as annual leave, public holidays and the like—it was felt that after a period of continuous employment an employee should be entitled to a period of long-service leave. That was a generally-accepted principle. Accordingly, this Bill proposes to more or less set a standard to enable those employees—that is, those other than Government employees who are already enjoying long-service leave conditions—working in private industries, to be granted long-service leave after a qualifying period of service extending over 10 years.

On the surface, that would appear to be something extraordinary, but when one has a look at the provisions of the Bill, it is apparent that it does not automatically mean that persons who have a period of 10-years' service will receive 13 weeks' long-service leave. Opposition members appear to express the opinion that we should adopt the system that has been under discussion in relation to certain types of leave. I would like to know on how many occasions the matter of long-service leave has been mooted. The Deputy Leader of the Opposition is most concerned over some proposition that the A.C.T.U. is discussing with employers in the Eastern States.

Mr. Court: They have agreed to it.

Mr. MARSHALL: It is a peculiar thing that various industries in other States have introduced schemes of a certain type, because only the other day there was a report from South Australia that certain types of workers had accepted a scheme of long-service leave on a basis of 20 years' service retrospective to 1935.

Mr. Court: It is still consistent with the code.

Mr. MARSHALL: The Deputy Leader of the Opposition may say that conforms to the code, but it does not conform to existing practice in this State, and I see no reason why, when we have had a system of long-service leave operating here for the last 30 years or so, we should wait for somebody else to introduce some half-baked scheme.

Mr. Court: Are you saying the A.C.T.U. has introduced a half-baked scheme?

Mr. MARSHALL: That could be so.

Mr. Court: Do you acknowledge it?

Mr. MARSHALL: I am referring to what is established practice in this State, and there is no reason why we should depart from it. It has been in existence for 30 years.

Mr. Court: There is no established practice for private industry. We are trying to build one up.

Mr. Johnson: There is.

Mr. MARSHALL: There is an established practice because it has been adopted by a number of industries and also by local authorities. The standard has already been set. The Deputy Leader of the Opposition is suggesting that they should throw those schemes overboard and agree to a scheme that has been introduced in the Eastern States.

Mr. Court: Be specific and fair.

Mr. MARSHALL: I cannot see why private employees in this State should not receive justice similar to that which has been meted out to Government servants, members of the Civil Service and local authorities' employees for a considerable number of years. They have enjoyed that privilege for the last 30 years.

Hon. D. Brand: There was a Labour Government in office for 14 years prior to 1947 and there has been one in office for four years now. Why has not it been done?

The Minister for Transport: What about supporting it in 1957?

Mr. MARSHALL: I will tell the Leader of the Opposition why: The reason is that it has been generally recognised that conditions of service of wages employees are usually left to the Arbitration Court.

Hon. D. Brand: Rubbish!

Mr. MARSHALL: Over the years every time we have tried to introduce this question of long-service leave with the employers, they have not agreed to it.

Mr. Court: What about the court? Has it agreed to it?

Mr. MARSHALL: In some cases the court has agreed to the principle of long-service leave.

Mr. Court: First of all, you reflect on the A.C.T.U. and now you are reflecting on the actions of the court.

Mr. MARSHALL: I am not reflecting either on the A.C.T.U. or on the actions of the court but on the actions of the employers.

The Minister for Transport: The A.C.T.U. did not produce this scheme. They merely accepted the best they could wring out of the employers.

Mr. Court: That is not fair comment.

Hon. D. Brand: It is nonsense.

Mr. MARSHALL: I do not know whether the Opposition really believes in uniformity, but the only uniformity that I can see in this whole matter is that—

Hon. D. Brand: Is there anything to stop Parliament from introducing a Bill to enforce long-service leave for private industry?

Mr. MARSHALL: We are introducing it now.

Hon. D. Brand: Was there anything to prevent your not introducing it before?

Mr. MARSHALL: I was not here before.

The Minister for Transport: There were good Labour Governments before, but none as good as this one!

Mr. MARSHALL: The only uniformity that the representatives of the employer-organisations in this Chamber can agree upon is the applying of the lowest minimum wage in relation to wage and salary earners.

Mr. Court: That is neither fair nor correct.

Mr. MARSHALL: When any measure is brought before this House that might affect the economy of industry, members opposite are always very concerned and express the view that the business world is sacrosanct and that they should be allowed to conduct their affairs as and how they please. As far as their prices are concerned, the sky is the limit, and there is no uniformity there at all. Some speakers opposite have appeared rather anxious as to what the provisions in the Bill will cost. I do not think the Government is unmindful of the implications of this measure or of its effect on the economy of the State. In this connection I would point out that on the 23rd October, 1950, the basic wage was £7 6s. 6d., while on the 18th December, 1950, it rose to £8 6s. 6d., which means that every worker and employee received an increase of £1 in the basic wage. That represented a direct impost of £52 a year without taking any other rises into consideration.

Yet we hear these opinions expressed by members on the other side of the House when this system of long-service leave is introduced and it is proposed to bring it on over a number of years! A number of people will have to wait many years before they are entitled to any long service leave. Yet on the 18th December, 1950, the increase in the basic wage represented £1.

Mr. Court: Do you say it should not have been increased?

Mr. MARSHALL: Not at all. I am pointing out that surely this legislation will not have any greater effect on industry than did the rise in the basic wage in the year I have mentioned.

Mr. Court: I am satisfied you cannot win. You agree to £1 a week rise and you are criticised for allowing it to go without criticism.

Mr. MARSHALL: I think it was criticised, and we were told of the dreadful things that would happen.

Mr. Court: It was a Federal Arbitration Court decision and was accepted in good grace by everybody.

Mr. MARSHALL: It is of no use the Deputy Leader of the Opposition giving us that sort of stuff. He tries always to be helpful and subtle. He has his opinions on this type of legislation.

Hon. D. Brand: We are still allowed to have those!

The Minister for Transport: His masters were very critical.

Hon. D. Brand: Not as critical as your masters.

Mr. MARSHALL: I notice in the quarterly abstract I have, that over the last 10 years the factories in existence in 1947 numbered 2,788. The net profit was £18,344,197. In 1956 the number of factories increased to 3,871 and the net profit increased to £69,732,802. The following are the figures for wages and salaries paid by industry. In 1947 salaries and wages were £10,735,647 and the output £45,625,796. At the end of 1956, the salaries and wages paid amounted to £37,206,432, while output was £175,146,435. It would not appear to me that the increases to the basic wage and marginal increases have much effect because the proportion of output to wages and salaries

has increased much more. Therefore, the fears expressed by the member for Claremont in quoting small establishments are unfounded.

Possibly some would find the provision of long-service leave most difficult. However, the extension of long-service leave has been advocated for many years and I expect that the employers in the small establishments are members of the Employers' Federation and are kept fully aware of the demands of the workers generally. They have not been very helpful in bringing about such a scheme.

Mr. Crommelin: Is it their prerogative?

Mr. MARSHALL: We hear a lot about employer-employee relationships and now the employers welcome this 20-year scheme.

Mr. Court: They have agreed to it.

Mr. MARSHALL: Their advocates are saying they will agree.

Mr. Court: You are just as much the advocates for the other side.

Mr. MARSHALL: Under the Bill an employee will be entitled to 13 weeks' long-service leave after a period of 10 years' service. In other words, it will accumulate to the equivalent of 52 hours per year or 6½ days' pay. Let us analyse that. The average wage today for a person coming under the provisions of this Bill would possibly be about £17 to £18 per week.

Mr. Court: A bit higher than that.

Mr. MARSHALL: I doubt whether it is.

Mr. Court: It is, unless you can prove it to the contrary.

Mr. MARSHALL: Then let us say £18 per week.

Mr. Court: Research shows that it is nearly in the £1,000 a year class.

Mr. Jamieson: There are not many on that.

Mr. MARSHALL: If the cost were around £20 or £25 per year for each employee, this would only amount to 10s. per week. As I said before, we are able to sustain a rise of £1 a week in the basic wage, and yet we maintain we cannot sustain what would be the equivalent of a rise of 10s. in the wages of people employed today.

Mr. Crommelin: That is no argument. There were different conditions then.

Mr. MARSHALL: It is asserted by the member for Claremont that some small establishments have a number of employees who would be entitled, under the provisions of this Bill, to long-service leave during the next three years. There might be a few so affected.

Mr. Crommelin: Not a few. Walk around and have a look for yourself.

Mr. MARSHALL: I suppose I know as much about the industrial side as the member for Claremont, and where people work, because we handle the affairs of these people. We know that there is a considerable change-over in regard to employees and very few would accumulate long-service leave with one particular employer.

Mr. Crommelin: What is the proportion?

Mr. MARSHALL: The member for Claremont probably knows that answer.

Mr. Court: You criticised my estimate. You were the first to interject, yet you have not made your own estimate.

Mr. MARSHALL: I am not going to quote figures as the Deputy Leader of the Opposition did, but I am saying that the approximate cost for each employee engaged in industry would amount to no more than 10s. per week.

Mr. Court: Do you know what that would cost per annum?

Mr. MARSHALL: Under this Bill there would not be a great number entitled to its provisions, because it is necessary for them to have a 7-year qualification to the 1st January, 1958, and another continuing period of three years before they are entitled to long-service leave. Therefore, if a person has given seven years' service from the 1st January, 1951, to the 1st January, 1958, the obligation on the employer for each employee would be in the vicinity of £140.

Mr. Crommelin: Where does he get that from?

Mr. MARSHALL: It is unfortunate if he is in a small way and cannot afford it out of profits.

Mr. Crommelin: What does he do?

Mr. MARSHALL: He will have to try to find it somehow.

Mr. Crommelin: Out of the air?

Mr. MARSHALL: No, out of accumulated profits.

Mr. Johnson: He has had 20 years' notice.

Hon. J. B. Sleeman: Who is making this speech?

Mr. Crommelin: It is not a speech.

Mr. MARSHALL: I do not think there is any doubt in the minds of the members of this Chamber that the public is unanimous that long-service leave should be the right of every individual who has given long years of faithful service during his working life. I see that the Deputy Leader of the Opposition is waiting to interject.

Mr. Court: I was going to commend you on your statement that the award is for long and faithful service. That is our proposition.

Mr. Johnson: It is a long one.

Mr. MARSHALL: Some people have been waiting 30 years. I know a few old members in our association who unfortunately will not come within the qualification provisions of this Bill.

Mr. Crommelin: Some here have been waiting for 27 years or so.

Mr. MARSHALL: The difference is that the people in this Chamber have to face the judges every three years. I think that the Government in introducing this measure is carrying out a promise made as part of its policy to improve the working conditions of wages and salary earners, and the standard set by the Government in 1928 and followed by many local authorities since, is contained in this Bill. It is seeking, as near as possible, to bring about a satisfactory system of long-service leave in uniformity with the present system already established.

I see no reason why we should fall in line with any other scheme which might be operating or under discussion in some other part of Australia, simply because the Opposition opposes these proposals on that basis. I think that the provision of long-service leave to persons working in private industry is long overdue. Despite loud protestations from employers' organisations over the introduction of this measure and the charge made that they were not consulted, the fact is that every time an effort has been made to negotiate for long-service leave by the industrial organisations they have always dodged the issue.

Mr. Court: How do you explain the fact that they have had these negotiations and have reached agreement? It is foreign to what you say.

Mr. MARSHALL: They have to reach an agreement on these matters. Employers are now in agreement with the principle of long-service leave. Why were they not in agreement years ago?

Mr. Court: For the same reason that your Government did not introduce a Bill to give it force of law.

Mr. MARSHALL: The hon. member is trading on the question of cost. When the Government first introduced long-service leave, the basic wage was £4 5s. per week. Why did not the employer organisations introduce it then? We have had to wait 30 years for this measure. It is no use arguing that it should be necessary to go to the court for an agreement, because it is obvious to anyone that if the union does not agree, it gets nothing at all.

I support the Bill because as far as I can see it contains nothing contentious. Therefore, no argument should be raised against it and, if every member studies its provisions, it will be clearly seen that it will give workers something for which they have been waiting for a long while.

MR. EVANS (Kalgoorlie) [5.28]: I welcome this opportunity to speak briefly on this Bill. I do so, because I regard it as one of those in the forefront of Labour Party legislation for the benefit of society as a whole.

The Minister for Transport: Capital "L" for Labour.

Mr. EVANS: Definitely. We have heard many definitions of long-service leave in this Chamber this afternoon. With many of those definitions I agree. However, I would like to put forward this idea on the general nature of long-service leave before discussing the particulars of the Bill before the Chamber. Long-service leave embodies the principle that after a period of continuous loyal service an employee should become entitled to rest for a specific period without sacrifice to himself.

It is submitted that most, if not all, jobs become somewhat monotonous to the workers after they have applied themselves to their work for a long period, and that a reasonable break away from their jobs and the monotony of them would enable workers to return to those jobs refreshed and revitalised, with consequential benefit to themselves, their employers and the community at large. I have a statement here made only a few years ago, and we have heard much about agreements in the Eastern States. This statement was made by an eminent judge of the New South Wales Industrial Commission—

> Long-service leave is properly regarded as a reward for continuous service with one employer.

