I thank members for their general support of the measure. In conclusion, I would say that our main concern is to try to make the roads safer for every one of us—for our families, our friends and the public generally. I believe this measure will improve the position. It will take some time to put into operation—I have in mind about 18 months—but when it is in operation I am sure our roads will be safer than they have been in the past.

Mr McIver: What about facilities in places such as Northam where there will be considerable expansion? Will the Minister look into that matter?

Mr O'CONNOR: Once things start to move an investigation will be carried out to ascertain the needs and requirements of the various centres and Northam will be included.

If there are no other points which need to be clarified I will leave the rest of my comments until the Committee stage. I commend the second reading.

Question put and a division taken with the following result—

Ayes—22

Mr Blaikie	Mr O'Connor
Mr Clarko	Mr Old
Sir Charles Court	Mr Ridge
Mr Cowan	Mr Rushton
Dr Dadour	Mr Shalders
Mr Grayden	Mr Sibson
Mr Grewar	Mr Sodeman
Mr P. V. Jones	Mr Stephens
Mr Laurance	Mr Thompson
Mr Mensaros	Mr Watt
Mr Nanovich	Mr Young

(Teller)

Noes—16

Mr Barnett	Mr Fletcher
Mr Bateman	Mr Hartrey
Mr Bertram	Mr T. H. Jones
Mr T. J. Burke	Mr May
Mr Carr	Mr McIver
Mr Davies	Mr Skidmore
Mr H. D. Evans	Mr Taylor
Mr T. D. Evans	Mr Moiler

(Teller)

Pairs

Ayes	Noes
Mr O'Neil	Mr Jamieson
Mr Crane	Mr Harman
Mrs Craig	Mr Bryce
Sir David Brand	Mr A. R. Tonkin
Mr Coyne	Mr J. T. Tonkin
Mr McPharlin	Mr B. T. Burke

Question thus passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr Thompson) in the Chair; Mr O'Connor (Minister for Traffic) in charge of the Bill.

Clause 1: Short Title—

Mr T. D. EVANS: The preamble states that this Bill provides for the consolidation and amendment of the law relating to road traffic. I emphasise "road traffic" because that expression appears in clause 1. The preamble states further that the Bill will concern itself with the repeal of the Traffic Act, 1919-1974 and incidental and other purposes.

We now come to clause 1 which states—

> This Act may be cited as the Road Traffic Act, 1974.

I ask the Minister why a change in nomenclature has been adopted on this occasion. The existing Act is known as the Traffic Act. The Act provided for in the Bill is to be known as the "Road Traffic Act", although it will deal with incidental and other purposes as mentioned in the long title of the Bill.

I think the title "Road Traffic Act" is inappropriate. I do not think the word "Road" adds anything to the title. Obviously, the Traffic Act deals with more than matters, circumstances, or events which occur on, within, or near a road. For example, the Traffic Act contains a provision under which a person can be charged for parking a vehicle on a verge, which is not necessarily a road or a carriageway. Again, the Road Traffic Code which contains the regulations to the Traffic Act refers to a carriageway instead of to a road.

I ask the Minister why the word "Road" has been included to describe what should be in fact a Traffic Act.

Progress

Progress reported and leave given to sit again, on motion by Mr O'Connor (Minister for Traffic).

ADJOURNMENT OF THE HOUSE: SPECIAL

SIR CHARLES COURT (Nedlands—Premier) [1.03 a.m.]: I move—

> That the House at its rising adjourn until 4.30 p.m. today (Thursday).

Question put and passed.

House adjourned at 1.04 a.m. (Thursday).

Legislative Council

Thursday, the 31st October, 1974

The PRESIDENT (the Hon. A. F. Griffith) took the Chair at 4.30 p.m., and read prayers.

QUESTIONS (3): ON NOTICE

1. HOUSING

Kimberley and Pilbara

The Hon. J. C. TOZER, to the Minister for Health:

(1) For each of the years 1972-1973, 1973-1974 and 1974-1975, how many houses have been purchased

in the various towns in the Kimberley and Pilbara areas for Medical and Health departmental use?

(2) What has been the purchase price for each house in each town, unit by unit?

(3) What method of valuation is used in making offers for existing privately owned premises?

(4) Is architectural evaluation of the suitability of premises which are being considered for purchase, made before purchase agreements are entered into?

(5) Why does the Medical Department not depend on the Government Employees' Housing Authority for its staff housing requirements?

(6) (a) Are funds spent on Medical Department staff housing in northern towns drawn from allocations for normal medical and health services;

(b) if not, from what source is this staff housing financed?

The Hon. N. E. BAXTER replied:

(1)	1972/73	1973/74	1974/75
Medical	1 Port Hedland 1 Wyndham	1 Port Hedland 1 South Hedland	1 Derby
Public Health	Nil	1 Derby 1 Kununurra 2 Wyndham 1 Port Hedland	1 Derby 2 Port Hedland
(2)	$	$	$
Medical	30 000 29 400	31 000 27 000	36 000
Public Health	Nil	34 000 42 500 34 000 39 500 38 000	48 000 47 500 37 500

(3) All negotiations and valuations are carried out by the Property and Valuation Office of the Public Works Department on behalf of the Medical and Public Health Departments.

(4) Yes. The Property and Valuation Office arranges for inspection of site and premises by the appropriate Public Works Department architect.

(5) The Act which formed the Government Employees' Housing Authority applies to houses for public servants and school teachers. The staff being housed by the Medical Department are not either of these.

(6) (a) Yes.

(b) Answered by (a).

2. TOWN PLANNING

Cape Naturaliste Development

The Hon. R. F. CLAUGHTON, to the Minister for Justice:

(1) Is it a fact that the Town Planning Board has rejected the English, Wake Partnership development plans at Cape Naturaliste?

(2) If so, what were the specific reasons for the Town Planning Board rejection of the scheme?

(3) Did the Busselton Shire Council approve the scheme on condition that the English, Wake Partnership must guarantee to pay for an access road to a safe beach in the area?

(4) What is the name of this safe beach?

(5) Will any property have to be resumed to build the access road?

The Hon. N. McNEILL replied:

(1) Yes. The Board refused an application for subdivision of the land into 110 lots on 19th July, 1974.

(2) (a) The land is zoned Rural;

(b) Established Board policy is—

(i) that all urban and tourist development be concentrated in and around Dunsborough, Margaret River and Augusta as bases from which the landscape and activity values of the Leeuwin-Naturaliste Ridge can be enjoyed;

(ii) that there is to be no urban development on the crest or western slope of the ridge.

The Board considered that the subdivision and development proposed do not meet the criteria established in the policy.

(3) Yes. On 16th October, 1974. However, the Council has no power to approve the subdivision.

(4) It was not specified.

(5) In view of (4), this is unknown.

3. *This question was postponed.*

CLOSING DAYS OF SESSION

Standing Orders Suspension

THE HON. N. McNEILL (Lower West—Minister for Justice) [4.39 p.m.]: I move—

That, until the 31st December, or until such earlier date as may be ordered, so much of the Standing Orders be suspended as is necessary to enable Bills to be passed through all stages in any one sitting, and all

messages from the Legislative Assembly to be taken into consideration forthwith.

In moving this motion perhaps I should make a brief explanation to the House. As older members, in particular, are aware, this is the customary motion that is moved about this time of the year and at about this stage of the session. Its purpose, of course, is to enable the more expeditious handling of the business of the House as the session draws to a close.

If the House is agreeable to accepting the motion, the suspension of the Standing Orders will be applied in one particular case this afternoon in order to enable us to deal with an urgent item of business.

However, I would like to indicate to members, and in particular to the Leader of the Opposition, that in the event of their being agreeable to this suspension of Standing Orders and to a subsequent motion, these will simply be used to facilitate the business of the House and will not be imposed as a matter of course.

It is not my intention to deny the Leader of the Opposition or any other member the opportunity to adjourn the debate on any particular Bill. I am sure the Leader of the Opposition will appreciate the circumstances which make this motion necessary.

As this has some bearing on the motion, I would like to say that as the House will not be meeting again till Tuesday, the 12th November—after which we will continue till the end of the session—it will be necessary for the House to meet at an earlier hour on Wednesday. This again is the normal custom as the session draws to a close. Therefore on Wednesday, the 13th November, and on all subsequent Wednesdays, the House will be called together at 2.30 p.m.

