

Legislative Assembly.

Tuesday, 10th September, 1940.

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

BILLS (3)—THIRD READING.

- 1, Agricultural Products Act Amendment.
- 2, Licensed Surveyors Act Amendment.
- 3, Inspection of Machinery Act Amendment (No. 1).

Transmitted to the Council.

BILL—RESERVES (GOVERNMENT DOMAIN).

Third Reading.

THE MINISTER FOR LANDS (Hon. F. J. S. Wise) [4.34]: I move—

That the Bill be now read a third time.

HON. C. G. LATHAM (York) [4.35]: I did not propose to speak on the third reading, but I happened to be out of the Chamber when the Minister said that evidently I had treated the Bill very lightly. I assure the House that I did nothing of the sort. A considerable amount of mirth was caused by some of the evidence given before the committee, but it was only the evidence that caused the mirth. I regard the matter as serious, firstly, because we are not justified at the moment in spending the large sum of money that will be involved, and secondly because I believe the site to be unsuitable. I agree with the member for Guildford-Midland (Hon. W. D. Johnson) that the finding of the committee was against the weight of the evidence submitted.

Mr. Patrick: I do not agree with that statement.

Hon. C. G. LATHAM: I did not know whether the hon. member agreed or not. I am not going to allow the Minister for Lands to say that I did not treat the matter seriously. I did. It is not possible for me to do anything further in the matter now, but I take the opportunity to protest against the expense involved in the erection of extravagant buildings in the present deplorable condition of the State's finances; more particularly as the money could be used to help those in distress and to provide employment for people now seeking it or who may be seeking it in the near future.

Question put and passed.

Bill read a third time and transmitted to the Council.

BILL—ELECTORAL ACT AMENDMENT.

Report of Committee.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Kanowna) [4.37]: I move—
That the report be adopted.

MR. McDONALD (West Perth) [4.37]: The member for Forrest (Mr. Holman) moved and secured the passage of an amendment in Committee to provide for the case of a candidate who died before the counting was finished. The amendment is all right, but I think it still leaves a hiatus between the period of 8 o'clock in the evening on polling day and 12 o'clock midnight on polling day which is not accounted for. I do not want to do more now than to raise the point for the consideration of the Minister for Justice, but I think it worth while looking into so that the period in question can be included in the Bill during its passage through the Legislative Council.

Question put and passed.

Report adopted.

BILL—MCNESS HOUSING TRUST ACT AMENDMENT.

Second Reading.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [4.40] in moving the second reading said: This amendment is submitted for the purpose of empowering the McNess

Housing Trust to erect homes and to allot them on a weekly tenancy basis at a rental of 5s. a week, rates, taxes and maintenance to be paid from the rental received and any balance to be credited to the general trust fund and utilised for rebuilding. The Act contains two sections which, of course, we propose to continue—(a) The fee simple section under which the trust erects homes and disposes of them to approved applicants on the basis of a repayment of 5s. a week from which all rates, taxes and maintenance are paid. The balance is used in reduction of the principal owing on the property. The sale is made free of interest, and an applicant can at any time discharge the total liability and obtain the fee simple title. (b) The free life-tenure section which enables the trust to erect homes and allot them to approved applicants on a free life-tenure agreement. This agreement enables the allottees to occupy homes without any payment whatsoever with the exception of sanitary rates and an annual charge of £2 2s. for water service.

Experience has shown that in many instances where applicants are old-age pensioners or invalids, they occupy properties for a few years only and the trust may then be called upon to make a refund of the principal moneys paid. It is considered that where an applicant is occupying a home for 5s. a week, from which all rates, taxes and maintenance are paid, the trust should not be requested to make refunds either to retiring applicants or to beneficiaries under the will of a deceased applicant. In addition, the trust is endeavouring to provide satisfactory accommodation for a number of old-age pensioners at a lower cost than would be the case if separate homes were built for each applicant. The costs of building are now far in excess of those ruling when the law was enacted in 1931 and the general scheme of housing was to erect homes at a cost of about £250.

Mr. Warner: Would that include the title to the land?

The PREMIER: Some of the land was Crown land donated to the trust and other blocks were purchased by the trust for the purpose of erecting homes. The amount proposed to be expended on each house was £250. These places would not be mansions; they were to be ordinary houses in which

people could live in reasonable comfort. Building costs have increased to such an extent that houses cannot now be erected for less than about £400.

Mr. Warner: Where are they being erected at a cost of £400 now?

The PREMIER: The trust is not erecting many at present.

Mr. Warner: And it is not erecting them at a cost of £250.

The PREMIER: The trust is erecting some. This was a new principle. The intention was to erect what would be little more than the framework so that the tenant or occupier himself could improve it. In fact, the first houses were not lined; they were really shells. Since then the trust has lined most of the houses to make them more comfortable—cooler in summer and warmer in winter.

Hon. W. D. Johnson interjected.

The PREMIER: These homes were better than the bag shanties in which people were living at the time. The occupants had an opportunity to improve the places and make them more comfortable.

Hon. C. G. Latham: They were cottages of the group settlement type.

The PREMIER: They were unlined. During the depression a large number of people, through force of circumstances, found themselves unable to pay rent for homes and were living in bag huts. In the vicinity of Canning Bridge, I will not say there were hundreds but there were certainly many such people.

Mr. Sampson: Some of the houses have verandahs.

Hon. W. D. Johnson: The £250 houses have not.