He does not mention how long that leave should be, even though those people may have said that it should be for 20 years.

I wish to touch on the application of long-service leave to the employees in the mining industry. I realise that those employees, through their unions, are endeavouring to obtain long-service leave conditions by means of arbitration, and I wish them the greatest success. In my opinion, and in that of the workers whom I have the greatest pleasure to represent, long-service leave is most essential because of the work undertaken. This might sound like a second reading speech on the Workers' Compensation Act. It is notorious that long continued deprivation of sunshine and fresh air greatly predisposes the incidence of tuberculosis; and this disease is especially virulent among men exposed to silica dust.

The men who work under these conditions are usually tied to one employer in doing the same type of work for a lifetime. Men affected by the slightest degree of silicosis become incapacitated. That this incapacity is permanent goes without saying, for it is beyond all doubt that no man ever recovers from silicosis, a disease which progressively kills portion

of a man's lung; and no power on earth can completely resuscitate the part so killed.

Long continued work in the mining industry, particularly underground, constitutes a grave danger to health. The high incidence of men suffering from miners' phthisis is an obvious indication of this hazard. The position could be substantially arrested if long-service leave were available at short, regular periods to break the strain; and I contend that 10 years' service would be an admirable, short regular period. A huge cost and much inconvenience are loaded on to industry because of the working conditions and subsequent sickness of the men. It is submitted that industry and the community would benefit from the introduction of long-service leave; and the Chamber of Mines would benefit considerably. If the leave were granted after a period of 10 years, it would allow of the men returning revitalised to the industry. The principle of long-service leave is neither novel nor revolutionary, and I will not pass any further comment on it because I feel that the Opposition members agree with that.

Mr. Court: Agree with what?

Mr. EVANS: That long-service leave is neither novel nor revolutionary. I have my personal views, and I would say that, despite the fact that Opposition members have said, "We agree with the national code," deep down they do not agree at all but are opposed to the principle of long-service leave.

Mr. Court: Nonsense!

Mr. EVANS: This has been foisted on the Opposition and of two evils they would prefer to take the lesser.

Mr. Court: Just plain nonsense!

Mr. EVANS: What are the salient features arising from the opposition that is shown to the Bill? As I see it, sitting on the right hand side of the Chamber, there are disciples of Jeremiah—these pedlars of gloom who see unprecedented danger in the Bill.

Mr. Court: Did you say Gerry Wild?

Mr. EVANS: We can throw him in the same cart! We heard the argument this afternoon that if long-service leave is granted after a period of service of 10 years, industry cannot stand it. I remember reading of the occasion when the famous Harvester award was given relating to the basic wage. At that time, loud and long were the cries and wails from the employer class that industry could not stand it.

The Minister for Labour: That was 50 years ago.

Mr. EVANS: Time has proved that industry can stand it. Industry did stand it purely for the continuance of industry.

Mr. Court: I think you are disappointed that we supported the principle of long-service leave.

Mr. EVANS: The wail is worn out; it is parrot-worn, and we do not want to hear any more of it. I say that members opposite are opposed to long-service leave, but it has been foisted upon them, and they have tried to choose the lesser of two evils, as they see the position. The Opposition is opposing the Bill and grasping at a straw like a drowning man.

Mr. Court: We have not opposed the Bill, but are supporting it and will try to amend it.

Hon. J. B. Sleeman: You have only opposed the main things in it.

Mr. EVANS: If we accept the principle —I am loth to agree that the Opposition does, but I will give it the benefit of a grave doubt and say that it accepts the principle of long-service leave—we must realise that it contributes to the stability of service and encourages, particularly the younger employees, to continue in the same employment. It is not only recuperative of the health, energy and interest of the workers after a long period of service but is beneficial to the wellbeing of industry, commerce and trade. Why is it that there is such a quibble over a period of 10 years?

It is only commonsense that if what I have said is true of long-service leave after a period of 20 years, it would be accelerated after a period of 10 years. I sincerely hope that commonsense will become a little more common within the ranks of the Opposition and that members on that side of the House will resolve their inconsistencies and try to look at this question with eyes of reason.

Mr. Court: I give up.

Mr. EVANS: At last! The Deputy Leader of the Opposition has been the leader of a party on this matter at least, which has indulged in cheap heroics on the one hand by telling the workers that their jobs are at stake—

Mr. Court: When did I say that?

Mr. EVANS:—and on the other pandering to the cries of people who should know better, including "The West Australian," the Chamber of Commerce and the Chamber of Manufactures. Why are they so opposed to the measure? It is because they like to get their pound of flesh with little in return.

There appears to be a great deal of truth in the statement that when the Liberal Party resists giving Peter something he deserves, purely to keep Paul rich, it can rely upon the support of Paul; and that is what is happening when we think of the newspapers, the Chamber of Commerce and the Chamber of Manufactures. Their selfish attitude, however, is not true of all, because I know of some industries that welcome long-service leave after ten years

because those concerned in these industries realise that their particular line of business will benefit in the long run.

Mr. Court: What industries are they?

Mr. EVANS: Listening to the Deputy Leader of the Opposition this afternoon took my mind back to a Bill which was before the Chamber last year when the hon. member said he was very loth to shake hands with a cobra. In his eyes this Bill is like a serpent and a symbol of evil. The Opposition arguments that we have heard are also like serpents—they have no legs to stand on.

I say to members that we, as a party of reform, representing the masses, have no apologies to put forward in bringing down a Bill of this nature. We are proud to do it. Even though the dog may bark—I borrowed this one from Bob Menzies, who said this in the 1949 election—the caravan still moves on. By the same token, the Labour Party will still be a party of reform.

Earlier I said that the goldmining industry employees were appealing to the Arbitration Court for long-service leave. When looking through the "Kalgoorlie Miner" I found, under the heading "Legislation for Long-service Leave. Court's Reply to Argument of Employers," this interesting comment from the report itself—

> "The employers in this State in the past and up to the present have opposed legislation for long-service leave," the president of the State Arbitration Court, Mr. Justice Nevile, said yesterday.
>
> He was commenting on an argument by the employers' advocate by Mr. D. E. Cort, that long-service leave in the goldmining industry should be a matter of State Government legislation.
>
> Mr. Cort said that the Employers' Federation considered that legislation on long-service leave would be more suitable because it would cover people who are not governed by awards.
>
> "I have never heard it suggested before by respondents that they would be happy to grant long service leave on the same basis as in other States—no one has ever worried about uniformity," Mr. Justice Nevile said.
>
> "A minimum standard is set by legislation but this would not prevent the employer from granting a more generous scheme which would not adhere to the uniformity," he added.
>
> "I do not say that legislation would not be desirable but I cannot treat as very sincere the argument that this court should not grant an application because it is a matter of legislation," he said.
>
> Mr. Cort said that legislation was at present before the State Parliament and if this was agreed to then such a decision would be paramount to any decision made by the court.

In conclusion, I pay tribute to the Minister for Labour who has spent immeasurable time over many months on the Bill; and who has displayed honesty, integrity, tenacity and singleness of purpose.

Mr. Court: Be careful; the Minister cannot take it.

Mr. EVANS. He has never wavered in his purpose.

Mr. Court: The Minister is blushing.

Mr. EVANS: Therefore I regret that he should be attacked through articles in the Press. Alongside the articles was a photo of the Minister, and the photo did not need justice, but cried out for mercy. The Minister introduced the Bill and was, according to them, a criminal. That is typical of the attacks of the Press against the Minister for Labour who is respected by the workers. He is not looked on with scorn. This reminds me of the old adage that as it is only the best people who are attacked, besmirched and belittled, so it is only the sweetest fruit that is attacked by the birds. I deplore such attacks and say that commonsense, common honesty and common justice rebel against such uncharitable and unwarranted attitudes. I have much pleasure in supporting the second reading of the Bill.

MR. W. A. MANNING (Narrogin) [5.45]: One hesitates to rise after such a flow of words.

The Minister for Transport: Then sit down.

Mr. W. A. MANNING: The member for Kalgoorlie seemed to have much to say about nothing. It would seem that he has a lot to say about the Minister for Labour, and then he tells us that only the best people are condemned. So it cannot be the Minister for Labour. I do not know how the member for Kalgoorlie can believe that we on this side of the House have no desire to support Bills such as the one before us.

I would like to state that I am all in favour of the principle of long-service leave: I always have been. The hon. member spoke about the Government introducing this Bill because it had a desire to do something in this direction, and that it was pioneering. What about the private employers who in the past have introduced long-service leave schemes for their employees—voluntarily? Does not that indicate that employers over a number of years have had a desire to do something for their employees.

Mr. Evans: Good luck to them.

Mr. W. A. MANNING: All that this Bill attempts to do is to co-ordinate some of those employers who at the moment have no long-service leave schemes, and it really covers individual employers, of the smaller variety, who have been unable to introduce this system.

Although I support the principle of long-service leave, the provisions in this Bill indicate to me that the Government of Western Australia is still in the stage where it believes in fairies. It seems to think that by 1961 a huge sum of money can be made available, all of a sudden, to pay for cumulative leave that will be due to a large number of employees. Much as one would desire to be able to do these things, where is the money to come from? The member for Wembley Beaches says that they will have to get it from somewhere. But where will they get it from? After all it is no good having a lot of high faluting ideas about these things unless there is some practical scheme put then into operation. We have to be realistic about this situation.

Private employers who in the past have granted their employees long-service leave have done so voluntarily with the idea of inducing them to give long, continuous and faithful service. As everyone knows, that helps to lower costs; if costs are lowered, more articles are produced at a cheaper price, and cheaper prices induce a greater demand. If more goods are produced at a lower price, there is a greater demand for them. If the average employee can produce more goods in a given time there are more available for consumption.

The Minister for Health: Would not that apply also to the universal scheme?

Mr. W. A. MANNING: Yes, it applies in every case. Every benefit provided for in the Bill has to be paid for by someone, and that someone is the rest of the community. As members know, in the past private business people and employees have been paying their share of the long-service leave given to public servants and like people. These people have had their long-service leave paid for by the rest of the community; no one can deny that. But it is hardly just for one-half of the community to support and pay for long-service leave for the other half, while not enjoying it themselves.

All this Bill does is to say that those who, in the past, have had long-service leave paid for them by the community will now help to pay for long-service leave for the rest of the community. That long-service leave will be paid for by everybody; each one will assist the other. The main objection I have to the Bill as it stands is the fact that it means a huge amount of long-service leave will become due in 1961, and that means cash. How many private employers could find the money to do it? Very few. How would these employers find the ready money to pay for a scheme such as this? One member said that with the private business people the sky is the limit in regard to prices. That showed a complete misunderstanding of what business means.

How can a private employer charge what he likes? Who will pay it? A businessman must have a customer for every article that he makes, and he cannot sell his goods unless he produces them at a price which is acceptable to the consumers. That is the problem with manufacturing. The manufacturer has to buy the raw materials, process them, and market them at a price at which someone will buy them. If he loads that price up with unnecessary costs, he will not find a market anywhere, whether it be local, Eastern States or overseas. They are important factors to be taken into consideration. They affect employer and employee alike; I do not think there is any difference between them in industry, and I do not see why we should try to split them to the extent that some seek to do these days.

If industry fails, who loses? The employee loses just as much as the employer; and so I fail to see why an attempt should be made to create a gulf between the two. A rather peculiar situation arises because of this Bill, and I refer to the small employer. Where does he come into it? Some of these people have worked all their lives; perhaps they have made money, but not fortunes. They have not been able to take any long-service leave, and who will provide it, if this legislation is agreed to? Who will relieve them in their shops or factories for months at a time? It gives us food for thought. Where do they come into the picture?

Hon. D. Brand: This health restoring break!

Mr. W. A. MANNING: The proprietors of these comparatively small businesses need health restoration as much as anybody else in the community.

Mr. Marshall: They have not done much to help themselves over the last 30 years.

Mr. W. A. MANNING: The hon. member does not realise what is involved. These people are tied down.

Mr. Ackland: The way members opposite are going on they will create unemployment by their attitude.

Mr. W. A. MANNING: Private employers over the years have encouraged employees to continue in employment by providing their own long-service leave schemes, and under this Bill certain interruptions to continuous service are allowed; I refer to ordinary holidays, sickness and so on. That is quite just. But also under this Bill, if an employee goes on strike, it is not regarded as a break in employment! Can members picture anything so absurd, where one who is employed seeks to destroy the business of the one who employs him; and yet it is not to be regarded as a break in employment!

There is no excuse for striking these days. Arbitration is open to these people if they have a dispute. The principle in

the Bill seems to be exactly the opposite to what should be the spirit of the measure. I thoroughly agree with the spirit, which is to give long-service leave after long and faithful service; but if at some time or times during that period an employee says, "I am off. I won't work—"

The Minister for Labour: That is already provided for in what the Deputy Leader of the Opposition called the code. What is in the Bill is in the code, and he agrees with it.

Mr. W. A. MANNING: Whether or not it is in the code, I do not agree with it.

Mr. Court: It is not in the same form.

Mr. Johnson: The hon. member has never worked.

Mr. W. A. MANNING: I have been a working man and I used to belong to a union.