A further question concerns the intention to sit on Thursday evenings. I would indicate that while I do not believe it will be necessary for the House to sit on the Thursday evening of the first week, I would nevertheless ask members to make themselves available as the occasion arises and be prepared to sit after dinner on Thursday evenings. As I have said this will probably not be necessary on the Thursday in the week commencing the 11th November. Needless to say, I would not expect the House to sit on Thursday evenings after dinner unless this was necessary.

THE HON. R. THOMPSON (South Metropolitan—Leader of the Opposition) [4.43 p.m.]: This is the usual motion which we expect when the close of a session is drawing near and I trust that all members will appreciate that in the circumstances it is necessary to sit at varying times in order to facilitate the business before the House.

I have no objection to the motion, but it is customary for the Minister, when moving the motion, to give some rough indication—not a precise date—of the date on which the Government thinks the House might rise. The Minister may be able to give us an approximate date or perhaps indicate the number of Bills with which we still must deal before the end of the session.

I have no objection to the motion, but I would appreciate some information on the points I have raised.

THE HON. N. McNEILL (Lower West—Minister for Justice) [4.44 p.m.]: I thank the Leader of the Opposition for his comments. I would like to be able to indicate an approximate date on which the session may conclude, but I am not able to do that because a target date has not been decided. Members will be aware—and perhaps this will answer the second part of the question concerning the number of Bills to come—of the legislation on the notice paper in another place. That legislation will reach us in due course, and, in addition, the Government has a number of other Bills ready to introduce, and they will be on the notice paper, I imagine, within the next fortnight.

Once again, I cannot be precise because an actual cut-off line on the legislative programme has not been determined. However, I can indicate that we certainly hope to complete the session by the early part of December, if not sooner.

Question put and passed.

NEW BUSINESS: TIME LIMIT

Suspension of Standing Order No. 116

THE HON. N. McNEILL (Lower West—Minister for Justice) [4.45 p.m.]: I move—

> That, until the 31st December, or until such earlier date as may be ordered, Standing Order No. 116 (limit of time for commencing new business), be suspended.

As this motion concerns the subject matter of the previous motion, no further explanation is needed, unless the Leader of the Opposition has a question to ask.

Question put and passed.

BILLS (2): THIRD READING

1. Commonwealth Places (Administration of Laws) Act Amendment Bill.

   Bill read a third time, on motion by the Hon. N. McNeill (Minister for Justice), and passed.

2. Police Act Amendment Bill.

   Bill read a third time, on motion by the Hon. N. E. Baxter (Minister for Health), and passed.

HOUSING AGREEMENT (COMMONWEALTH AND STATE) ACT AMENDMENT BILL

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [4.48 p.m.]: I move—

That the Bill be now read a second time.

Members will be aware of the fact that this Government has been extremely vocal in its criticism of some of the restrictions incorporated in the Commonwealth and State Housing Agreement under which loan funds are made available by the Commonwealth to assist people on low and moderate incomes.

It is therefore with some degree of pleasure that this Bill, which contains a supplemental agreement varying some of the terms presently regarded as being restrictive, is submitted to this House.

The purpose of the Bill is threefold. It will permit an increase in the total amount in advances to this State, in this financial year, of approximately $12.5 million.

I emphasise the word "permit" because if members read the Bill as a complementary agreement they may not see that it actually increases the amount. I want to emphasise that it is intended to permit an increase.

More importantly, it will allow for a variation in the present maximum of 30 per cent in total advances which may be made to terminating building societies through the Home Builders' Account. It will also delete any reference to overtime being part of an applicant's earnings when calculating his eligibility for a loan from terminating building societies.

It is pointed out that the increase in the percentage of advances which may be distributed to terminating societies is still subject to ultimate approval of the Federal Minister for Housing. Although this relaxation of current conditions does not go as far as we would like, it is certainly a move in the right direction to give the State Ministers for Housing a greater degree of flexibility than was previously the case. It is our strong desire that the Federal Minister, in future, give sympathetic consideration to propositions regarding allocations to the Home Builders' Account.

The supplemental agreement will be operative as from the 1st November, 1974. It will be of interest to members to know that in May, 1974, the States sought advances totalling $294 114 000 for housing authority and Home Builders' Account purposes; and in June, 1974, the Commonwealth allocated a total of $235 million, or about $59 million less than the amount requested.

These funds consisted of $158 million for housing authority purposes and $77 million for the Home Builders' Account. The allocation to Western Australia of $22.9 million was $7 million less than the amount requested.

At that time, the Commonwealth Minister had indicated he would consider the allocation of additional funds if the States could reasonably substantiate a need for, and a capacity to spend, the funds. Prior to the recent meeting of the State Ministers for Housing with the Commonwealth Minister in Canberra, the States had, as requested by the Minister, submitted to him their detailed requests for additional funds which amounted to $149.9 million, made up of $66.4 million for housing authority purposes and $83.4 million for the Home Builders' Account.

It is perhaps of little comfort to know that, despite the claim by the Minister that his department had insufficient time to study the submission in detail, his first and final offer was $25 million for housing authority purposes and $50 million for the Home Builders' Account, to be divided among the States. Thus the amount allocated was about $75 million less than that asked for. However, considering the manner in which funds were distributed, the allocation of $12.5 million, or approximately one-sixth, to Western Australia can be considered satisfactory on a comparative basis.

Allowing for the fact that we have a population of approximately one million against the overall national total of approximately 13 million, those figures confirm the point the Minister was making recently, that as a result of negotiations between the States we would get one-sixth of the money available for about one-thirteenth of the population.

The amendment to the agreement to allow the State to expand the opportunity for people on moderate incomes to obtain a loan to build or purchase a home from funds made available under the Home Builders' Account through the terminating building societies is most desirable when one also considers the constraints on the housing authority as to the homes it may sell to eligible applicants; that is, not more than 30 per cent of houses built under the agreement. Members should bear in mind that there is little appreciable difference in terms of the income eligibility level of applicants seeking assistance through the housing authority on the one hand, and the Home Builders' Account on the other.

I would point out that a pre-election promise by this Government was to endeavour to renegotiate the Commonwealth and State Housing Agreement to expand the opportunity for low and moderate income earners to purchase their own homes.

I would commend, also, the amendment which will exclude overtime from the income eligibility of borrowers under the Home Builders' Account, bearing in mind it is long-standing practice in West-

ern Australia for the housing authority not to penalise applicants by including overtime when determining income eligibility, due to the many factors which make this an uncertain aspect of earning ability when considering the capacity of applicants to meet rental and home purchase payments.

The Premier, when introducing this measure in another place in the absence of the Minister for Housing, expressed his gratification that the Opposition had agreed to expedite the passage of amendments to the Commonwealth-State Housing Agreement to permit the early allocation of $10 million recently acquired by the Minister at a meeting with the Federal Minister in Canberra. I am sure members would appreciate information as to the Government's intention regarding these funds.

It is proposed to allocate $9 million to terminating building societies on the same basis as the previous allocation at the beginning of this financial year.

As in the past, allocations are made to secretaries of building societies who have accepted responsibility for servicing applications for loans in country areas. The valuations of properties in respect of which loans may be made, as well as the maximum amount of the loan, will be increased. For example in the metropolitan area the current maximum advance is $14 500, and this will be increased to $15 500. The maximum value of the property that may be acquired under the scheme will be lifted from $17 500 to $18 500. There will be increases ranging from $500 to $1 000 in respect of both these figures for other areas of the State.

Of the total, $1 million is to be held to cater for proposals currently before the Government and which are subject to discussions between the State and Federal Ministers. The more important of these involves assistance to the Carcoola housing project in support of the Alcoa operations at Pinjarra, and the proposal from a permanent building society to utilise some of that society's funds in the terminating society field. It is intended to review the allocation of the retained funds in December of this year, and to examine the performance of the terminating societies in the distribution of funds at the same time. Depending upon the demands, it may be necessary for some minor reallocation.

The State Government now awaits advice from the Federal Minister as to the passage of complementary legislation through the Federal Parliament. In the meantime it is understood that terminating societies have taken appropriate action to gear up their administrative operations to ensure that these funds can be allotted as quickly as possible to support the building industry.

I commend the Bill to the House.

THE HON. R. F. CLAUGHTON (North Metropolitan) [4.56 p.m.]: As indicated in the Minister's speech, the Bill received the support of my party in its passage through the Legislative Assembly, and it is our intention to support it in this Chamber.