The Minister for Labour: It is the same in principle. What the hon. member mentioned just now is in the Bill and it was also the subject of agreement, as in the code, arrived at between the employers of Australia and the A.C.T.U.

Mr. W. A. MANNING: I still do not agree with it. The idea of providing long-service leave is to give a reward to those who have given long and faithful service. Unless it is done in a spirit of mutual understanding, and a desire on the part of both the employer and employee to make the business prosper, it will not be worth very much. If it is done in that spirit, the idea behind the Bill is an excellent one; and I support it with some reservations.

On motion by Mr. O'Brien, debate adjourned.

BILL—BASIL MURRAY CO-OPERATIVE MEMORIAL SCHOLARSHIP FUND ACT AMENDMENT.

Second Reading.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Eyre) [5.57] in moving the second reading said: This is a very small Bill; and it is a co-operative one in all respects. I feel there should be no opposition to it and I hope that my friends opposite will let it go straight through.

Recently I was approached by representatives of the Co-operative Federation of Western Australia who put before me a case for amendment of the Basil Murray Co-operative Memorial Scholarship Fund Act, 1938. The Act has not been altered since it first came into existence. As the name implies, it concerns a scholarship fund. This fund was established in 1926 by means of voluntary contributions, and vested in trustees to provide scholarships for the sons of members of co-operative societies, or of shareholders in companies affiliated with the Co-operative Federation of Western Australia, as a memorial to the late Basil Murray, a pioneer co-operative leader in this State.

The original purpose of the fund was to make better farmers. The annual income was used to maintain students at Muresk Agricultural College. The fund was vested in trustees who carried on under rules administered by them, but it was found there was no power to amend or alter the rules; hence the coming into being of an Act in 1938. In 1938 the purpose of the fund was extended to include the training of those qualified in co-operative principles and business practice.

Now the members of the trust are anxious that the fund should be used in the best possible way to perpetuate the memory of the late Basil Murray and feel this could be achieved in a more practical way if the trustees had greater freedom, and could assist in the federation's staff training scheme. The scheme provides for better training of men in the co-operative movement with consequent improvement in the co-operative system in Western Australia. It is desired that the trustees be given power to use some of the funds available to implement the principles of that scheme.

This is the most important part of the Bill. The amendment will make it possible for the trustees to use moneys in the fund not only for the purpose of providing training and education in co-operative principles and business practice for sons of qualified members of any co-operative society or of shareholders in any company affiliated with the Co-operative Federation of Western Australia, but also for the purpose of providing training and education in those principles for persons employed by any co-operative society or by any company so affiliated. This Bill only widens the scope of the Act, and will in future allow not only the sons of those associated with the co-operative society, but also the employees of the co-operative societies to receive training and education. Mr. Thomson and one other officer of Westralian Farmers Co-operative Ltd. saw me in this regard and that is what they suggested.

Mr. Bovell: Does that mean the family of the employees, or the employees themselves?

The MINISTER FOR JUSTICE: The employees themselves, as I stated previously. I move—

> That the Bill be now read a second time.

On motion by Mr. Nalder, debate adjourned.

BILL—GOVERNMENT RAILWAYS ACT AMENDMENT.

Returned from the Council without amendment.

BILL—TRAFFIC ACT AMENDMENT (No. 2).

Received from the Council and, on motion by Mr. Ackland, read a first time.

BILL—STAMP ACT AMENDMENT.

Second Reading.

THE TREASURER (Hon. A. R. G. Hawke—Northam) [6.4] in moving the second reading said: When I introduced the Budget this year I advised members that a Bill would be introduced to amend the Stamp Act to increase the stamp duty on cheques. This Bill aims to do that. The present duty on stamps is 2d. The amendment proposes to increase the charge to 3d. It is estimated that the passing of this Bill by Parliament in the near future will increase the revenue of this State during this financial year by some £40,000 to £50,000 and by £80,000, approximately, in a full financial year.

This method of taxation is generally described by the experts as more or less painless, inasmuch as it is indirect in its application and also because the amount of stamp tax is paid in very small instalments. The necessity to raise this additional revenue is clear cut. Government expenditure is still increasing in several directions, particularly in regard to salaries for school teachers, and expenditure connected with school buses and Government hospitals.

Hon. D. Brand: What is the stamp duty in the other States at present?

The TREASURER: The rate of stamp duty on cheques in all other States, according to the advice I received, is 3d. This alteration to the Stamp Act in this State, if agreed to, will bring the stamp duty on cheques in Western Australia into line with the stamp duty on cheques applying throughout the rest of Australia.

This tax will help the State to some extent because at the present time, under the Grants Commission, we suffer some penalty as a result of the State taxation in this field being lower than the tax in the standard Australian States. I do not think anyone will raise serious objection to this method of increasing the State's revenue, because the additional money is required for essential purposes. I move—

> That the Bill be now read a second time.

On motion by Hon. D. Brand, debate adjourned.

BILL—HOUSING LOAN GUARANTEE.

Second Reading.

Debate resumed from the 23rd October.

HON. D. BRAND (Greenough) [6.7]: I have not had time to study this Bill and have been rather caught off balance. I did, however, read that the Minister made the claim that it was one of the most liberal proposals in respect of housing finance that had been made in the Commonwealth. But so far as I can understand from conversations with people who are a little closer to the problem, this proposal will not make £1 more available for housing.

The Minister for Housing: Oh, yes!

Hon. D. BRAND: For instance, I would think that in many cases of a loan arranged through a banking institution, a mutual arrangement, on the basis of a 10-year period, would allow the bank to assist three people to finance their housing arrangements; whereas, as I understand the Minister's proposal, the period of repayment is over 45 years.

The Minister for Housing: At the discretion of the lender.

Hon. D. BRAND: I understand that. I see that my colleague, the member for Dale, has returned; and as he has given particular study to this matter, I will retire from the scene. However, the point I have mentioned is one that has been raised during the last day or two, and the claim is that the scheme will not be half as helpful as the Minister would have us believe.

The Minister for Housing: Where did you get your information?

Hon. D. BRAND: From banking circles.

The Minister for Housing: Did you get it from a certain newspaper article?

Hon. D. BRAND: No, I did not. The principals of certain banks have volunteered information that, from their point of view, this scheme does not appear to make any further money available; and I gathered that they implied that they were lending as much finance as possible under the present situation, and that the guarantee by the Government is not going to be half as helpful as we would be led to believe. However, I support the Bill to that extent, and leave the argument to be taken up by the member for Dale.

MR. WILD (Dale) [6.11]: Like my Leader, I intend to support the Bill, though quite frankly I do not think it will attain the complete objective the Minister would wish it to. In the past few days, I have endeavoured to contact some of the banks in the metropolitan area and also the insurance companies which, one might think, would be participants in this scheme; and in the main, while all these people have had to refer the matter to their principals in the Eastern States and have not yet had replies, one could say that, as far as the banks are concerned, they at least do not seem to think this Bill will give them much assistance.

The Minister for Housing: It is not designed to do so.

Mr. WILD: Perhaps I should put it this way: It will not help the housing situation. The banks say that they get an allocation from their head offices for housing, and at present they have a queue that is out of sight waiting to get accommodation within the limits of what they are allowed to lend; and they say that even though, in this Bill, there is a guarantee by the Government, it cuts across, in the main, the conditions laid down by their head offices primarily on the score of 45 years' amortisation or period of repayment. I am not a banking authority and can only repeat what has been told me, but I understand that they consider short-term loans preferable.

The Minister for Housing: There would be nothing to stop them from continuing those loans.

Mr. WILD: That may be so. But will they be able to give any more finance than at present? Will there be any added inducement for any individual to go to them? They have as many clients as they can handle now.

Mr. Ross Hutchinson: Will it free more money?

Mr. WILD: That is what I mean. Will it make more money available? They say they can get a lot of people prepared to deal with them if they could lend money within the limits they have at present of repayment in from 20 to 25 years. But will this scheme make any more money available to provide for people who want a period of 45 years?

The Minister for Housing: Some top executives of your party have written to me and spoken of the value of this scheme. So I think you are a little out of touch.

Mr. WILD: In principle it is a very good idea.

Mr. Ross Hutchinson: We are supporting the Bill.

Mr. WILD: Yes. In principle, it is quite all right. But will it make money available for housing? I think it will do so to a minor degree. I got in touch with a number of leading life assurance companies who have a large number of loans for housing, and I found two of them happy to co-operate. I understand one of them does a considerable amount of business with the Housing Commission already. On the other hand, two or three of the larger companies said they could not see how an extra £1 would be made available.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. WILD: Prior to the tea suspension, I had made mention of the fact that I had been in touch with some of the banking institutions and the larger insurance companies to ascertain their views on the legislation. I gathered from the banks that they felt it would not mean that they would be able to advance one penny more than they are at present, and in some degree this condition was the same with the insurance companies although they said they were prepared to assist within the limits of the amount laid down by their head offices in the Eastern States.

It seems to me that generally when a client goes either to a bank or an insurance company, the company concerned has to ascertain his financial position and satisfy itself that he will be able to honour the obligation he undertakes. Furthermore, as I said before the tea suspension, neither the insurance companies nor the banks like the period of 45 years because they say that in the interests of their business, it is necessary to have the money turning over more frequently. They are not keen to lend money for housing or anything else for periods extending beyond 25 years.

One of the large insurance companies posed the hypothetical case of its being asked whether it would be prepared to lend 95 per cent. of £3,000 on a timber-framed house in one of the suburbs. The executive of the company pointed out to me that, in the first place, his organisation did not like timber-framed houses, as security; and, secondly, the borrower could be a man in the lower income group who, if restricted to 25 years for repayment, might not be able to honour his undertaking over those years. So whilst it does seem that a limited amount of assistance will be rendered by the large financial institutions in the State, I do not think the Bill will give the relief that we hoped.

Another point is the question of one-quarter of 1 per cent. I do not know whether the Minister has had this worked out for him by the officers responsible for putting the proposition forward, but I understand it will be extremely unlikely that a borrower will pay less than £100 for the accommodation. As these institutions ask: Why should they put that into a fund to overcome the possibility of there being defaulters, or for paying administrative costs when they do that within their own organisations? They do it because they are able to judge the customer, and there is therefore no necessity to make a surcharge in the event of someone not being able to pay.

In any case, I take it that the standard practice will be that when these institutions charge 6 or 6½ per cent., as they do, this one-quarter of 1 per cent. will be added on to the customer so he will pay 6 per cent. or 6½ per cent. plus £100 to a fund created by the Treasury.

The Minister for Housing: What do you mean by "plus this £100"?

Mr. WILD: I would say that the insitution that is lending the money is not going to stand the £100. If the general rate is 6 per cent. the institution may charge 6½ per cent. or 6 per cent. and something extra so that ultimately the customer really pays the £100.

The Minister for Housing: I thought you said he paid £100 plus a quarter of 1 per cent.

Mr. WILD: In normal circumstances they will charge 6 per cent. but, in view of the fact that they have to pay one-quarter of 1 per cent. into the fund, the customer will pay the normal rate plus £100.

One good feature of the Bill is the fact that two loans cannot be granted to one person apart from exceptional circumstances. This provision, of course, appears in the War Service Homes Act and it is a necessary one because without a doubt, if it were not there, we would find people obtaining finance in this way and then, when they saw an opportunity of making a profit, they would do so, and would then start all over again.

I see by the notice paper that the Leader of the Country Party has an amendment to endeavour to include country properties. With this I entirely agree. I think the War Service Homes Act is very unfair in this regard. We cannot all live in the city and I know of many ex-servicemen in country areas, living outside the confines of the township, or the city, whichever it may be, who are debarred from receiving war service homes assistance. If the Minister will agree to the suggestion put forward by the Leader of the Country Party, he will help to do much to alleviate the position that those fellows find themselves in today, because virtually there is no one to whom they can turn when they want some of this necessary housing finance.

By and large, I am entirely in agreement with giving every man, irrespective of his station in life, the opportunity to own his home. There is no doubt he then becomes a better citizen. At the end of each week when he hands his wife whatever he can afford to give her, he does not give it to her knowing full well that when she pays the rent, that is the end of it. If he owns his home, however modest his interest in it, at the end of any given period, he knows he has an equity in that property, but there are plenty of people who, having paid rent all their lives, pass on owning nothing. When I was at the Housing Commission I was happy, as the Minister knows, with the limited funds available, to allow people to go into a modest home for a deposit as low as £5, because I am a great believer in every man being given the opportunity to own his dwelling.

I am not over-enthusiastic about the Bill, because I cannot see how it will be the means of having more homes built, but I hope that as many institutions as possible will sign up with the Government in order to allow people with modest means to pay a small deposit on homes that they will ultimately own. I trust the Minister will give serious consideration to the proposals that will be outlined by the Leader of the Country Party, because they are something which, over the years, has been overlooked in the housing schemes in this State. I support the Bill.

MR. W. A. MANNING (Narrogin) [7.41]: At first glance I was impressed with the possibility of the Bill contributing something towards a solution of the housing difficulties that still exist, but on a closer examination I feel there is a big query as to how the measure will accomplish that. The Bill provides a fairly wide range as to who can advance the money, and covers organisations registered under the Building Societies, Friendly Societies and Provident Societies Acts, as well as banks, savings banks, insurance companies, superannuation boards and any other institutions that desire to take part.

The question, however, is as to where the funds to provide the advances are to come from. The Bill does not appear to make provision for any additional funds, and I hope that, when replying, the Minister will tell us where the extra money is to come from. Most of these institutions are already advancing to their limit and have no further funds available for housing. If they are to begin advancing up to 95 per cent. on homes instead of the present 70 per cent., with no extra funds available, the result will simply be that fewer home buyers will be served.

There is a tremendous demand by people to own their homes and an advance of up to 95 per cent. of the value over a long term of years would be ideal, but I cannot see how it can be done without substantial further backing. Of course, there is nothing at present to stop these institutions from doing exactly what the Bill provides, should they so wish. The two factors involved in such a proposition are the finance and the risk involved. The Bill has no provision regarding finance unless the Minister can tell us where the funds are to come from. He may be able to provide money from the Commonwealth advance for housing, but that has not been indicated.

The other factor, as I say, is the risk involved in advancing 95 per cent. of the value of a home, but provided there is backing for it, I have no doubt the institutions will accept the risk because it will be passed on to someone else. The client will really pay the one-quarter of 1 per cent. necessary to secure some backing for the risk. This will add something to the cost to the home-builder as the one-quarter of 1 per cent. must be added to the charge for the advance on the home.

Those are the problems involved. The term provided is excellent—up to 45 years—but that is a long time for funds to be tied up. Admittedly, the institution that is lending the money can cut the period down to 20 or 25 years, but a period of from 25 to 45 years is not likely to appeal to the average institution. I think we

should be told where the necessary funds are to come from and if the Minister can advise us in that regard, I think the Bill is worthy of support and will fill a great need.

MR. JOHNSON (Leederville) [7.48]: Unusual as it may be, I am going to agree with the member for Narrogin. The Minister was correct when he said, while introducing the Bill, that it was one of the most liberal measures in relation to housing that had been introduced, because it is in full pattern with Liberal Party thinking in relation to finance. I, also, do not think the measure will produce the volume of house-building that the Minister apparently visualises.

I agree with members of the Opposition very largely as to the reason. Banking institutions are already fully loaned in relation to housing, which is not the type of business that the normal trading banks desire to do in very large proportions. Banking business is in essence a matter of turning money over reasonably fast, and normal banking loans are based on the idea of a fairly quick return of the money to the bank for fresh lending.

The position in banking is that now they have far more applicants for loans assistance in providing houses than they can accommodate; and no matter what security is offered, even though it may be as good as a 50 per cent. margin, the borrower will not be able to get it from a bank. There are reasons for that, and one is that banks like to spread their loans over a large number of different types of security, and a large number of industries, to keep a balanced portfolio, and not to get tied up in one particular portion of the financial field.

Any thinking banker will inform members that, in the opinion of the banking industry, housing is already overlent. The insurance companies normally lend a lot of money against housing because it is a type of security that is welcomed by those companies as being secure, long-term and stable lending with a steady return. But members who have had constitutents trying to find finance for housing know that if there is an individual with a good proposition in relation to a housing loan and he is told, "Go and see one of the banks," and the bank turns him down, he might then be told to see one of the insurance companies.

It is necessary then to go around to various insurance companies to find one that will lend the required money. Sometimes it is necessary to wait a considerable time before one is able to secure accommodation respecting the proposed loan; and those loans are being made on their terms. The highest they will lend will be 60 per cent. or 75 per cent. and in spite of that, they have a waiting list without going as far as 90 per cent.

Therefore it is safe to say that from those two concerns, there is very little likelihood of any considerable increase in the volume of money available to finance houses. There are two concerns indicated directly in the Bill which will increase the value of money, namely, the Superannuation Fund and the State Government Insurance Office, neither of which at present is in the housing field. Initially, the volume of money available from those two sources should have a very good effect on the housing position in Western Australia. It should restimulate the house-building industry in this State, because from those funds they will be able to move into a section of potential borrowers who are not able to produce 20, 25 or 30 per cent., or higher, deposits for their propositions.

However, I think that the volume of funds that those two bodies can produce and the proportion which they could safely apply to housing alone, will be fairly quickly used up. It might, however, last two or three years, but once that reaches saturation point, then the volume of expansion available under this type of legislation will be strictly controlled by the volume of money available, because there will be no fresh sources.

The parent of this Bill—if not in actual wording, at least in thinking—is the housing legislation that stands behind the various forms of housing assistance in the United States of America. The pattern is not a new one; it has been well tried and has been most effective. I am a little surprised that the Liberal Federal Government never adopted legislation similar to that, because I feel it is more in line with their thinking than Labour Party thinking in the matter of finance.

It is, in effect, an insurance underlying private lending. It is not, as we have been used to, Government lending direct as from the Government. What is required to make this legislation a success is action to make funds available for the very worthy purpose of housing. The way in which that can be done does not lie in the hands of the State Government—it is a matter of Federal policy. The first action that needs to be taken, to my mind, is some control over the expansion in the hire-purchase industries and other industries with a very high interest yield and a very high security, because very naturally that high interest-yielding industry is a far more attractive investment than housing. However secure and long-term an investment it may be, it still remains a low-yielding security.

In restricting that field, more money would be found for housing and one thing is certain: that if action were taken at the Federal level to prevent banks from intruding into the hire-purchase field, then the banks would have more money available for lending for house building. Though even if that was so to keep their

lending balanced, they would still not be able to apply all the money they have for hire-purchase, towards housing.

One of the other steps that should be taken to make this legislation effective is capital issues control fairly strongly applied to ensure that whilst there is a shortage of housing, there should be no increase in those types of industry which have been described as those leading to a milk-bar economy. I still believe, as I am sure members in this House believe, that good housing is a prerequisite to a stable, healthy and happy population. Those are the actions that I feel are required to make this legislation as effective as the Minister suggests. The legislation will have a side effect which I think should be mentioned, namely, that it will reduce funds available for investment in Commonwealth loans. The underwriting of housing loans and the making of loans suitable for trustee investment as is the intention of the Bill, will free to the housing field and to long-term reasonably high-yielding or middle-term yielding security, money which now has no other outlet than the Commonwealth loans.

As is well known, some of the largest subscriptions and most regular subscribers to Commonwealth loans are trustee people, insurance companies and others who handle trust or semi-trust money; funds in which the security is more important than the actual yield. This Bill will free some of that money for housing and to that extent will have a reducing effect upon Commonwealth loan subscriptions.

I consider that this whole matter is one which should be more appropriately a Federal responsibility, because that Government has the Federal financial power. Whilst, as I said before, it is more in line with the thinking of the party on the other side of the House than on this side, I think the Minister should be commended for seeking every possible method of helping the housing industry and helping to provide homes for our people on the best possible terms.

As I said earlier, I believe that this will have an initial valuable effect on the housing industry in this State, but I do not believe that it will last very long. However, the fact that it will not last long is no reason why we should not give it every commendation we can for its short-term effect.

MR. JAMIESON (Beeloo) [8.2]: While this Bill has for its main purpose the encouragement of building and purchasing of new houses by enabling building societies and other institutions concerned with making financial assistance available for the purpose of building or purchasing new houses, or with both, and to increase amounts of advances and financial assistance for those purposes, I hope it is not the thin edge of the wedge to eventually close down the Housing Commission in this State. In my opinion a housing commission or a department of housing—whatever it might be called from time to time—is an integral part of a well-run community. We have too often seen an instance where such an institution did not hold sway, and slums and other undesirable types of tenement buildings were erected by land racketeers who were able to find money to put up such places.

I should hate to see such a condition ever prevail here again when people would be subject to the whims and desires of such an unscrupulous section. In the provisions of the Bill there is a good holding clause where, if any undesirable acts are brought to the notice of the powers that be, such an organisation will cease to be a party to the provisions of the Bill. That in itself is desirable and is a limiting factor on the scope for these people to prevail upon the public in regard to such things as interest rates and anything else considered undesirable.

Over the years there have been some very good building societies and money-lending firms associated with house-building; but while there have been some of a reasonable character, there have been some of very doubtful character. I would say that once the Housing Commission went out of operation, the way would be open for a return to this old order which, in my opinion, was not a very good order. While some people, due to their position in life, can arrange for architects and do all manner of things in designing their own homes, there is always a preponderance of the class of people who buy one home in their lifetime. They are not very skilled in the matter of negotiations on such an occasion and they need assistance.

I say again, that the preponderance of the population will be in that class. Therefore, with the Housing Commission being maintained and able to advise people in such matters, it assists greatly towards a better community. The Bill will guarantee to those people who have not the larger deposits, an opportunity of obtaining a better standard house than they would otherwise build, and it will add variety to the housing scheme throughout the suburbs. In that way it will give the people of this State quite an appreciable service.

That money is not readily available from all institutions at this stage may be a fact, but in the future, when financial conditions change, there may be more of the type of investor that would like to put money into such avenues of investment as the provision of housing, and once we have the legislation on the statute book—it is there for all time—a lot of these people will be able to put money into such a venture. I suggest it is a desirable feature of the Bill that people who would normally not invest in a venture such as the provision of money for housing, due perhaps to

the doubtful nature of repayments, would do so when it becomes virtually a gilt-edged security backed by the Government, and there could be quite a different attitude in the minds of such people.

I think the object of the Bill is quite a good one, and if it does not do anything to help the housing position, it surely will do nothing to harm it. However, it will allow scope for a little increase in the finance available for people desiring housing. I suggest it is a very worth-while measure and one which members of the House should support, even though very few people could make use of it, as envisaged by some of the Opposition speakers. That is all I have to say, and I support the Bill.

HON. A. F. WATTS (Stirling) [8.10]: I intend to support the second reading of the Bill, a careful examination of which indicates that there is only one possibility of its not making the contribution to the additional number of houses that the Minister believes it will achieve, and that is the possibility that the institutions more particularly referred to in the measure may not be able, or may not be persuaded by the guarantee offered, to make more money available for housing purposes than they do at present. But I do not suggest that that should in any way be an obstacle to our agreeing to the second reading of the measure.

Only time and experience can indicate whether that is so or not, and only time and experience can demonstrate whether this will be a successful measure or a well-intentioned one that does not achieve the results which are anticipated. Therefore I do not propose to offer any substantial criticism of the proposals in it because to do that, and certainly to offer opposition to them, would only be to suggest that no opportunity should be afforded the Government of ascertaining whether these good intentions are likely to bear all the fruit it is anticipated they will bear.

At the same time there are one or two aspects of the measure to which I would like to make further reference. One is the length of time that is contemplated for repayment in respect, apparently, of all types of houses. I suggest that the long period provided for in the Bill will, in some cases, act as a deterrent to those who otherwise might be inclined to assist along the lines that the Bill proposes. In short, I think there should be some differentiation in the time as regards a house constructed substantially of brick and one constructed substantially of timber and other materials because, from inquiries I have made, I think there is a general belief that the period in respect of the latter type of house should be shorter than that in respect of the former.

The Bill, I think, mentions a period of 45 years and this is a long time. During that period the risk of deterioration of some types of houses is much greater than it is with others. The Minister might perhaps have a look at that aspect to see whether it is possible to make the building of the latter type of house more attractive to those who might be prepared to put money into this venture on a Government guarantee.

Another aspect of the matter is this: Why should we confine the advantages of Government guarantee to the institutions that are referred to in the Bill, bearing in mind the definition of "approved institution"? At the best, although the powers of the Minister go beyond building societies, banks, insurance companies and the Superannuation Board—because it says "any other institution which is or desires to be, so concerned"—they are concerned only with corporate bodies of one kind or another, such as companies. There is no reason, in my opinion, why partnerships of individuals or firms registered under the relevant Acts should not, if they have the capital and feel inclined to assist in the creation of new homes, receive the Minister's approval. In order to achieve that object, some amendment would be necessary to the definition of "approved institution."

In fact, I have it in my head—it might be quite erroneous—that we might get more money by that means of Government guarantee than from the institutions enumerated in the relevant clauses of the Bill, because while those institutions as a general rule have their hands fairly full and have their own particular lines on which they choose to do their business, there are a number of people who, while not being entirely benevolent, are yet willing to make some contribution to the State's improvement and who would, I think, be attracted by a Government guarantee in this manner just as much as they are attracted by what is, of course, a Government guarantee in relation to public loans.

Here, of course, I must offer some support for the view expressed by the member for Leederville that consideration should be given—it may have been given already for all I know—to whether or not there will be any detrimental effect on the subscriptions to public loans. In the normal way I would not be concerned about that at all, but things in connection with that matter are clearly not normal—at least from the discussions that go on at the Loan Council and the remarks we hear from time to time in this House. So I would like to have some views, if the Minister cares to give them, on that subject.

Lastly, and this I regard as an important point in relation to the Bill, the measure contemplates the erection of houses for people who have no houses. Except in exceptional circumstances for which the

Bill makes some provision, and to which the Minister referred in his second reading speech, it is laid down that the guarantee shall not be given in respect of a loan to a person who already has a house. For a long time it has been of interest to me to ascertain whether some way could be found to assist in the replacement of what are, to say the least of it, below-standard houses on some of our agricultural and rural industry properties; especially on those places which are only recent in their development and where there has been a decided lack of capital for development at a time when the cost of development is indeed very high.