The Bill amends the housing agreement of 1973 between the Commonwealth and the State. In particular, clause 9 of the agreement is amended by clause 4 of the schedule contained in the Bill, and it is that amendment which provides the Government with greater flexibility to allocate funds between the welfare and Home Builders' Accounts. It is obviously desirable that more low-interest finance be injected into the housing industry in this State, as in other States, and the Australian Government is to be congratulated on doing this in a way which makes the money available quickly.

It is a pity the Government in this State carries on canting about the relationship between the two Governments. It would be unusual if any Government, or any department of a Government, did not request more funds than it knew it would be able to obtain, and as we see the position it is no different in this instance. However, although the Commonwealth Government is pressed for finance for its needs and those of the State Governments, it has recognised the demands of the industry and the needs of the people, and it is to be congratulated on expressing its recognition in a realistic way. We support the legislation.

THE HON. R. THOMPSON (South Metropolitan—Leader of the Opposition) [4.59 p.m.]: As usual, we find that the Minister's speech begins with these words—

> Members will be aware of the fact that this Government has been extremely vocal in its criticism of some of the restrictions incorporated in the Commonwealth and State Housing Agreement under which loan funds are made available by the Commonwealth to assist people on low and moderate incomes.

Just a bald, blank statement with no qualifications whatsoever. Of course, it is a trait of this Government to begin every Bill it produces with some criticism of the Commonwealth Government. I know the amending Bill only permits the increase, but if the Government were honest and told the truth it would acknowledge that Commonwealth loan funds to Western Australia will reach an all-time high this year.

As has been pointed out, we received $12.5 million—a one-sixth share of the cake. I think it is in bad taste not to recognise the fact that the Australian Government has bent over backwards to assist Western Australia; particularly

when we bear in mind that in the last financial year under a Labor Government in this State we had full employment in the building industry and a shortage of materials, and the same advisers who advise the present Government advised the then Minister for Housing (Mr Bickerton) that the most Western Australia was capable of spending was $13 million. However, at that particular conference the gate was left open and the State was told it could approach the Federal Minister for Housing for a further advance if it were considered necessary.

In that year Tasmania received $19.9 million of the allocation and it could not and did not spend that amount. We were realistic in what we asked for. In addition to the moneys made available last financial year to this State, $4 million was made available for Aboriginal housing, bringing our total grant for housing up to $17 million.

Instead of being carping in its attitude the Government should give credit to the Commonwealth Government for being realistic in realising there is a downturn in the industry and feeling it should make this money available to us—provided, of course, the enabling legislation is passed in the Federal Parliament.

The increase in the maximum weekly amount which may be earned by applicants for this type of housing is also welcomed. I was the chairman of a terminating building society for some years, and it is my experience that many people do not know about the home building finance which is made available by terminating building societies. These societies can lend up to a maximum of 90 per cent of the cost of house and land, and any profits they make must eventually be returned to the shareholders or, in other words, the borrowers.

Therefore, the societies are at a disadvantage because they cannot advertise. My experience over a long period of time is that those who wish to purchase a Housing Commission home must wait for a long time, particularly in the Fremantle area, in respect of which we are still waiting for applications lodged in July of 1967 to be processed. Applicants must wait for a very long time to obtain a Housing Commission purchase home in the Fremantle area. Therefore I earnestly suggest to the Government that when the money is received from the Commonwealth and is allocated to terminating building societies it would be of great benefit if the Government, at its expense, placed an advertisement in the weekend Press saying that certain amounts of money have been made available to certain terminating societies at certain addresses, and stating the names of the secretaries of the societies.

The terminating societies cannot do this because they have not sufficient funds; they cannot spend the shareholders' or borrowers' money to promote their societies. I suggest the Government should place such an advertisement in the weekend Press one or two weeks before the allocation is made to the societies.

It is strange but true that not only in country areas but also in the metropolitan area many young people who are in need of housing loans have not heard of terminating building societies. That is a fact of life. I have been able to steer many people into low interest loans from terminating building societies. The societies obtain money at an interest rate of 5¼ per cent and, after management fees are added, with the consent of the Registrar of Building Societies, they are able to offer it at a maximum rate of 5¾ per cent, which is a rate of interest comparable with that offered by the State Housing Commission in respect of purchase homes. However, unfortunately not enough people know about this. The terminating building societies also relieve the pressure placed upon the State Housing Commission. So I feel it would be to the advantage of the public if the amounts of money allocated to the various terminating societies were advertised in the Press by the Government.

Before the Australian Labor Government was elected to office terminating societies obtained matching grants from the Commonwealth Government. Under the Holt and McMahon Governments if a society were able to raise $100 000 from a private institution—which would be lent at the current rate of interest, and to which would be added ½ per cent management fee—it was able to obtain matching money from the Commonwealth at a set rate of interest determined by the Commonwealth from time to time.

However, since the election of the Australian Government these matching grants virtually have been abolished. The society of which I was chairman for some years received its largest ever grant last year with very little matching money. It was not asked for matching money. I think this is a fair way to distribute funds, particularly to low income earners who require assistance. It must be borne in mind also that a proportion of the moneys advanced to terminating societies must be spent in country areas, so there would be a twofold advantage if the Government were to place an advertisement in the Press. I point out that in the last allocation of moneys terminating societies fared very well indeed.

Although the maximum price of house and land has been increased, I wonder whether it is a realistic figure, bearing in mind that terminating societies are able to lend to a maximum of 90 per cent of the cost of house and land. The maximum price of house and land has now been increased to $18 500, and if a person is paying off a block he purchased for $6 000 —and we do not find many blocks worth

less than that at present—I think it is unrealistic to say he can borrow $15 500 but may only spend a total of $18 500. Under those circumstances if a person wishes to borrow 90 per cent of the cost of house and land he must try to find a block worth not more than $4 850. That figure comprises a deposit of $3 000, plus 10 per cent of the maximum cost of $18 500. This is disfranchising many people. I do not present this as a criticism, but as a constructive suggestion as a result of experience in a terminating building society. The Registrar of Building Societies can increase the amount of money which can be loaned from time to time. The Act was amended last year to make this possible without bringing a further Bill to Parliament.

From time to time the terminating society with which I was associated could not lend to people because of this restriction. The Australian Government has given a definite lead by granting this State a large amount of money to regenerate the building societies and the building industry, and to encourage full employment. I think it should be congratulated rather than criticised for this.

The other points at issue are matters of necessity rather than complaint. Unless a fresh study is made of the price of blocks of land, the cost of building, and mortgages it will become even more difficult for people to purchase homes. If a person must pay $2 000 off a block of land and is then still able to obtain only $15 500 the standard of houses built under this arrangement will be lower than the standard of State Housing Commission homes.

I support the Bill, but I suggest the Minister should arrange for the matters I have outlined to be considered.

THE HON. CLIVE GRIFFITHS (South-East Metropolitan) [5.14 p.m.]: I do not intend to spend a great deal of time on my comments. It was interesting to hear the Leader of the Opposition criticise the remarks of the Minister when introducing the Bill. The point that exercises my mind is that I can well recall debating the agreement we are now proposing to amend. At that time members of the Liberal and Country Parties criticised the Tonkin Government for entering into an agreement with the Commonwealth Government which altered the situation which had prevailed previously under Liberal-Country Party Governments; namely, that at least 30 per cent of the Commonwealth grant was to be made available through the building societies. The Tonkin Government was prepared meekly to accept from the Labor Federal Government—the Whitlam Government—an agreement whereby the emphasis was taken away from the purchase of homes and placed on rental homes, inasmuch as the agreement contained a provision that not more than 30 per cent of the funds should be allocated through building societies.

This was a tremendous blow to the people of Western Australia; particularly to those who wished to purchase homes. We on our side of the House were very vocal in our criticism of both the Tonkin Government and the Whitlam Government—but particularly of the Tonkin Government, for the meek way in which it was prepared to accept, without opposition of any description, this amendment to the rules by which we had previously been able to apply the funds received from the Commonwealth.

The Hon. R. Thompson: What you fail to understand in that legislation—

The Hon. CLIVE GRIFFITHS: I do not fail to understand anything. What I do understand is that States like Tasmania, which were prepared to stand up to the Whitlam Government were able, without any trouble whatever, to be excluded from that stringent rule, which the Tonkin Government was prepared to accept without raising a voice of protest on behalf of those who wished to purchase homes.

Mr Thompson said that in Fremantle there are hundreds of people waiting to purchase homes; and it astounds me that this year anybody who could be remotely concerned about those who wish to purchase homes should express such a thought when last year—on the occasion the agreement was being discussed—he was prepared to sell the interest of the people of Western Australia to the Commonwealth Government so far as their opportunity to purchase homes was concerned. The Tonkin Government was prepared to accept without argument of any description what the Commonwealth Government dictated to us.

Point of Order

The Hon. R. THOMPSON: I rise on a point of order, Mr President, because what I have said has been taken completely out of context.

The PRESIDENT: Order! Is the honourable member asking for the withdrawal of certain words and if so would he please state the words?

The Hon. R. THOMPSON: I am asking for the withdrawal of the words which implied that I was prepared to support the Tonkin Government in selling out Western Australia and that I heard that hundreds of people in the Fremantle area —without any views being raised by me— are waiting for homes. That is what I want withdrawn.

The PRESIDENT: Would Mr Griffiths kindly withdraw the words which Mr Thompson has asked be withdrawn?

The Hon. CLIVE GRIFFITHS: I am prepared to withdraw the words if I can be told what they are.

The PRESIDENT: Mr Thompson has stated the words he wants withdrawn.

The Hon. CLIVE GRIFFITHS: Very well, Mr President, I will withdraw those words. But if the words mentioned by Mr Thompson are withdrawn I am sure that *Hansard* will read in quite a funny manner.

Debate Resumed

The Hon. CLIVE GRIFFITHS: When this agreement was entered into members of the present Opposition were not prepared to put up any fight at all on behalf of the people of Western Australia, and no endeavour was made to retain the set of rules that had prevailed under previous Liberal Governments to the effect that at least 30 per cent of the funds must be allocated to building societies; and these members were prepared to accept that the amount be not more than 30 per cent.

One of the interesting features about this Bill—and this is why I stood up to speak to it—is that the Bill provides, as it must, for the waiving of that particular requirement, because if it did not the $10 million being allocated to terminating building societies would take the amount of money being allocated to such societies to a greater proportion than 30 per cent.

Accordingly the Bill before us is doing precisely what we suggested should have been maintained when the agreement was entered into by the Tonkin Government about a year or so ago.

I simply comment that it is at least strange to hear the remarks of the Leader of the Opposition and his colleagues to which those of us who were here at the time listened when they endeavoured to vindicate the stand that was taken and the argument they put up which suggested that fewer people ought to be able to purchase homes than was the situation under the Liberal Government.

I support the Bill.

THE HON. N. McNEILL (Lower West—Minister for Justice) [5.22 p.m.]: In the first instance I would like to acknowledge the co-operation of the Leader of the Opposition in having proceeded forthwith with the consideration of this Bill. Initially the Leader of the Opposition made references to what he termed carping criticism, which is contained in the first paragraph of my second reading notes.

It may well be that the honourable member has placed a misinterpretation on those words, and more particularly on the paragraph which follows, because in those notes an acknowledgement is made of the fact that the Government has in the past been critical. They go on to say, however, that it is therefore with some pleasure that the Bill is introduced.

The Hon. R. Thompson: Was the Government in the past or the Opposition in the past critical? When you were in Opposition you were critical, but I do not think you have been critical, since you have been in Government, over the amount of money that has been made available.

The Hon. N. McNEILL: I said this Government has been extremely vocal in its criticism, and so it has. In view of that we are now making an acknowledgment that we have arrived at a decision on increased advances made available as a consequence of the meeting of State Ministers.

In those circumstances it gives us some pleasure to come to the House with this Bill. I feel the Leader of the Opposition has misinterpreted my remark and feels that despite the fact that we have this Bill before us we are still being critical of the Federal Government. That is not my understanding of it nor is it the interpretation I would place on the words I used.

The Hon. R. Thompson: That is the interpretation I place on it as do most other people.

The Hon. N. McNEILL: I think the Leader of the Opposition has drawn attention to the fact that again we have used an opportunity to direct some criticism to the Federal Government, and we acknowledge that we have done just that.

The Hon. R. Thompson: It is becoming a habit.

The Hon. N. McNEILL: It is possible to get into a habit if the necessity is there and it occurs frequently enough. By force of circumstances it becomes a habit.

The Hon. R. Thompson: You have had a record amount of money. No State has had this amount of money previously.

The Hon. N. McNEILL: In absolute terms I think that is a very debatable question indeed.

The Leader of the Opposition then continued to make some observations about the advertising of these loans through the building societies. I am in no position to offer comment whether in fact there would be any valid objection to employing that practice.

The Hon. R. Thompson: It would be a good idea.

The Hon. N. McNEILL: I am quite willing to assure Mr Thompson that the views he has expressed will be conveyed to the Minister for Housing to see whether his suggestion has the value he feels it has.

I pass to the third point. I feel the observation he made has been well and truly handled by Mr Clive Griffiths, and I cannot claim that I could give a better explanation of the past situation than has been given by Mr Griffiths, with his close attention in this Parliament to housing and housing funds.

However to the extent that the observations and comments have been made I am quite prepared, I repeat, to ensure that the Minister for Housing is acquainted with them. On the question of advertising it is possible that I could well communicate with the Leader of the Opposition further in the fullness of time.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (the Hon. R. J. L. Williams) in the Chair; the Hon. N. McNeill (Minister for Justice) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Section 3A added—

The Hon. R. THOMPSON: It is this clause which provides that a supplemental agreement can be executed. In view of the misguided criticism of Mr Clive Griffiths, to the effect that the Tonkin Government had blithely gone along with and accepted what was suggested by the Australian Government in its formula, I take the opportunity to point out that, under the previous Liberal Government's agreement and formula, 30 per cent of the money could be made available to building societies.

A proportion of that money was made available to permanent building societies, and a proportion to terminating societies.

In the last agreement that was signed by the State and Commonwealth—and which was accepted by all the States—permanent building societies were excluded. The terminating building societies were those which catered for the low-income earners—the people with restricted finance—and this money made it possible for them to avail themselves of an interest rate equivalent to that being given by the State Housing Commission.

So this was a totally different formula. When the first allocation was made I would suggest that 23 per cent of the money would have been made available to terminating societies and naturally those societies complained at the time—and quite rightly so—that they were not getting their full share of the money the Australian Government had determined should go to them.

Of the amount of money being made available, the terminating building societies obtained a greater share than they previously obtained. Initially the permanent building societies did not receive more than was provided in the agreement, but ultimately they did receive more.

The money is allocated by the Commonwealth to the State under certain conditions, but it is then up to the State Minister to make a determination. The agreement sets out how much money shall be allocated to the building societies. Three years ago certain conditions were laid down in respect of moneys allocated to terminating and permanent building societies. People who were eligible for assistance from the State Housing Commission were referred by the commission to the terminating societies which had to set aside 50 per cent of their funds to service loans for SHC houses. I am referring to the money made available by the State Housing Commission. That formula was changed, because it did not work.

Today more freedom is exercised by the State. It is completely untrue that the Labor Government tried to restrict private home ownership. It has always been the policy of the Labor Government to encourage the people to purchase their homes. If Mr Clive Griffiths does his homework and traces the history of the setting up and the administration of the State Housing Commission he will find exactly what the Labor Government did.

What the honourable member fails to take into consideration is that, with the advent of the State Housing Commission, the moneys made available to the commission by a Federal Liberal Government were for the construction of rental homes, and these were not permitted to be sold. There are thousands of rental homes in Western Australia which cannot, under any circumstances, be purchased by the people. That has resulted from the conditions which were imposed by the Menzies Government in allocating money to Western Australia for home building.

I have had as much, if not more, experience of the administration of the Housing Commission over the years as any member of this Chamber. I have entered into negotiations with the commission not only in respect of tenancies, but also applications by my constituents to purchase homes.

There are literally thousands of homes in this State which the commission is prevented from selling, because of the restrictions imposed by the Menzies Government—not by a Labor Government. It was necessary for me to clear up this point, because it seems that Mr Clive Griffiths has not done his homework sufficiently to be aware of the history relating to the various types of housing agreements that have been arrived at between the Commonwealth and the States.

The Hon. CLIVE GRIFFITHS: The Leader of the Opposition endeavoured to explain away the stand which he and his colleagues took when the present agreement was entered into between the State and the Whitlam Government. I am still waiting to hear an explanation from him. The honourable member went on to talk about everything else except what I had mentioned.