Nobody has been able, up to date, to evolve any system which would enable these people to acquire better dwellings. Many of the homes which they have erected and occupied for many years on properties on which most of the cash they can scrape up is spent on development for production purposes, are decidedly below par. They offer little or no encouragement to the wife and family. They are by no means attractive and in many instances they would not be allowed to continue to exist in any township or suburban area. So it has occurred to me that it might be possible, although I recognise several difficulties, to incorporate in this measure some proposal whereby a guarantee could be given in respect of an advance made in such cases for the erection of a home. I am quite clear that we would need to have safeguards, but I think they can be achieved. I have on the notice paper certain amendments to the Bill in this regard, which will enable me to discuss it further during the Committee stage.

I am firmly convinced that the time is long past when some attempt should have been made to bring the type of people to whom I have referred under the benefits of some housing scheme in this State. Up to the present they have had no means of acquiring on their properties homes in any way resembling those available to ordinary citizens in the towns and suburbs. Unless and until they can bring their properties to a state of development such that the production and income is sufficient to meet their liabilities and leave them some surplus, which usually takes and is definitely taking today a considerable number of years, they have no course open to them but to live in their unsatisfactory premises.

It is only a few weeks since I, accompanied by a member of another place, visited the residence of a relative of his in exactly the circumstances to which I have referred, some 50 or 60 miles east of Narrogin. That young man has done wonders with limited capital. He has been on the property for five or six years and has done a great deal of the work himself. Much fencing, clearing and water supply development has been effected. With what funds he could rake together by advances on such security as he could offer, he is slowly but surely bringing that property to a state of development.

But, on his own showing and without any question whatever in the opinion of those two of us who were with him, it will be at least 10 years before he will have any funds available to build himself a respectable house. He has erected a habitation there which, so far as it goes, is weatherproof and the inside of it is a credit to him and his family, but if it were to fulfil its proper place as part of an ordinary dwelling, I would say it would be the garage, the workshop and the laundry. Those are the rooms in which he, his wife and two children, I think, are residing and will have to reside for a considerable time. As I say, the interior of the premises is of great credit to him and his wife and family, but the exterior is obviously of a substandard character and the whole building, in fact, in the net result, is in the same category.

There are not lacking, to my knowledge, many instances of that sort throughout the rural districts of Western Australia. Some of the premises may be a little better than that to which I have referred. They are actually houses, but still substandard, and as I understand this measure, without special approval, which I doubt the terms of the Bill actually give authority for, it would be impossible, even if other things were right, for those persons to obtain a guaranteed loan.

There are other things that I propose to deal with in Committee as well as I can and they can be put in order also. The first of them is where a person has a house and, as I understand the Bill, would not come under its provisions, so while, as I have said, I doubt very much, for the reasons I have shortly outlined, whether this Bill will actually achieve the good results that are hoped for, I trust it will. I would be only too glad to know that as a result of the measure a number of people would be better placed, and so I support the second reading.

THE MINISTER FOR HOUSING (Hon. H. E. Graham—East Perth—in reply) [8.27]: It would appear that there is no opposition to the Bill, but that there are doubts in the minds of some members as to what might be achieved under its provisions. In this respect I would suggest that this is not on account of the provisions of the Bill but rather because of the douches of cold water that were thrown over it by a certain journal, and I say that advisedly.

Mr. Nalder: That is not true.

The MINISTER FOR HOUSING: I am becoming sick and tired of having to say things to this effect, but members will recall that, in respect of another matter, that newspaper printed—it was a lie—that all but two or three of the operators of a

certain type of business were opposed to the measure in question. Of course that was completely untrue, and now, in respect of this—to whom representatives of that newspaper went I know not—apparently they sought any petty scandal that could be picked up out of the gutter or out of public conveniences or anywhere else to use in order to dampen any enthusiasm that there might be for this scheme.

The principles contained in this legislation have been in existence, in somewhat modified form, for a considerable number of years in the U.S.A., where goodness knows how many hundreds or thousands of millions of dollars have been invested on this basis. I think I indicated that in Victoria loans totalling £45,000,000 have been granted under a guarantee scheme; in South Australia £10,500,000; in New South Wales £111,000,000, and in the United Kingdom something in excess of £2,000,000,000.

In all places within Australia there are limits and restrictions applied that do not apply in respect of this legislation. Why, if the scheme appeals so in other parts of the world and if it has succeeded to the tune of thousands of millions of pounds, when it is on a broader and more generous basis in this State should there be any doubts about it? I repeat that I am sick to death of the negative attitude adopted by I do not know whether it is one or two individuals in the giant organisation to which I have referred, but they are simply not being fair.

This Bill does not necessarily do anything; all it does is to switch on the green light for lending institutions to be more generous in the treatment of their clients than has been possible hitherto, and without any risk whatever to those lending institutions.

Mr. Court: I think you are a bit sensitive to that newspaper.

The MINISTER FOR HOUSING: I am sick to death of the concentrated and concerted campaign over a period of four years against anything that is brought up by a person about my shape and size. It is immediately damned and false information is deliberately given.

Mr. Bovell: I consider you got a very good Press.

The MINISTER FOR HOUSING: I would not take much notice of the impression of the member for Vasse. Let us forget entirely that aspect and deal with this measure on its merits. What is the position? Any reputable lending institution can go into the scheme or it can stay out; having gone into it, it can get out when it likes. It can lend money from £10 to £10,000,000, or more in respect of new houses. It can make its period of repayment anything from 24 hours up to 45 years—and it can be 10, 20, 30, 40 or 45 years at the discretion of that institution, but, in any event, the Government will guarantee the full amount of the loan up to the period and the amount as specified in the legislation.

There is similarly no restriction or impediment whatever so far as the income or the financial circumstances of the applicant is concerned. Nowhere else does that apply of which I am aware. In South Australia the maximum loan is £1,750; in Victoria there is a limit of £3,000; in New South Wales there is a limit of £2,500 and there the Government only guarantees the amount between 80 and 90 per cent. In South Australia I think the Government only guarantees an amount loaned in excess of the normal procedure of a lending institution—usually about 70 per cent. So I am perfectly correct in saying that, to my knowledge and from inquiries made, there is no scheme that is as generous or as widely based as that which is the subject of this legislation.

Mr. Ross Hutchinson: Why do you guarantee the building of luxury homes?

The MINISTER FOR HOUSING: At the present moment the lending institutions, being selective, choose their clients and where they consider it to be a business proposition they make loans to people accordingly.

The SPEAKER: Order! There is too much noise behind the Chair and I cannot hear the Minister.

The MINISTER FOR HOUSING: And most of them have their own limits. I know there are some very fine homes erected in the metropolitan area but how much of the cost is found by the client and how much is provided on loan I do not know. With the introduction of this measure, it is anticipated—indeed it is fervently hoped—that lending institutions will conform to their usual pattern and insist on their usual standard, the only departure being that they can lend for a long term and lend a great percentage of the cost, and the Government will guarantee every penny in connection with those loans. If it is the policy of a certain bank to lend amounts like £5,000, £8,000 or £10,000 for certain types of luxury homes—

Mr. Ross Hutchinson: Or £20,000.

The MINISTER FOR HOUSING: Yes, there will be nothing under this measure to stop them so doing. They will not be interfered with in any degree whatever. If they care to lend within that limit or beyond it to a greater percentage than they do at the moment, the Government will still back such transaction and it will be subject to Government guarantee. The whole purpose is to leave these financial institutions as free as the sea; it is merely spreading their franchise or, in other words, removing all element of risk as far as they are concerned in the hope that they will respond, as they evidently have in other parts of Australia and in other

parts of the world, by making greater sums of money available for home building or the purchase of newly erected homes.

The member for Dale suggested that there will not be any great need for the charge of one-quarter of 1 per cent. because the lenders are able to judge the customer. That is true up to a certain point, and that certain point is to about 60 or 70 per cent. of the value of the property, and because, apparently, experience has shown that there is an element of a business risk beyond that percentage irrespective of the customer, the banks and other lending institutions refuse to go past that limit. This legislation encourages them to go beyond, because there will be no risk to them when this scheme is introduced; and because there is, from experience, some risk, however small—though in a period of depression or recession it might be considerable—it is felt there should be a fund to meet any losses, in addition to which there are certain administrative expenses which I think members will appreciate.

Mr. Ross Hutchinson: Have you estimated the income or revenue you will receive from that charge?

The MINISTER FOR HOUSING: I have no conception whatever. My feeling is that the one-quarter of 1 per cent. will be ample to meet any commitments under normal circumstances and even in difficult circumstances. In exceptional times it may not, but there it is provided that the Treasury will provide any amount if the guarantee fund is showing a deficiency and that then could, and would, become a Government responsibility; there would be no worry to the lending institution whatever.

Mr. Ross Hutchinson: It goes into Consolidated Revenue.

The MINISTER FOR HOUSING: No; into a special guarantee fund. It may be invested, of course, but it is a special fund that will not find its way into ordinary revenue. As was mentioned by the member for Beeloo, the position hereafter in respect of building institutions taking advantage of this guarantee scheme is that their investments will be gilt-edged securities without any element of risk whatever. For that reason, I imagine quite a number of private investors will be interested.

I might inform the House that in the past couple of days I have received a letter from one of the leading builders in the metropolitan area who has something to do with real estate. He feels that because of the attractiveness of this, many people will be encouraged to place their money in it; instead of perhaps paying it into Government bonds or something else. At the present moment I understand the long-term bond rate is approximately 5 per cent., but loans from those people who lend for housing will be at an interest rate in the vicinity of 6 per cent. as it is just as much a gilt-edged security with an additional 1 per cent.; in other words, a 20 per cent. increase of the return. Many people would no doubt be encouraged to put their money into this sort of investment. In addition, of course, superannuation schemes and funds of that nature are permitted under the terms of the legislation to make investments in accordance with the scheme, because those I think are generally referred to as trustee investments. Quite a deal of money could be encouraged by that means.

I do not know whether members noticed recently in the comments on one State of the Commonwealth that one of the largest building concerns in Australia—it is no secret: Jenning Constructions Pty. Ltd. —is going to build virtually a new town from its own resources, supplying everything: I think even to the erection of electric light poles, streets, kerbing, footpaths, housing, sewerage installations, and so on. That is being done under some arrangement in that particular State.

If this Bill becomes law, I should think that that concern, which goes in for investments to the tune of some millions of pounds, would certainly be induced to come to Western Australia and investigate the possibilities of such a scheme, because it will be seen there will be an easy means of that concern disposing of its homes for a modest deposit and without any income or other such restrictions; and every effort will be made in connection with this housing proposition because of the Government guarantee.

I think it is worth while pointing out that under the terms of the Commonwealth Banking Act Amendment Act of 1953 pertaining to savings banks, under which several of the private banks have commenced a savings bank account—and indeed our own R. & I. Bank, which incidentally approves of this scheme and heartily commends it—there is a provision which might be termed the "private banks savings bank charter" or something to that effect; and they may carry on banking business—relating to a savings bank—in Australia, subject to certain conditions; and there are quite a number of them.

It goes on to say that the savings bank shall at all times maintain investments of the following kinds—mentioning a number of them—under certain conditions; and they include loans to building societies, the repayment of which is guaranteed by the Commonwealth or a State. Therefore, it will be seen that it will now be possible for these savings banks to make available to the building societies certain sums of

money because these loans will be guaranteed by the State. Up to the present time, that has not been possible because there are no State guarantees in existence.

So it will be appreciated that there will be quite a scope for additional moneys within Western Australia to be used for the purpose of erecting homes; and, in addition to that, every prospect and possibility of large sums of money being induced to our State on account of organisations such as the one I mentioned specifically earlier.

The Leader of the Country Party dealt with country residences. Perhaps I can reserve my comments on his proposition for when we are considering the Bill in Committee. He said that, from inquiries, he had formed his belief that there should be a shorter repayment period than 45 years, particularly so far as timber-framed houses are concerned. Here again, it is a matter entirely for the lending authority. If it discriminates—perhaps 31 years for brick, and 21 years for timber-framed at the present time—no doubt it will continue along those lines and not take advantage of the 45-year period, to which it would be entitled; or under this proposition it may extend the period.

However, I should mention that under the State Housing Act, and the Commonwealth-State housing agreement and under the war service homes scheme, there is no differentiation whatsoever in respect of a period of repayment, no matter of what a home is constructed. In all cases it is a period of 45 years; and indeed, under the Commonwealth-State housing agreement, in the matter of rental homes the amortisation period is 53 years, and that is common to timber-framed or brick homes. But again, this will be a matter for the lending institutions themselves to determine. However, I do feel that because of the security this measure will offer, they will tend to be a little more generous than they are at the present time.

The question was raised as to whether there might not be some considerable advantage if it were possible for the Housing Commission to do business with private investors instead of confining it to lending institutions. The intention is to interpret most liberally that definition of "lending institution", but there is more in this matter than the mere lending of money. Those who are engaged in this type of business have some regard for the piece of land upon which it is proposed to erect a building. There are invariably, where the proposition is the erection of a new house, some measures of supervision. So far as the banks are concerned, I think that apart from investigating the suitability of the block of land, they have a look at the house during the course of construction on three or four different occasions. The person with some money—say an old widow or someone of that nature with a few thousands of pounds to invest—would not, indeed could not, investigate a block of land or check up on the soundness of the building construction. In any event, I suggest there is an opening to her, or persons of that category, by making funds available to firms such as the one I mentioned has written to me within the course of the last few days.

In order to avoid a great deal of work, in so far as Government offices are concerned—in this case the State Housing Commission—I think it is desirable as far as possible that business should be done with firms of some standing and some repute—those who have a name and reputation to lose, if they are being too generous; or, to put in it in another way, too careless in the administration of that proposition.

Question put and passed.

Bill read a second time.

BILL—MIDLAND JUNCTION-WELSHPOOL RAILWAY.

Message.

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

Second Reading.

THE MINISTER FOR TRANSPORT (Hon. H. E. Graham—East Perth) [8.52] in moving the second reading said: This exceedingly short Bill is one of vital interest and importance not only to the area directly affected but as pertaining to the heart of the city of Perth. The passage of the legislation will make possible a whole string of events in due course—and I underline those final three words.

Firstly, it will enable the removal of the marshalling yards and goods sheds from virtually the heart of the city to an area which has been chosen by the town planner who drew up the regional plan for the metropolitan area. It will enable the lowering of the railway line which at present passes through the heart of our city; and it will enable, in due course, the moving of the railway terminus of the capital from its present location to a site in East Perth; and perhaps there is no area more worthy of a grand central station than this district.

It will enable a widening of Wellington and Roe-sts. throughout their entire length, and will make possible more suitable crossings over such railways as will later be in existence; in other words, it will remove the isolation, almost, that is experienced in respect of the business premises immediately north of the railway line. It will make possible the removal

of the locomotive depot from East Perth to a new site in the direction of Welshpool.

I have here a plan which sets out the approximate course of the railway line and the approximate boundaries of the goods sheds and marshalling yards, and this plan I now offer to be laid upon the Table of the House as is required.

Members will see that there is a total of approximately 15 miles of railway line to be constructed. They will serve the proposed new marshalling yards at Welshpool, which are also authorised under the Bill. A line is to be constructed from slightly west of the Midland Junction station to the marshalling yards that are to be built at Welshpool, and this line will be of a distance of 7 miles 25 chains.

There will be a line from near the Cannington station to the marshalling yards, being 3 miles 40 chains in length. There will be a line from Welshpool to the marshalling yards, 1 mile 55 chains in length; and a length of railway line within the marshalling yards themselves, of 2 miles 50 chains. Of course, there will be many more chains—indeed miles—of shunting lines, but they are a matter for detailed administration and do not require to be explained here.

The course to be followed by the line will be approximately 2 chains in width; that is to say, 1 chain on either side of the mid-distance between the two lines which, no doubt, will connect the points earlier mentioned. The marshalling yards themselves will occupy an area of approximately 600 acres. The entire proposal was unanimously endorsed by a parliamentary committee comprising all parties and sitting under the chairmanship of the Minister for Works, the proposal being a portion of the Stephenson plan.

An essential preliminary is, of course, the acquisition of land. I know there are invariably heart-burnings where steps of that nature are contemplated; but I think at the same time that any individual who is a realist, or anything approaching one, will appreciate that if there is to be any implementation whatsoever of the Stephenson plan, respecting railways or anything else, considerable resumptions are indispensible.

Mr. Ross Hutchinson: I think the heart-burnings are quickly cooled if they receive quick and reasonable compensation.

The MINISTER FOR TRANSPORT: That is so; and I well remember some years ago a song and dance of about 12 months' duration. But there was an entirely different story from many of those concerned when they found what happened to them as against what they were told was likely to happen to them. Some of the people came along bitterly complaining that their land had not been re-resumed; and others, who had their entire properties returned to them, begged and persuaded—indeed in some cases with tears in their eyes, and I am not exaggerating—the Government to re-resume their land. However, I hope and trust that the people in the affected areas will be reasonably happy with the treatment accorded them in due course by the Government. I might mention that those responsible have shown every consideration possible to people likely to be affected.

Although I do not possess them, I know the member for Beeloo has certain aerial photographs upon which he had superimposed the route of the proposed railway line; and the way in which it has been possible to route the line is ingenious, with curves to conform to the requirements of the Railway Department while touching the absolute minimum number of houses and other forms of concentrated development. It is perhaps fortunate that where the closest settlement is, the ground is comparatively flat and level, and therefore it is not of such great consequence whether the line follows a particular course or deviates by a few hundred yards.

However, the comparatively level nature of this land creates a problem which involves some cost. A considerable amount of drainage will have to be undertaken but that will benefit persons not directly interested or affected. It will have some beneficial results as it is anticipated that the comprehensive drainage scheme necessary at the proposed new marshalling yards and goods sheds will extend beyond the confines of that Government activity and make the surrounding area somewhat drier, in wet weather, than it is at the present time. There is still some detailed planning to be done.

I have mentioned that considerable drainage work will have to be undertaken, and there will also be necessity for earthworks and levelling of some magnitude. As regards the properties likely to be affected, while I have no details of the extent to which the transactions go, I believe that a number of properties have already been purchased. Some of the people with holdings of a semi-rural type and others with mere dwellings, who have sought to dispose of them, have somewhat naturally encountered difficulties owing to the uncertainty surrounding the future of the area. In such cases the Government has stepped in and has made reasonable offers which they have accepted. That is the end of it, but for the fact that some of the properties are still being occupied by the original owners, although in the name of the Government, and in other instances satisfactory arrangements have been made; and when it is necessary to disturb these people, the terms and conditions can be applied.

Some of the costs in connection with this proposal should be mentioned. It is expected that the acquisition of the land will involve a sum of about £400,000. My

colleague, the Minister for Railways, thinks the figure might be slightly in excess of that, and closer to £500,000; but the estimate is £400,000. The marshalling yards will cost, according to the estimate, £2,050,000. The locomotive depot, which East Perth will not be sorry to see depart, will cost approximately £800,000, and the goods terminal about £650,000; so that in that entire area a total expenditure of about £3,500,000 is involved. The cost of constructing the three connecting lines that I mentioned earlier—approximately 15 miles in all—will be in the vicinity of £800,000.

If any member cares to check that cost of construction against that of the line southwards of Fremantle to Kwinana, it might be wondered why the cost should be so high by comparison, mile for mile, in the area under discussion. However, in this general locality, and more particularly between Welshpool and Midland Junction, there will be a total of six road bridges to be constructed; and either the railway will go over the roads, or vice versa.

In perhaps two or three other situations, where the roads are of less importance, there will be level crossings, but they will be equipped with automatic flashing signals which are to be installed simultaneously with the construction of the line. In addition to these bridges and level crossings there is the crossing of a river involved and that, too, will entail some expense. All in all, the total will be about £800,000 as I mentioned earlier.

It is anticipated that work on the project will take approximately four years, although when it will start I know not. I had a few words with the Premier this evening and I can go so far as to say that when the Estimates for the new financial year are being prepared in a few months' time consideration will be given to the commencement of this project. As to whether it is to start in the next financial year or some time subsequent to that has not yet been resolved. It is not known how long the project will take, except for the present estimate of approximately four years between commencement and completion.

It will be appreciated that among other things there are many buildings to be erected, together with the provision of services such as water and electricity, and all the other amenities and facilities necessary for an area that will cater for a number of different activities. When the new marshalling yards and goods sheds and so on are completed and actually in operation, there will be several hundred workers permanently employed in and about this area, and that will no doubt require the construction of a number of homes in that locality.

Overall, together with what I understand is proposed under the regional plan, with certain areas set aside for industrial development, this south-eastern portion of the greater City of Perth could become quite an important industrial and residential area. That is all I have to say, of my own volition, in the introduction of this measure.

Mr. Nalder: Is there any time set down in which to build it?

The MINISTER FOR TRANSPORT: No. Perhaps I should make myself clear. Parliament authorises the construction of a line, and then it is left to the Government to take steps at its convenience and depending on a whole lot of circumstances. I think I am right in saying—although I may be wrong—that a line from Armadale to Brookton has been authorised by Parliament but has never been built.

Hon. A. F. Watts: A pity is wasn't.

The MINISTER FOR TRANSPORT: That may be so; but I am merely giving an illustration of the question asked of me. At least perhaps this much can be said: That is one line that did not have to be considered in the matter of the cessation of rail operations.

Mr. Ross Hutchinson: It is perhaps as well that it wasn't built.

The MINISTER FOR TRANSPORT: I would like to quote from an article which appeared in the "Railway Institute Magazine" of August, 1957. I think it sets out the position very clearly; and for the record and for the information of members, perhaps I should read it. It will not take very many minutes. It reads as follows:—

> Following the Government's adoption of the Welshpool Marshalling Yard proposals as outlined in the Stephenson Report on the Metropolitan Regional Plan, Engineers in the Chief Civil Engineer's Office are preparing plans in readiness for the time when finance becomes available to commence construction.
>
> It can be said that the Welshpool proposals are the key to the central city schemes. The facilities now in the existing Perth yard have to be shifted before Wellington and Roe Streets can be widened and new bridges constructed at William, Barrack and Moore Streets. These facilities are to go to Welshpool, and as the railways have to keep operating new ones have to be built before the old ones can be abandoned.
>
> A railway from Midland to the yards and one from Cannington will permit goods trains from the E.G.R. and S.W.R. to arrive in a series of arrival roads. From there the wagons are shunted over a hump through retarders to a series of primary classification sidings, passing over a weighbridge in the process. Final

sorting into station order is then carried out into a series of departure sidings alongside the classification sidings.

That may sound a little technical and involved, but I think it is interesting. The intention is that radar should be employed. The trucks will be shunted virtually on to the crest of a hill. There will be an operator pressing buttons to conform to the order of the trucks and the compartments or spur lines to which they will go. These trucks proceed down the hill on the other side under their own momentum and through the operation of this radar device there is some squeeze applied to the walls on the side of the rails, and apparently the points are adjusted automatically to make a direct run into one spur line or into another. It does not matter much whether that system is employed in connection with the passage of this Bill, but I thought it might be of some interest. To continue—

> An arrangement of lines permits trains from Perth via Welshpool and wagons from the goods terminal to also arrive in the arrival sidings, thus permitting all wagons to follow the sequence.
>
> Points and retarders in the vicinity of the hump will be operated by electro-pneumatic control, thus ensuring safety and speed of operation. All main line connections will be controlled by electric signals and point mechanisms and this in conjunction with track circuiting will provide safety of operation.
>
> Locomotives will have direct access to a modern depot, both for steam and diesel electric traction. This depot will be equipped with modern servicing facilities, and in close proximity will be a wagon repair depot.
>
> The goods terminal will be equipped with modern goods sheds, and facilities for loading of commodities outside the sheds. Ample road space has been provided for and mobile cranes will be available for heavy lifts.
>
> The area set aside for these yards is not densely populated and in places is low lying. Drainage from a project of this size is a major problem and it is necessary to design a drainage system capable of carrying water from the maximum size yards likely to be built in the future. The Metropolitan Water Supply Department will be responsible for design of disposal drains, but the internal arrangement is being designed in the Chief Engineer's Office.
>
> Professor Stephenson's plan provides for the transfer of the Metropolitan Markets to Welshpool and the area set aside for this is shown on the plan.

Here I might mention that it is not shown on the plan that has been laid on the Table of the House. But broadly it is in the area—the entire area—immediately south of the new marshalling yards as far as Welshpool-rd., and on the other two extremities from the line proceeding to the marshalling yards from Welshpool; on the other end bordered by the line from Cannington into the marshalling yards. The article continues—

> The land to the south of the marshalling yard has been reserved for heavy industry requiring rail access to their premises and it is a comparatively easy matter to provide this from the layout now being designed.
>
> Extensive alterations are now being designed at East Perth. It is proposed to construct a Country Passenger terminal station between Lord Street and Claisebrook Road south of the existing line, and the actual station premises will be multi-storied structures to house all the administrative staff thus bringing all Branches together in one building instead of having them scattered over the city as at present.
>
> Modern parcels offices will be provided adjacent to the station, and it is proposed that the carriage sheds be constructed on the site now occupied by the East Perth Locomotive Depot.
>
> Eastern and South-Western suburban passenger traffic will be separated by a fly-over crossing and an overhead road bridge provided at Claisebrook Road.
>
> The road system in the area will be redesigned to provide a bus terminal, parking areas and suitable traffic roundabouts.
>
> After all the work at Welshpool and East Perth has been completed it will be possible to remove the present Perth Station and yard and build the passenger and goods mains through the city about 11 feet below the present level to permit construction of the low level bridges at William Street, Barrack Street, and Moore Street, to permit the city to expand northwards. A passenger station will be provided opposite Forrest Place, with access from a wide footbridge which leads from Wellington St., across the railway and Roe St. to the proposed cultural centre north of the station.
>
> As will be seen from the amount of work involved, finance will be the controlling factor, but this will have to be found before the Metropolitan Regional proposals in respect to the City of Perth can be carried very far.