I did not differentiate between permanent and terminating building societies. I stated clearly that the agreement, which the one mentioned in the Bill is to replace, was entered into between the Tonkin Government and the Whitlam Government. I

pointed out that that agreement changed very dramatically the conditions that prevailed under the housing agreement which was entered into between a State Liberal Government and a Commonwealth Liberal Government.

The Hon. R. Thompson: Is there any difference between this agreement and the one we negotiated?

The Hon. CLIVE GRIFFITHS: There is a big difference. It is an agreement to permit more than 30 per cent of the funds to be allocated to terminating building societies, because the $10 million that is currently provided will bring the total allocated to these building societies above the maximum level of 30 per cent.

One provision in the Bill will allow a greater contribution than 30 per cent of the funds to be made available to the terminating building societies. It was on that point that I commented. I pointed out that the then Opposition, which is now the Government, justifiably criticised the Tonkin Government for meekly accepting a change in the formula, so that not more than 30 per cent of the funds could be allocated to the building societies.

I am aware there was a change in the formula applying to terminating building societies; but the significant aspect is that under the previous agreement not less than 30 per cent of the total funds had to be provided to home buyers acquiring houses through the building societies, whereas the new agreement stipulates that not more than 30 per cent shall be so provided. I do not know why the Leader of the Opposition made reference to 23 per cent of the funds.

The Hon. R. Thompson: You would not understand.

The Hon. CLIVE GRIFFITHS: I am sure no other member did, because what he said did not make sense. Not more than 30 per cent of the funds means just that. Previously it was not less than 30 per cent of the funds; and that means more than 30 per cent could be allocated if the State Minister for Housing so decided.

The Leader of the Opposition said that the previous housing agreement was accepted by every State. He emphasised this point as though he were indicating I was wrong in suggesting that Tasmania did not accept the agreement.

The Hon. R. Thompson: Tasmania got more money that it wanted.

The Hon. CLIVE GRIFFITHS: Indeed, it refused to accept the condition that not more than 30 per cent of the funds could be spent on purchase homes. Tasmania did receive more money, and one other State finished up with not being able to spend all the money it had been allocated.

The Hon. R. Thompson: Neither did Western Australia spend all the funds that were made available to it.

The Hon. CLIVE GRIFFITHS: I merely rose to criticise the previous Labor Government of the State for accepting that condition.

The Hon. R. Thompson: You should apologise now.

The Hon. CLIVE GRIFFITHS: What for?

The Hon. R. Thompson: You were wrong.

The Hon. CLIVE GRIFFITHS: I am now more than ever convinced that I was right, because the Bill provides that more than 30 per cent of the funds has to be allocated to building societies.

Clause put and passed.

Clauses 4 and 5 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by the Hon. N. McNeill (Minister for Justice), and passed.

PHOSPHATE CO-OPERATIVE (W.A.) LTD. BILL

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [5.42 p.m.]: I move—

That the Bill be now read a second time.

On the 16th October, 1973, Phosphate Co-operative (W.A.) Ltd. was incorporated under the Companies (Co-operative) Act, 1943-1959, with the principal object of establishing within the shire of Merredin a modern fertiliser works and chemical manufacturing plant.

On the 11th March, 1974, a duly registered prospectus was issued seeking subscriptions for shares in the company. Subscriptions were sought only from persons commercially engaged in the production and sale of wheat and other cereals who undertook, at the time of application, to make future purchases from the company of superphosphate manufactured by the plant intended to be built by the company.

Prior to issuing its prospectus the company had obtained a feasibility study to establish the capital and operating costs associated with the proposed fertiliser manufacturing plant, and the directors had also obtained some undertakings from the Government concerning the guaranteeing of borrowings by the company of moneys necessary to complete the establishment of the plant.

By the terms of its prospectus the company was obliged to attract applications for shares to the value of $1 499 750 before any allotment of shares could take place. If this amount were not raised, the prospectus would fail. The Companies (Co-operative) Act specifies a maximum period

of four months from the date of issue of a prospectus within which the particular minimum subscription must be attained, so that in this case the minimum subscription of the amount I have mentioned was required to be raised not later than the 11th July, 1974.

The company failed to attain its minimum subscription within this time. Whenever a co-operative company fails to achieve a minimum subscription pursuant to a prospectus the directors are required to repay all application moneys to the individual applicants forthwith.

Shortly after it was ascertained that the company had not raised the minimum subscription the directors approached the Government with a view to seeking, perhaps, an extension of time for obtaining the minimum subscription, or for such other appropriate action that could be taken to give the directors a further opportunity to get the project going.

The company had received applications for $1.1 million in share capital and pledges for 110 000 tonnes of superphosphate, and thus it was obvious to the Government that the company's proposal had very substantial support from the farming community to which it was presented, and the Government was accordingly anxious to take any reasonable measures to further assist the directors with the proposal.

It does appear, however, that the capital and operating costs specified in the first prospectus are almost certain to require revision, even if only because of increases in costs attributable to the effluxion of time, and it was therefore considered that the original prospectus should not be merely extended, for to do so would be misleading to further prospective applicants.

The Government was also anxious to ensure that applicants for shares on the basis of the prospectus issued in March, 1974, should not be locked in for any period, and that they should be able to obtain the return of their application moneys if they so wished.

This Bill therefore proposes that the directors shall pay to the Treasurer within 14 days of its passage all application moneys received in response to the first prospectus, and that the directors shall further supply to the Registrar of Companies the original forms of applications for shares so that copies thereof may be made and given to the Treasurer to identify the individuals on whose behalf he is holding moneys. As mentioned before, any applicant may at any time by writing to the Treasurer, obtain the repayment to him of his original application moneys, together with any interest earned thereon while those moneys are invested by the Treasurer.

The directors are to be given until the 1st July, 1975, to prepare, have registered, and issue a new prospectus, and while that period of time may appear at first sight to be rather lengthy, it has to be remembered that it is, first of all, a maximum period and, secondly, that the capital and operating costs of this venture will have to be re-estimated, both for the purpose of inclusion in the second prospectus and for the purpose of the company's being able to approach the Government again with a view to obtaining guarantees similar to those offered by the Government prior to the issue of the first prospectus.

If a second prospectus is issued prior to the 1st July, 1975, the directors will have six months in which to seek to attain the minimum subscription set out in the second prospectus. That is, an extension of two months beyond the ordinary time, but it is, in my view, a reasonable extension having regard for the fact that the directors are not seeking only mere applications for shares, but are also seeking an undertaking to purchase superphosphate from the company.

In the event that a second prospectus is not issued prior to the 1st July, 1975, or in the event that the company fails to achieve a minimum subscription in response to a second prospectus, the Treasurer is directed by the Bill to repay all application moneys subscribed in response to the first prospectus. The Treasurer is under the same obligation should the directors inform him on or before the 1st July, 1975, that they do not intend to proceed with the issue of a second prospectus. A person who applied for shares pursuant to the first prospectus and who wishes to make similar application in response to the second prospectus will be able, under the Bill, to direct the Treasurer to pay out his original application moneys to the company by way of application moneys for a second application. Such a person will be paid direct by the Treasurer any interest earned on those moneys while in the hands of the Treasurer.

Although the Bill is in a sense an unusual one modifying the application of the general provision of company law to co-operative companies, it is nevertheless felt to be a reasonable and desirable measure in the particular circumstances of this case. I emphasise that any person who applied for shares pursuant to the prospectus issued in March, 1974, will be able, at any time, to obtain the repayment of his moneys and interest thereon merely by writing to the Treasurer, and the Treasurer must give effect to every such request.

The other factor which is relevant is that this is not an instance where applications for shares have been sought from the community at large, but rather, only from persons engaged in cereal growing, and even then, only if they are prepared to undertake to purchase superphosphate from the company.

I commend the Bill to honourable members.

Debate adjourned, on motion by the Hon. R. T. Leeson.

SOIL CONSERVATION ACT AMENDMENT BILL

Assembly's Message

Message from the Assembly received and read notifying that it had agreed to the amendment made by the Council.

SUPERANNUATION AND FAMILY BENEFITS ACT AMENDMENT BILL

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [5.50 p.m.]: I move—

That the Bill be now read a second time.

This measure seeks to amend the Superannuation and Family Benefits Act, 1938-1973. It has been designed to enlarge the investment powers of the board, to improve administrative machinery, and to correct certain anomalies. The benefits available to contributors or pensioners are not directly altered by its provisions.

The Bill proposes to remove limitations upon the board's powers of investment by way of mortgage over freehold land. At present the board's power to make such investments is limited to investments with a term not exceeding seven years and that, in effect, limits the board to making mortgage investments of the fixed mortgage type. The board has had many approaches in recent times for moneys to be lent by it on good security at attractive rates of interest but over terms in the ten to twenty year range and the earnings of the fund would be enhanced were the board granted statutory power to make such investments.

The board has, for many years, lent substantial amounts of money to local and semi-governmental authorities and the board has given an assurance that it will not reduce the volume of its lending to those authorities. Investments under the enlarged powers sought by the Bill will be funded only from increases in the board's annual investable funds derived from increases in contributions and increases in maturing securities. The Act requires the board to obtain the approval of the Treasurer for its investment programmes, and this is a safeguard which should be noted by honourable members.

The Bill also proposes to enable contributors to make standing elections to subscribe for units to which they become entitled by reason of future salary increases. At present a contributor whose salary is increased is required to make a separate election for any further units he wishes to take up as a result of that increase.

Employee organisations representing contributors have requested the board to devise a procedure whereby contributors could make standing elections for units arising from salary increases. The board, too, favours such a procedure and it is hoped that when adopted the procedure will reduce substantially the considerable clerical work involved in processing, for example, the thousands of individual elections which result from a national wage decision. This proposal will require regulations to implement its more precise details, but it will in no way affect the right of individual contributors who so wish to continue to make individual elections.

Section 35 of the principal Act requires the board to accept a person as a contributor to the fund without further medical examination if the contributor satisfactorily passed a medical examination within six months of his becoming an employee. Although that provision protects the fund satisfactorily in the great majority of cases, there are instances in which some years can pass between a person's becoming an employee and his subsequent election to join the fund. In these latter cases the board is presently obliged to accept the applications without further medical examination notwithstanding that the medical certificate presented to the board had reference to the applicant's medical condition at a much earlier point of time.

This Bill proposes to amend the Act so that under no circumstances is the board required or permitted to accept an election to become a contributor supported by a medical certificate issued more than six months previously.

Section 49 requires the board to impose interest at a rate not exceeding 5 per centum whenever a contributor is in arrears with his contributions. As the average earning rate of the fund is in excess of that figure it is necessary for the interest rate to be adjusted from time to time according to the average earning rate. On the other hand, there are occasions in which a contributor has fallen into arrears through no fault of his own, for example, in cases where the contributor's rates of contribution have been incorrectly assessed and deducted by the salaries clerk of his employing authority. In those circumstances, the board has considered for some time that it should not be obliged to require the contributor to pay interest on his arrears and the Bill seeks to confer a discretion on the board in respect of imposing interest on arrears of contributions.

During the past period of eight years the principal Act has provided for the updating of the whole or part of pensions, with effect from January, each year, based on the movements in the Consumer Price Index—all groups—for Perth published by

the Commonwealth Statistician. The increases first become payable to a pensioner with effect from the 1st January in the year after he has retired, subject to his having been retired on a pension for at least three months.

There are, however, many instances where employees continue on in service after their 65th birthday for varying periods, and in the case of magistrates commonly for up to five years after their 65th birthday. The provisions of the Act have always been administered on the understanding that persons who, in fact, retire say at the age of 68 should, upon retirement, commence to receive pension notionally updated by the same cost-of-living adjustments which they would have received had they actually retired on their 65th birthday. We appreciate, of course, that most of these people stay on because it suits the convenience of the Government of the day.

The justification for this practice is, firstly, that those persons are unable to take further units of pension after their 65th birthday despite salary increases which may have since occurred and, secondly, that by continuing on in service those persons have deferred taking any Government share of pension. The strict legality of the board's practice has been questioned, and the Bill seeks to give statutory sanction that pensions payable to persons retiring after their 65th birthday may be adjusted in the manner explained.

As indicated the measure is substantially introduced as a matter of sorting out certain anomalies and correcting certain discrepancies, and ensuring that certain accepted practices are strictly legal. I commend the Bill to the House.

Debate adjourned, on motion by the Hon. R. Thompson (Leader of the Opposition).

PERTH MINT ACT AMENDMENT BILL

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [5.56 p.m.]: I move—

That the Bill be now read a second time.

The Principal Act which this Bill proposes to amend constituted a body corporate to control, maintain, and carry on the Perth branch of The Royal Mint for and on behalf of the State.

In providing for the pension benefits of certain then existing Perth Mint employees that Act credited those employees with such number of fully paid up pension units under the Superannuation and Family Benefits Act as would at age 60 provide pensions equivalent to the Imperial benefits those employees would have received under United Kingdom conditions of service.

Certain mint employees have since indicated their intention to remain on in service after attaining their 60th birthday.

It is considered that the employees concerned should, if they desire to subscribe for further units of pension arising from salary increases, be able to do so on the same terms as all other contributors to the State Superannuation Fund, namely, at age 60 rates or at lower age 65 rates, according to their individual choices. The Bill so provides, and is retrospective to the 1st July, 1970 to validate certain existing elections.

Debate adjourned, on motion by the Hon. D. W. Cooley.

PUBLIC AUTHORITIES (CONTRIBUTIONS) BILL

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [5.57 p.m.]: I move—

That the Bill be now read a second time.

This is one of four measures designed to give effect to revenue raising proposals which the Premier and Treasurer announced when presenting the Budget in another place.

This Bill seeks to require certain statutory authorities, which are defined in clause 2 as public authorities, to make an annual contribution to State revenue equal to 3 per cent of their gross revenues during the preceding year.

The defined authorities are the State Electricity Commission, the Metropolitan Water Supply, Sewerage and Drainage Board, and the Fremantle Port Authority.

At present the major State business undertakings are exempt from any requirement to pay income tax and, with the exception of pay-roll tax, are free from most State taxes.

As a consequence, such business undertakings which operate profitably make no contribution to the general revenues of the State, whereas those which incur losses incur a heavy drain on the State's resources.

It is considered that the Government can no longer afford this wholly one way flow of funds from the Consolidated Revenue Fund in support of business undertakings, and we propose to follow the lead of other States in requiring a contribution to be made to revenue by those undertakings which are in a position to generate regular annual profits.

Victoria was the first State to introduce a State levy on certain business undertakings when, in 1966-67, legislation was introduced to impose a levy of 3 per cent on the gross revenues of the State Electricity Commission and the Gas and Fuel Corporation. The levy was increased to 4 per cent in 1971-72.

The Victorian Government has, in addition, for many years imposed a levy on the Melbourne Harbour Trust equal to 20 per cent of the revenue received from tonnage rates and wharfage on goods landed from the port. The levy was altered recently to 4 per cent of the gross revenue of the port in line with the charge on the Electricity Commission and the Gas and Fuel Corporation.

The South Australian Government imposed a levy of 3 per cent of gross revenue on its electricity authority in 1970-71, and increased the rate to 5 per cent last year.

Tasmania also introduced a levy in 1971-72 at a rate of 5 per cent.

It is a fact that annual losses on the operations of the country areas water supplies in this State are imposing a severe burden on the revenue fund. It is therefore considered not unreasonable that the Metropolitan Water Board, whose operations are confined to the more economical terrain and distances of the metropolitan area, should assist in meeting losses on country operations.

Similarly, harbours overall are a drain on the Budget, as the Government is required to meet losses on the operations of the smaller ports. The proposed contribution to Consolidated Revenue from the State's largest port will help offset losses on other harbour operations.

The Bill provides that the authorities concerned will pay to Consolidated Revenue in 1974-75 an amount equal to 3 per cent of their gross revenues in 1973-74. Subsequent payments will follow a similar pattern, being based on revenue received in the preceding year.

Provision has been included for the payment to be made at such times and in such manner as shall be agreed by the Treasurer and the authority concerned. In the unlikely event that agreement cannot be reached, the Bill provides that the issue shall be determined by the Governor.

Similarly, disagreement could arise as to what constitutes the revenue of an authority on which the levy is to be based. In this event it is proposed that the Auditor-General be empowered to make a determination.

The estimated revenue yield from this measure in 1974-75 is as follows—

	$
State Electricity Commission	2 298 000
Metropolitan Water Board	618 000
Fremantle Port Authority	420 000
Total	3 336 000

It will be noted that our requirements are not as severe as those applying in South Australia and Tasmania. There is some justification in levying a charge against these authorities which pay no income tax, and it does give us some contribution to our Budget to help offset this very large loss we will make in respect of country water supplies in particular.