This project entails in itself the best part of £5,000,000; and if the entire plan is to be given effect to subsequently, there

will be the necessity for considerable resumptions in the Perth area. It will also be necessary to demolish, remove certain structures in the heart of the city at present, and construct new bridges and different routes by certain roads which are at the present time important but will shortly become major roads; indeed many millions of pounds are involved in the ultimate conception of which this Bill provides the foundation and first step.

Hon. D. Brand: Are you sure that the remaining Commissioner of Railways is satisfied with the siting of the marshalling yards? Has he no reservations on the decision?

The MINISTER FOR TRANSPORT: Not that I am aware of.

Hon. D. Brand: Nothing on the files?

The MINISTER FOR TRANSPORT: I have no doubt that the railway file has been submitted by the Railway Department. The decision was made by the Government following, as I said earlier, the unanimous recommendation by the all-party committee.

Hon. D. Brand: That was an important committee; it was slaughtered overnight.

The MINISTER FOR TRANSPORT: Yes; a person of no lesser standing than the Leader of the Opposition was a member.

Mr. Cornell: That was liquidated.

The MINISTER FOR TRANSPORT: Apparently in respect of this particular matter it did an excellent job prior to liquidation. I move—

That the Bill be now read a second time.

On motion by Mr. Court, debate adjourned.

BILL—CATTLE TRESPASS, FENCING, AND IMPOUNDING ACT AMENDMENT.

Second Reading.

Debate resumed from the 29th October.

MR. CROMMELIN (Claremont) [9.22]: This Bill will empower local authorities—that is, municipalities and road boards—to make by-laws prescribing what is referred to as a sufficient fence under Section 30 of the Cattle Trespass, Fencing, and Impounding Act. I might say that the dictionary informs us that "sufficient" means "adequate to wants," and that definition has been a bone of contention on many an occasion in litigation which has taken place in regard to the fencing of blocks of land, especially in the metropolitan area. "Sufficient fence" in the Act means a fence that is sufficient to prevent cattle or sheep getting through it; and that, of course, is very elastic, and a lot of people would have different ideas in that respect.

For that reason, it has been difficult to deal with. This Bill will give local authorities the right to fix in their own particular municipalities or road districts their idea as to a sufficient fence under Clause 35 of the new Local Government Bill—which is now before the House—which clause is derived from Sections 274 and 275 of the Municipal Corporations Act, and provides that a council may order owners to clear up and fence land.

However, the only land on which a council can enforce them to erect a fence is land which abuts a street or a public place. Section 194 of the Road Districts Act gives the same power to a road board. With this power, once a local authority made up its mind what was a sufficient fence, that would be the basis of negotiation between two owners of adjoining blocks who were both building a house at the same time and were desirous of building a dividing fence.

For instance, if a council decided that in its own particular area a 3 feet close picket fence was a sufficient fence, and a man desired to subdivide between himself and his neighbour with a 6 feet picket fence, it is then obligatory for the man who desired to spend a greater amount of money on his fence to pay half the cost of the sufficient fence, plus the additional cost of the 6 feet fence. Under this Bill, the man who desired to spend less money would only be responsible for half the price of the sufficient fence.

Country local authorities will also have the right to define what is a sufficient fence for different areas of their district. It is fairly obvious that a sufficient fence in a townsite or municipality would differ from a sufficient fence in the agricultural portion of the district. The only possible doubt that arises in my mind is that such a problem could occur where the boundaries of say, the Pingelly and Beverley Road Boards meet. If there were an imaginary line and no fencing, and land were taken up by a man in the Beverley area and by a man in the Pingelly area, unless the Pingelly Road Board and the Beverley Road Board had agreed to what would be a sufficient fence, there could be a difference of opinion between the two owners of the land.

For instance, the Pingelly Road Board might say a sufficient fence in rural areas was a 6-wire fence with posts 10ft apart; and the Beverley Road Board might require a 5-wire fence with posts 10ft. apart. That could be somewhat awkward; but it would be reasonable to assume that before adjoining road districts did make a decision, they would agree on what was a sufficient fence on the boundary of their respective districts.

The Minister for Justice: I think that would come within the jurisdiction of the Minister.

Mr. CROMMELIN: I imagine that would be the case. However, I am trying to draw the attention of members to what could happen. So far as municipalities in the metropolitan area are concerned, this Bill gives them the right to have their own ideas as to what is a sufficient fence; and it is reasonable to assume that with town planning and the pride people take in their districts today, they will so define a sufficient fence that a man may not put up a wire or an iron fence between properties.

I consider that the Bill is excellent. It certainly throws more responsibility on the road boards and municipalities; but surely they should be capable of defining the required fence. I think the Bill has everything to commend it.

MR. NALDER (Katanning) [9.30]: The Minister, I think, could have given us more detail about the Bill. On going through the old Act I found it was introduced mainly because of cattle trespassing in the latter years of the last century. The measure came into force in 1882, mainly to deal with cattle trespassing. The whole Act should be repealed. The Bill before us should, in my opinion, be incorporated in the Bill that was before us last year and has been before the Legislative Council this year—the Local Government Bill.

From what the Minister said I understand that the Bill we are dealing with tonight mainly concerns people in the metropolitan area. The Minister did not mention why the measure was introduced, but no doubt there has been some dissatisfaction as to what is a sufficient fence between two adjoining blocks in the metropolitan area.

The Minister for Justice: Not only in the metropolitan area but in municipal areas in the country.

Mr. NALDER: Had the Minister told us that, we would have been much better informed. The original Act was brought into force in the later years of the last century, and therefore it is out of date; and I feel that the whole Act should be gone into. Many sections of it could be repealed because there is no necessity for them. The Act deals with the position of stallions, bulls, and all the rest of it running loose, and provides what a farmer may do to them if he gets hold of them. As a matter of fact, it makes quite interesting reading. Today, however, we are asked to amend this Act to try to satisfy a magistrate as to what should be a sufficient fence mainly in cases where there is a dispute between property-owners in a town or municipality.

The Minister for Justice: It is a matter of giving the local governing authorities the means of providing something to suit their own areas.

Mr. NALDER: This provision should be in another Act. The position as outlined by the Minister is worthy of our support, but I feel that the Act should be overhauled. On the point of a sufficient fence, I still believe we should be able to define it in some way or other. The member for Claremont has suggested that one road board might make a decision on the point and an adjoining road board might have another idea. There could, of course, be a dispute as to what is a sufficient fence; so why should not the House investigate the matter and stipulate what it is? If we cannot agree on that, let us approach the matter from some other angle. We should overhaul the legislation and bring it into line with modern conditions. It is not right that we should be amending Acts that were framed for conditions 70 years ago.

The Minister for Justice: They are outmoded.

Mr. NALDER: Absolutely. While we cannot do anything at this stage—there is not time for one thing—consideration could be given to the points I have mentioned. I am sorry the Minister did not give us some specific instances because there must have been a case recently before the court where a magistrate was not able to decide what was a sufficient fence.

The Minister for Justice: It has been a continual dispute for years.

Mr. NALDER: If the local governing authorities can make by-laws to cover the position that probably would be in order, but I think the question needs to be defined still further. At this stage I cannot do more than support the measure.

MR. NORTON (Gascoyne) [9.36]: The Bill has been wanted for a long time; but like the member for Katanning, I think the original Act should be scrapped. In fact, if and when the Local Government Bill is agreed to, I consider that the major part of the old Act will have been dealt with because the Stock Trespass Act is still covered within that measure, and it absolutely reverses the present Act.

The section dealing with fencing in the Act which the Bill seeks to amend has caused considerable trouble, particularly in areas such as Gascoyne where commonages and station properties adjoin fruit or vegetable-growing areas where no stock is kept. The position has been a source of trouble, not only to the vegetable growers and planters but also to the local governing authorities and the magistrates in their attempts to define just who is in the wrong when there is trespass by stock, and damage as a result. A person can say he has a sufficient fence because he has no stock, but the person over the road may have stock which trespass on the fruit or vegetable grower's property and

do untold damage. But he can say that according to the Act he does not have to control his stock.

Therefore to assist the magistrate and the others concerned, a definition of a fence in rural areas is vital. The definition can be changed from district to district because, for instance, Harvey will probably need a different type of fence from Katanning or Geraldton; and the type of fence that is suitable for sheep stations in the Gascoyne area would, because no barbed wires are needed, not be suitable in other parts. In the Gascoyne-Minilya Road Board area no large stock is kept by the majority of the people. Therefore there are big differences of opinion as to what a sufficient fence is. The only way to define a sufficient fence and to be reasonable to everyone is to give the local authorities the right to classify, by their own regulations, a sufficient fence.

HON. A. F. WATTS (Stirling) [9.40]: While I agree that there have been difficulties in regard to the existing provisions of the Cattle Trespass, Fencing and Impounding Act on the subject covered by this Bill, I believe if the Bill is passed it will create more difficulties than it will remove. At the outset, no local authority will have to make by-laws; and so, in districts where none are made, the situation now existing will continue.

I venture to say that a great number of local authorities will not make by-laws on this subject, which will be a controversial one in their districts. They will take what in some cases will be the wise course and follow the line of least resistance, making no by-law; and in consequence, as the amendment to Section 30 of the cattle trespass Act, which is proposed by this Bill, is only to be effective if the local authority makes by-laws, in the absence of such by-laws the provisions of the Act will remain and the difficulties now facing magistrates and others will continue.

The proposal involves the possibility of a great many types of sufficient fence being prescribed in areas where by-laws are made. Local authorities that attempt to make by-laws in this regard will be in just as great a difficulty as Parliament appears to be in this regard. I cannot see how they are going to be in any better position to solve this problem than Parliament appears to have been over the long period of years during which the Act has received criticism.

I am ready to agree with the remarks of the member for Gascoyne as they are probably soundly based; and in those cases, as he says, it might be that solutions could reasonably be found. But I am by no means convinced that such a solution will be found by local authorities in the agricultural districts, because the circumstances and opinions of members of those authorities will vary greatly.

Let us suppose that one local authority decides that a fence of pattern A is a sufficient fence, and the adjoining authority decides on pattern B. What will be the position of a person on the border of those two authorities with his land half in one area and half in the other? We must also consider a person who has had a fence which has been amply sufficient for 10 or 12 years to keep out great and small stock and who may, because of some by-law passed by a local authority, find his fence now insufficient because the authority has decided on some modernistic or altered system of fencing. The person concerned, who has had an adequate fence for all practical purposes and one which complied with the Act for donkeys years, will then find himself not having one, because the Act now says, "The term 'sufficient fence' shall be construed to mean any substantial fence reasonably sufficient to resist the trespass of great and small stock including sheep."

There are dozens of fences in the country and in suburban areas capable of resisting the trespass of great and small stock, and they are perfectly good today; but local authorities, with no uniformity and without consulting anybody, could easily pass by-laws saying that those fences are no good. I repeat that if we pass this Bill we will probably create more difficulties than already exist.

I entirely agree with my colleague on my right, and with the member for Gascoyne, that we should have the whole question gone into and have an inquiry such that experts of various types, including practical farmers and local authority representatives could give their opinions; and then Parliament could lay down one, two or more types of fence to deal with specific types of country or property, which could be regarded as sufficient. That would be preferable to this hotchpotch idea which, with proper respect to everybody, will bring no credit at all upon us, as I see it.

It may be that I should make some exception in the metropolitan districts, because here we have fencing problems of a different nature. The fences separate small areas and are usually for a different purpose from those with which I have been dealing. Metropolitan local authorities might be able to evolve more or less uniform ideas along the lines that I have suggested Parliament should follow, and therefore it may be a practical proposition in the metropolitan area.

However, I am prepared to be guided to some extent by others in this regard, but I have no hesitation in saying that the Bill will not work in the greater part of the State, where there are 140-odd local authorities, some of which may make extraordinary by-laws while others will make none, and where some people have fences that will resist great and small stock and have done so for a quarter of a century

but will now find themselves in a position where their fences are no longer satisfactory according to the local by-law; and so the last state of those people and of the magistrates will be worse than the first. My suggestion to the Minister is that he should postpone the Bill. Let us make a job of it next year rather than half a job of it now; and if in the meantime I can give the Minister any assistance to find a respectable solution to this problem, I will gladly do so.

THE MINISTER FOR HEALTH (Hon. E. Nulsen—Eyre—in reply) [9.51]: A lot of consideration has been given to this Bill. The Act was first introduced in 1862 and since then it has not been possible to obtain a satisfactory definition of a fence. Government after Government has endeavoured to do so but without much success. The measure before the House is not really one that concerns my department; it is a local government matter that comes within the purview of the Chief Secretary's Department.

I have discussed this measure with the Department of Local Government and with Mr. Lindsay, and he seems to think that the most satisfactory way out of it is to allow the local government bodies to make their own definitions. They are all responsible bodies and would not jeopardise any of their electors or ratepayers in their respective areas.

Mr. Ackland: It would cause a lot of confusion.