I commend the Bill to the House.

Debate adjourned, on motion by the Hon. R. Thompson (Leader of the Opposition).

LIQUOR ACT AMENDMENT BILL

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [6.03 p.m.]: I move—

That the Bill be now read a second time.

This is another of the measures required to implement revenue-raising proposals outlined in the Budget.

This Bill, which amends the fourth schedule of the Liquor Act, proposes to increase liquor license fees paid in respect of stores and taverns by ½ per cent of the gross amount paid in respect of all liquor purchased for such premises. The present fee is assessed at 7½ per cent. This is to be increased to 8 per cent.

The existing fee, assessed at 5½ per cent of the gross amount paid in respect of all liquor purchased for hotels and clubs, is to be increased to 7 per cent.

The other fees for licenses or permits, which are set out in the fourth schedule, such as for wholesale merchants, brewers, and vignerons' licenses, are not affected by this measure.

Four other States have announced new liquor license rates as follows—

	%
New South Wales	6½
Victoria	8
South Australia	7
Tasmania	8

I mention in this respect that other States follow the practice of charging a uniform fee for all licenses, although in Victoria retail liquor stores are required to pay a small additional flat fee.

The present differential in this State between fees levied on stores and taverns on the one hand, and hotels and clubs on the other, has been the subject of representations by the Licensed Stores Association.

In considering legislation of this nature, it is difficult to justify the continuation of the existing 2 per cent differential, and members will see that it is proposed to vary the increase so as to reduce the margin to 1 per cent. As indicated earlier, the other States do not have the differential with the exception of the one I mentioned in respect of Victoria.

The new rates shall come into operation here from the date of assent of the Bill. As licenses for premises situated south of the 26th parallel are assessed on a calendar year basis, and have been taken out to the 31st December, 1974, the new

rates will apply to these premises for the licensing period commencing on the 1st January, 1975.

The licensing period for the premises north of the 26th parallel is the year ended the 30th June. As licenses have been taken out and fees assessed for the 12 months ended the 30th June, 1975, the new rates will apply on these premises after that date. In other words, they obtain a respite of six months.

This measure is expected to yield $474 000 in 1974-75 and $1 052 000 in a full year. I commend the Bill to the House.

Debate adjourned, on motion by the Hon. R. Thompson (Leader of the Opposition).

RURAL AND INDUSTRIES BANK ACT AMENDMENT BILL (No. 2)

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [6.05 p.m.]: I move—

That the Bill be now read a second time.

In concord with the proposal that certain statutory authorities be required to contribute to the revenue of the State, this Bill to amend the Rural and Industries Bank Act provides that the bank pay 50 per cent of its net profit to the Consolidated Revenue Fund.

The Rural and Industries Bank has grown considerably in strength and diversity of activities in recent years, and is now beyond the development phase during which retention of the whole of its profits could be justified.

The Bank is in direct competition with private banks which are required to pay income tax to the Commonwealth Government.

The Commonwealth Trading Bank is required not only to pay income tax, but it must also contribute to the Commonwealth Treasury 50 per cent of its net profit after provision for income tax.

Other State banks are exempt from income tax, but are required to pay 50 per cent of their net profit to Consolidated Revenue. The bank's financial year ends on the 31st March, and the Bill provides that within three months of the end of its financial year it shall pay one-half of the profit for that year, as certified by the Auditor-General, to the revenue fund.

The first payment is to be made in respect of the year ended the 31st March, 1975, so that it will be received by the Treasury during this financial year.

As some doubt could arise concerning the appropriate treatment of certain provisions such as amounts written off bank premises, or amounts set aside for contingencies and for bad or doubtful debts, the Bill provides that in arriving at the net profit of the bank any such provisions shall be subject to the approval of the Treasurer.

Because the amount to be paid in 1974-75 will depend upon the trading realised by the bank on the current year's trading, it is difficult to forecast the gain to the Budget from this measure. However, in the light of previous years' results, an amount of $750 000 has been included in the Revenue Estimates for this year.

I commend the Bill to the House.

Debate adjourned, on motion by the Hon. R. Thompson (Leader of the Opposition).

STAMP ACT AMENDMENT BILL (No. 2)

Second Reading

THE HON. N. McNEILL (Lower West—Minister for Justice) [6.08 p.m.]: I move—

That the Bill be now read a second time.

This is another one of the measures required to implement the revenue-raising proposals outlined in the Budget.

The main purpose of this Bill to amend the Stamp Act is to increase from 6c to 8c the stamp duty payable on cheques and on Bills of exchange or promissory notes payable on demand. At the same time the opportunity has been taken to seek the correction of an earlier drafting error in the principal Act.

Some years ago the expression *"ad valorem"* was wrongly inserted in section 52 subsection (4) which concerns cheques. As the duty imposed on cheques is at a flat rate, the reference to *ad valorem* is not correct and should be deleted as now proposed.

The Principal amendment calls for little further comment, except to explain that the Bill provides for the new rate of duty to come into operation from a date to be proclaimed. It is intended that the operative date should be the 1st December, 1974, and the estimated revenue to be obtained in this financial year is based upon that commencing date.

Allowing for a lag of one month before returns of tax are received at the new rate, it is estimated that the measure will yield $500 000 in 1974-75 and $1 million dollars in a full year.

I should mention that all other States except Queensland have taken action to increase the duty on cheques to 8c.

The new rate will apply from the 1st November in New South Wales, from the 1st December in Victoria and South Australia, and from the 1st January in Tasmania.

I commend the Bill to the House.

Debate adjourned, on motion by the Hon. R. Thompson (Leader of the Opposition).

RIGHTS IN WATER AND IRRIGATION ACT AMENDMENT BILL

Second Reading

THE HON. N. McNEILL (Lower West —Minister for Justice) [6.10 p.m.]: I move—

> That the Bill be now read a second time.

The purpose of this Bill is to reduce the possibility of pollution of surface and subterranean water sources.

We are fortunate in this State that up to the present we have been spared the destruction of any of our rivers and lakes by discharge of effluent. Nevertheless, expanding industrial development, together with our increasing population, points to the desirability of having on the Statute book strong legislation to enable the present satisfactory state of affairs to be maintained.

Existing provisions designed to control pollution are contained in section 10 of the principal Act. The section reads as follows—

> 10(1) If any person throws or conveys, or causes or permits to be thrown or conveyed any rubbish, dirt, filth or other noisome thing or causes the water of any sink, sewer, or drain or other filthy water belonging to him or under his control to run or be brought into any river, creek, stream, or water-course, lake, lagoon, swamp, marsh, or subterranean water-course, or conveys or discharges or causes or permits to be conveyed and discharged thereinto any sludge, mud, earth, gravel, or other matter likely to obstruct any such river, creek, stream or water-course, or the current through any lake, lagoon, swamp, or marsh, he shall be guilty of an offence against this Act.
>
> (2) Nothing contained in this section shall be held to take away, limit, or curtail any right or privilege conferred by the Mining Act, 1904.

One could well be excused for imagining that those detailed provisions would be sufficient to cover any eventuality.

The section has remained almost unchanged since the introduction of the principal Act in 1914, the only subsequent addition to its terms being the inclusion of subterranean watercourse in 1962. I am advised, however, that while the section does go into some detail, it is too general in its application to be effective. For example, the section makes no provision for the setting of standards to which effluent must be treated before discharge. It does not have the authority to stop the disposal on land of material which may subsequently be washed into watercourses or seep into underground aquifers. Having regard for the difficulties being experienced in administering the Act under present-day conditions and the likely developments in the future, the existing provisions are, in fact, considered entirely inadequate.

A further defect in the Act is that the limited powers to prevent pollution can be applied only when a specific portion of the State is proclaimed for the purpose. Such proclamation carries with it an obligation on all persons using water in the particular area to be licensed. Because of these difficulties, that part of the Act which purports to control pollution applies only to half of the State's river systems, and less than half of the State's underground waters are protected.

It will be noted that subsection (2) of section 10 also exempts those persons causing pollution if they have a right or privilege conferred by the Mining Act. This has created problems also. For example, at the present time a beach sand miner in the Capel area is discharging muddy water into the Capel River thus creating problems for farmers irrigating from the river further downstream. The suspended solids in the river water are also detrimental to marine life.