The MINISTER FOR HEALTH: I do not think it will. The matter has been going on for years—somebody said 70-odd years. The Department of Local Government has gone into it very thoroughly and has discussed it with the local authorities throughout the State, with the result that departmental officers have come to the decision that has been incorporated in the Bill.

Nobody would suggest that Mr. Lindsay was a fool. He has had considerable experience, and he feels that the only way to overcome the difficulty is to allow each section of local government to accept responsibility for its own problems. It is quite possible that there may be one problem existing at Salmon Gums and quite another at Esperance. I cannot see how we can get any better suggestion than the one that is before us. I admit, however, that the Act relative to cattle trespass, fencing and impounding requires revision. It is outmoded and it should be repealed and a new Act brought into operation.

I do not know much about that Act other than what has been passed on to me. As I pointed out, the information given me is that the best way to overcome this problem is to give the Bill a trial and to permit each local government authority to make its own definition. Irrespective of where it is, an opportunity should be given to each one of them to bring down by-laws for their respective areas. For instance, there may be a municipal council and a road board alongside each other and they will probably bring down different by-laws. The local government bodies concerned should be given this opportunity.

Mr. Owen: Isn't the trend in by-laws towards uniformity?

The MINISTER FOR HEALTH: Uniformity is only suggested when it suits the particular outlook of a particular person. I have tried to bring down legislation only to have it defeated and ridiculed. We should give this a trial. I think the member for Gascoyne gave a fair demonstration of what is happening in his area where there is a variation. The local authority knows what the position is and it will be able to frame its by-laws to suit each area.

Mr. Norton: Only Victoria has a fence definition in its Act.

The MINISTER FOR HEALTH: That is so; and Victoria is very small by comparison with Western Australia. Perhaps we should abolish the cattle trespass Act and bring down a new measure.

Mr. Norton: That is provided in the Local Government Bill.

The MINISTER FOR HEALTH: Provision is not made for the whole of it. I appeal to members to permit the local authorities to define their own requirements in connection with the definition of a fence.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Moir in the Chair; the Minister for Health in charge of the Bill.

Clause 1—agreed to.

Clause 2—Section 30 amended:

Hon. A. F. WATTS: I move an amendment—

> That the following new subsection be added:—
>
> (4) Subsections (2) and (3) of this section shall apply only to municipal and road districts wholly or partly within the metropolitan area as defined under the Traffic Act of 1919-1956 and to townsites outside that area.

The Bill is not sufficiently well considered to warrant its being extended to the whole of the State at present. I have invited the Minister to investigate the matter so that a more considered proposal could be brought down in respect of the country areas. I do not think that the proposal in this Bill is likely to succeed outside the metropolitan district and possibly outside the townsites which are both included in my amendment. It should be considered

by people better qualified from their experience of local problems to enable them to put up a proposition for us to consider.

Progress reported.

BILL—NURSES REGISTRATION ACT AMENDMENT (No. 2).

Second Reading.

THE MINISTER FOR HEALTH (Hon. E. Nulsen—Eyre) [10.2] in moving the second reading said: This is only a simple Bill, and makes one addition to the present Nurses Registration Board. Its sole purpose is to provide that the principal matron of the Public Health Department shall be a statutory member of the board. That is all the Bill does. It will add the principal matron to the board because of experience gained in her travels. Under Section 2 of the principal Act it is set out that the board shall consist of nine members, who comprise the Commissioner of Public Health and the Inspector General of Mental Health Services, who are members by virtue of their respective offices.

There are two medical practitioners nominated by the British Medical Association, of whom one is practising as an obstetrician. Also two senior registered nurses on the staff of a nursing training school or hospital in active practice as such, one of whom shall be trained and experienced in midwifery nursing and infant welfare nursing. In addition, there is a general trained nurse, a mental nurse and a midwifery nurse who are registered in accordance with the requirements of the Act and who are nominated respectively by the general trained nurses who are also registered.

Since these provisions were enacted, the post of principal matron of the Public Health Department has been established. The principal matron is responsible for advising the department and the Government on all professional matters concerning nursing. She is a very senior professional nurse of wide hospital and other nursing experience. The occupant of that position has recently returned from a trip abroad extending over 16 months, under the auspices of the Florence Nightingale Association. During this time Miss Lee studied nursing organisations and procedures widely in the Eastern States of this country, Great Britain, Europe and the United States of America.

Miss Lee's knowledge and counsel would be of great assistance to the Nurses Registration Board in its deliberations and they would welcome her as a member. At present her prospects of being a member of the board are dependent on her nomination under Section 2 of the Act. The next vacancy will not occur until about three years' time. Apart from any possibility of the principal matron being nominated as a member, however, the board is strongly of the opinion that she should be a statutory ex officio member. The amending Bill seeks to do this.

I feel that this is something which is really necessary as the senior matron of the State is a woman of great experience and highly learned in her profession. She has also been for a trip overseas under the auspices of the Florence Nightingale Association and during that trip she gained a great deal of knowledge which will be of assistance to the board in its deliberations, general work and administration. I feel there is no need for me to appeal to the House because her appointment to the board will be of benefit to the State, to nurses and to the hospital. I move—

That the Bill be now read a second time.

On motion by Mr. Ross Hutchinson, debate adjourned.

BILL—ELECTORAL ACT AMENDMENT (No. 3).

Message.

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

Second Reading.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Eyre) [10.10] in moving the second reading said: I am sure this will not be a contentious Bill; it is just a matter of how it is received by our friends on the other side of the House.

Hon. D. Brand: Take is as read. We know what is in it.

The MINISTER FOR JUSTICE: The Leader of the Opposition might know, but I think I had better read my notes. In accordance with the policy of the Labour Party it is desired to give members of the community the right to vote at Legislative Council elections on terms identical with those existing with respect to Legislative Assembly elections. I think our friends on the other side will agree with this because they believe in democracy.

The aim is to give equal franchise rights to every citizen in this State over the age of 21 years. It is considered that as a person is subject to the laws of the State he should, on reaching the age of maturity, be entitled to have a voice in the election of those members of both Houses of Parliament who are responsible for the framing of our laws. A person over 21 has to pay taxes. etc., is subject to all the obligations and restrictions of the laws of the State and therefore should have a voice in the election of members who frame the laws. Under the existing set-up. enrolment for the Legislative Council is regarded as a reward for the acquisition or occupation of property. This should not be so. It should be the right of every person who is qualified for enrolment for the Legislative Assembly.

The present qualifications have some anomalies, the most glaring being the entitlement to enrolment of any person whose name appears on the electoral roll of any municipality or road board in respect of property of an annual ratable value of not less than £17. This position qualifies a person occupying a small office or room to enrolment if his name is entered on the municipal roll, although he may have no interest in the property and may not be personally responsible for the payment of the rates. There are many such persons entered on the roll for the City of Perth.

A person may rent a room in a building and become the occupier of that one room. A lot of people have a vote without having a stake in the country. A man just renting a room—an office—in Perth has no stake in the country. At the present time the qualifications of electors for the Legislative Council are contained in the Constitution Acts Amendment Act, 1899-1955. The proposal to introduce adult suffrage for the Legislative Council will necessitate the removal of the relevant sections from that Act with consequent provision in the Electoral Act.

At one time the qualifications of electors for the Legislative Assembly were in the Constitution Acts Amendment Act but were taken out in 1907 and put in the Electoral Act. This amending Bill will make the qualification for enrolment for a province the same as that now applicable for enrolment for a district. Enrolment and voting for the Legislative Council are made compulsory. These provisions have been brought into line with the corresponding provisions relating to Legislative Assembly electors.

The commencement of the Act is to be fixed by proclamation. This will enable the one day to be proclaimed after each of the separate Bills has been passed, and after there has been sufficient time to make the necessary adjustments to rolls. The other clauses in the Bill are purely machinery.

Members can see that a number of people who do have a vote—I have no reason to say they should not—have no greater stake in the country than some others who have not sufficient property to qualify them to vote. So there are anomalies, and I hope that members will deal with the matter in a just and impartial way. We say we believe in democracy. Well, if we do, we must believe in a majority; but in this Parliament a minority in another place rules.

As I pointed out here in 1954, only 16 per cent. of the electors of the Legislative Assembly are represented in the Legislative Council. Yet that 16 per cent. can veto anything that goes forward from this House. The Legislative Council is not even a House of review, but a House of domination because members there can disallow any legislation that goes to them from this House. I feel that the franchise provisions for both places should be incorporated in one Act—namely, the Electoral Act. The only way to do that is to give to everyone who is eligible the right to vote on attaining the age of 21. There is no reason why that should not be done.

At present I have the Juries Bill and the Companies Bill returned from the Legislative Council with amendments, and unless we submit to that Chamber, we will have to lose those Bills. That is not a matter of review but of domination.

The Minister for Transport: Dictatorship.

The MINISTER FOR JUSTICE: Yes. Those with the property qualifications are ruling the country and saying to the majority of the people in the State, "If you do not do as we wish, you cannot have your legislation." That has happened here not once, but often. The Legislative Council is a House of opposition.

Mr. Court: I do not think that is right.

The MINISTER FOR JUSTICE: To some extent it is on occasions a House of prejudice as far as the Labour organisations and the Government are concerned.

Hon. D. Brand: It would be a House of prejudice if the Labour Party had control of it.

The MINISTER FOR JUSTICE: If the members there were elected on the same basis as are members in this Chamber, we could say there was fair representation. As I mentioned earlier, only 16 per cent. of the electors for the Legislative Assembly are electors for the Legislative Council, yet they can dictate to this Chamber, which is the popular House as far as the electors are concerned. Also, the Legislative Council should represent the people of the State, but does not.

It would be better for the representatives of both Houses if we had no Legislative Council at all. We would then be put on our merits and would be responsible to the people of the State. When we are not in office, our friends with the majority in the other place could put up any legislation they liked, from a popular point of view, and take the risk because of that majority. Queensland has had only one House for many years.

Mr. Court: What a mess they have got into.

The MINISTER FOR JUSTICE: What about New Zealand and the United States of America; and what about our Senate?

Mr. Court: What about America?

The MINISTER FOR JUSTICE: In America there is adult franchise for the Senate, the same as in Australia.

Mr. Court: I thought you were saying that they did not have a second Chamber.

Hon. D. Brand: You are mixing it up a bit.

The MINISTER FOR JUSTICE: No, I am not. In England there is a fair House of review, and if we had it here I do not think there would be any complaints; because if legislation is sent to the House of Lords a certain number of times, and that House does not agree with it, it ultimately becomes law nevertheless. The Upper House there can hold up legislation for a period up to 12 months, I think—or it may be nine months—but if then it does not agree, the legislation becomes law.

Hon. D. Brand: What about the New South Wales House?

The MINISTER FOR JUSTICE: In New South Wales there is an elected House.

Mr. Court: It is a nominated house.

Mr. Ross Hutchinson: Who is Leader of the Opposition in Russia?

The MINISTER FOR JUSTICE: I think the Leader of the Opposition in Mukinbudin might be the member for Cottesloe.

Mr. Ross Hutchinson: I said, "in Russia."

The MINISTER FOR JUSTICE: I think our Parliament should be representative of the majority of the people. The Legislative Council of Victoria was granted adult suffrage and compulsory voting in 1950; and not by a Labour Government.

Mr. Cornell: That was introduced by a very disgruntled Government.

The MINISTER FOR JUSTICE: It is working very well and no alterations have been made by the new Government. The Upper House in New Zealand was abolished by the Liberal Party.

Hon. D. Brand: Do you know why?

The MINISTER FOR JUSTICE: Because it was considered superfluous and costly. Without the Upper House we would have plenty of accommodation for private members—

Hon. D. Brand: The difficulty would be to get Labour members to vacate it.

The SPEAKER: Order please!

Hon. D. Brand: It would be like New South Wales.

The MINISTER FOR JUSTICE: What is wrong with New South Wales except that it has a Labour Government? Its legislation is similar to ours and its Government is doing a very good job.

Mr. Lawrence: Owing to the cackling of the member for Vasse and the interjections by the Leader of the Opposition, Mr. Speaker, I cannot hear what the Minister is saying.

The SPEAKER: Order please!

The MINISTER FOR JUSTICE: I have heard a member opposite say, "Thank goodness for another place."

Hon. D. Brand: Phil Collier, a Labour Premier, said that.

The MINISTER FOR JUSTICE: We have a bicameral system; but our Upper House is ruled by a minority and we are subject to it. I move—

That the Bill be now read a second time.

On motion by Mr. O'Brien, debate adjourned.

BILL—CONSTITUTION ACTS AMENDMENT (No. 2).

Second Reading.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Eyre) [10.25] in moving the second reading said: This Bill is complementary to the Electoral Act Amendment Bill. As that Bill proposes to incorporate the franchise provisions in the Electoral Act, this measure removes them from the Constitution Acts Amendment Act. Provision is made in this Bill for it to come into operation on a date to be proclaimed. This will enable both Bills to operate simultaneously. I move—

That the Bill be now read a second time.

On motion by Mr. O'Brien, debate adjourned.

House adjourned at 10.26 p.m.

Legislative Council

Tuesday, 5th November, 1957.

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The PRESIDENT took the Chair at 4.30 p.m., and read prayers.