Another example of the difficulties which can arise from the exemption granted for mining is the case of a mine in the Meekatharra region which discharges an acid waste into a watercourse. This waste has killed the flora which grew in the river bed.

Under the proposals contained in this amending measure, miners will still be able to dispose of their effluent. However, they will need a license to do so and the standard of effluent will have to meet a criteria which will ensure that it will not be deleterious to the environment or to other users of the waters.

There is provision for appeal against a decision of the Minister in regard to the granting, refusal, or revocation of a license.

The Bill also provides that the Governor, on the recommendation of the Minister, may declare that portions of the State may be excluded from the provisions of the Act. This is to ensure that the Act shall not overlap, in respect of the disposal of effluent, the area controlled by the Swan River Conservation Board or any future estuarian conservation authority.

We have good reasons in this State to be pleased with the efforts which have been made to date to protect the environment. Certainly the benefits accruing from the Swan River conservation legislation must be obvious to all who use the river. It is interesting also to note that the efficacy of this Act in controlling pollution was commented upon by the Senate subcommittee which recently conducted an inquiry into water pollution throughout Australia.

In accepting that the waters of the Swan Estuary should be protected, it is inconceivable that we deny similar protection to

the other streams, rivers, lakes, and marshes of the State. I commend the Bill to members.

Debate adjourned, on motion by the Hon. R. F. Claughton.

FACTORIES AND SHOPS ACT AMENDMENT BILL

Second Reading

THE HON. G. C. MacKINNON (South West—Minister for Education) [6.15 p.m.]: I move—

That the Bill be now read a second time.

This Bill to amend the Factories and Shops Act has, as its main purpose, the provision of more flexible trading hours in recognised tourist resorts in country districts, in accordance with the previously announced policy of this Government.

It is expected that this innovation will prove popular and convenient in holiday and tourist areas where persons tend to congregate in large numbers at seasonal times of the year, and will add to the enjoyment of a holiday by lifting the restrictions on shops in respect of the normal closing hours at present experienced.

There will be no compulsion, however, for shops to remain open for longer hours in an area which is declared a place where extended trading hours are permitted.

In New South Wales, the 1969 amendments to the Factories, Shops and Industries Act provided for the Minister in that State to allow longer trading hours for shops outside the bigger cities and metropolis of Sydney, Newcastle, and Wollongong. It was conditional upon similar criteria to that contained in this Bill which requires a place to be in the category of a holiday resort and in certain periods of the year to have a holiday population which is larger by comparison with its normal resident population.

The procedure to be followed in making applications and determining such applications will be along similar lines to that operating in New South Wales.

The local authority of a municipal district that has a holiday resort of the nature mentioned, may apply to the Minister for Labour and Industry for an order to allow more flexible trading hours over a period or periods of 15 weeks in each year. The extent of support or concurrence of occupiers of shops in the area or locality will need to be specified, as will the periods, times, and classes of goods in which it is desired to trade. The emphasis will be on assisting country areas; metropolitan applications are not to be considered unless special or exigent circumstances prevail in, say, some outer areas.

To allow a wider representative group to consider applications and make representations to the Minister, a holiday resorts advisory committee will be formed, consisting of the existing Retail Trade Advisory and Control Committee established under the Factories and Shops Act and enlarged by an additional five members.

The present committee of three, as referred to, is composed of the Under-Secretary for Labour and Industry, as chairman, a member representing the occupiers of shops, and a third member representing consumers. The additional five members to be appointed by the Governor will represent—

(a) country local authorities,

(b) the tourist industry,

(c) employers in shops,

(d) employees in shops, and

(e) purchasers of goods from shops.

The Director of Tourism will be required to report whether the area subject to the application is a legitimate holiday resort fulfilling the criteria mentioned and the Minister, who is to be the final arbiter, with the power to make an order, will ensure that such a report is obtained and considered when recommendations are made to him. The maximum periods to be allotted can cover up to 15 weeks each year and once granted, the same periods will apply each year until altered or revoked by order of the Minister

The effect of these amendments will not change the present situation under the Act for certain class shops which already have longer trading hours than the general shops under section 85 of the principal Act and may even be in the tourist area. These are—

(a) exempted shops,

(b) privileged shops,

(c) small shops,

(d) motor vehicle shops which have an additional trading night on Wednesday, and

(e) garages and service stations with extraordinary trading hours and roster trading.

No doubt arguments may be advanced on this proposal as to the impact upon staff, management, and the inflationary effects upon retail prices by the payment of penalty rates of pay in accordance with industrial awards, but public convenience is also of paramount importance. The fact that extended trading will be optional once approved in tourist areas should help alleviate difficulties which some business proprietors may foresee or anticipate, or may even experience after a reasonable trial of extended hours.

Another amendment in the Bill extends the secrecy provisions as they relate to an inspector under the Act so as to make it an offence to disclose or use information concerning manufacturing or commercial secrets or working processes which have come to his knowledge in the course of

official duties. ILO Convention No. 81 (Labour Inspection), which Australia has ratified, contains an obligation to bind an inspector to secrecy, even after he leaves the Public Service.

The interpretation of section 15 of the Act does not extend this far and it has been necessary to rewrite it in the amending Bill to allow this State to be in conformity with the convention.

I commend the Bill to the House.

Debate adjourned, on motion by the Hon. D. W. Cooley.

ADJOURNMENT OF THE HOUSE: SPECIAL

THE HON. N. McNEILL (Lower West—Minister for Justice) [6.19 p.m.]: I move—

That the House at its rising adjourn until Tuesday, the 12th November.

Question put and passed.

House adjourned at 6.20 p.m.

Legislative Assembly

Thursday, the 31st October, 1974

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

TOWN AND COUNTRY BUILDING SOCIETY

Loans to Mr McKenzie: Statement by Leader of the Opposition

MR J. T. TONKIN (Melville—Leader of the Opposition) [4.33 p.m.]: I seek leave to make a statement to the House in connection with the matter which was raised by the member for Subiaco yesterday.

The SPEAKER: The Leader of the Opposition seeks the leave of the House to make a statement. I warn that if there is a dissentient voice leave will not be granted. Is there a dissentient voice? There being none, leave is granted.

Mr J. T. TONKIN: I have been asked by Mr McKenzie and Mr McKerrow, the Executive Director of Town and Country Building Society, to make a statement on the facts, in order that the people may be properly informed in regard to the matter which was raised by the member for Subiaco yesterday. The following is the statement which was dictated in my presence by Mr McKerrow—

> On Tuesday last the Registrar of Building Societies telephoned me to advise that he had received an anonymous telephone call from a party who recited the precise terms and conditions of a series of loans which we have made to Mr W. A. McKenzie, General Manager, Friendly Society Chemists, which were referred to in this morning's Press.
>
> I immediately took the file of these arrangements to the Registrar, who has since acknowledged:—
>
> (a) That there had been no breach into the Building Societies Act.
>
> (b) That funds were introduced by Mr McKenzie by way of investment in the Society at rates of interest and on terms and conditions which enabled the Society to on-lend them to him on the basis which did not limit the Society's ability to make normal housing loans, or result in borrowers paying our standard rates of interest, in effect subsidising the loans to Mr McKenzie. In effect the Society was acting as an intermediary in this case.

Mr O'Connor: Were they Mr McKenzie's funds?

Mr J. T. TONKIN: Yes. To continue with the statement—

> It is not a role that the Society normally seeks. However, a material factor in the ability of this Society to continue a normal lending programme during the current credit squeeze has been the success of the chain of agencies operated by the Friendly Society Chemists on its behalf.
>
> As in any other successful business arrangement its effectiveness depends upon the relationship between the top management of the organisations concerned and the reciprocal benefits which they obtain from it.
>
> The Building Society and Mr McKenzie's organisation are co-operatives.
>
> It is a matter for regret that Dr Dadour did not contact me and that he apparently agonized for some six weeks after the receipt of the anonymous letter.

Point of Order

Sir CHARLES COURT: On a point of order I rise to seek a clarification of the position. I would not be one to deny the Leader of the Opposition the right to make a personal statement, but as members know one cannot be aware of what is in a personal statement until it has been made.

My understanding of the Standing Orders is that such a statement must be about something which concerns the member making it. If the precedent that has been set this afternoon is followed, it will mean that members will have an incessant array of persons calling on them to make statements on their behalf and in