The PREMIER: The provision of these cottages permitted of a tremendous improvement on the conditions that existed in the depth of the depression. The Leader of the Opposition will remember that the Commonwealth provided a sum of money for employment purposes and the then Government considered that it could best be spent in building houses for homeless people. The desire of the Government was to erect as many homes as possible; in other words, to keep the capital cost low and build the maximum number of houses. The houses thus provided were not of the best, but they represented a distinct improvement on the conditions then existing.

Mr. Fox: A couple of the rooms were lined.

The PREMIER: Since then the trust has lined all the houses and made them more comfortable. As I was saying, building costs have increased and houses cannot now be built for £250. The trust desires to continue the building of homes for comparatively indigent people or those who cannot afford to pay much rent. These homes might be provided for old age-pensioners who have to subsist solely on the pension. If a man and his wife are drawing pensions and have to pay rent, they have only about 25s. left to keep them both, which amount is insufficient. I think every member will agree that the principle of providing housing accommodation for people who otherwise could not afford to pay rent is a commendable one. On the death of Sir Charles McNess, the residue of his estate was left to the trust to continue this magnificent work of providing homes for people eminently deserving of assistance. The trust wishes to continue the work and believes it can save £150 on each two homes by building duplex or semi-detached houses. This would permit of the building of considerably more homes for the same outlay than if each house was built on a separate block, and the accommodation provided would be as good. The trust intends to charge what in ordinary circumstances might be considered the very low rent of 5s. a week altogether, including rates and taxes and every charge that has to be made. This, of course, could not be done unless the money was donated for the special purpose. The trust uses the fund over and over again; whatever moneys it receives go back into the fund, and when a sufficient amount has accumulated for the building of another house the trust builds another house.

Mr. Sampson: There is also the right to purchase without additional cost.

The PREMIER: Yes. If duplex or semi-detached houses are built, it will still be easy to give any tenant a right of purchase. The tenants pay about 2s. 6d. per week for the houses, and in view of their financial position it may be assumed that they do not bother much about purchasing. They are given these houses by way of charity; and for that they are by no means to be looked down upon, seeing that their physical condition and circumstances of health do not permit them to earn anything. Accordingly they are given these houses at very low

rentals indeed. For the provision of duplex houses to be let at still lower rates, the trust has obtained various blocks in the metropolitan area and in country districts, and five or six of those duplex houses can be built whereas otherwise the board could build only three or four. That is the main purpose of the Bill, though it contains several consequential amendments. The houses will be fairly comfortable as compared with houses otherwise let at 12s. 6d. or 15s. The proposed extension of the Act is warranted, and will enable consideration to be given to many people who otherwise would be excluded. I commend the Bill to the House.

On motion by Mr. Warner, debate adjourned.

BILL—CITY OF PERTH (RATING APPEALS).

Second Reading.

Debate resumed from the 22nd August.

MR. McDONALD (West Perth) [4.54]: I propose to support the Bill, which has been approved, I understand, by the Perth City Council. My personal opinion is that the measure could be improved. In my view it is not altogether the best procedure to be adopted, in some respects, for determining the question of rating appeals in the City of Perth. I believe, however, that the City Council has decided that this particular procedure will suit its views, and I therefore feel that the House will be justified in passing the measure as representing what is desired by the City Council, which body will have the responsibility of putting the system into force. Still, I propose in Committee to move an amendment of a minor character which appears in my name on the notice paper. The idea of the Bill is that in future appeals shall not be brought to the City Council but shall be heard by a special and expert tribunal to be appointed in the manner set out. If the appellant is not satisfied with the special tribunal's decision, he has the right to appeal to a magistrate of the local court. The special board to be appointed is to consist of a legal practitioner of 10 years' standing and in actual practice, who will act as chairman, a member of the Commonwealth Institute of Valuers in actual practice, and a ratepayer who is not a member of the City Council and who is to be the representative of ratepay-

ers in the city. The amendment I propose to submit for the consideration of the House is that, instead of the ratepayer as a member of the board, there shall be appointed a registered architect in actual practice. However, I do not care greatly whether the third member of the board is an architect or another member of the Institute of Valuers. I believe the report originally made to the City Council by a special committee recommended a board on the basis which it will have if my amendment is carried.

I wish to say a word or two as to the reason for the amendment. The amount of the rate to be imposed each year is decided by the Perth City Council itself, and its members are the representatives of the ratepayers. Assuming that the City Council estimates that it requires to budget for, in round figures, £1,000,000 for the year's expenditure, it will then decide what rate will raise that amount of money. Possibly the City Council will decide that the rate shall be 2s. 6d. in the pound. That rate having been decided upon and struck by the City Council as part of its functions, which it will still retain, the amount of the rate cannot be altered by the board set up as an appeal board. The appeal board is not concerned with that at all. Its functions under the Bill will be the functions of an expert board to determine the principles upon which valuations of city property shall be made, and then to apply those principles to any individual case which comes before it.

Mr. J. Hegney: The board does not determine the principles.

Mr. McDONALD: The hon. member has corrected me to a certain extent. Certain principles are laid down in the Act. That is to say, the income from property shall be regarded as 60 per cent. of the rental received; or else it can be assumed that the income is four per cent. of the capital value. From recollection, I think I am correct in that statement. Inside these limits, the principles upon which valuations are to be arrived at must be determined by this expert board. For example, the rent may be very small, less than the real economic rent of the property. The City Council or the board of valuers are not bound to accept a rent that is not fair. They may determine what is a fair rental for the property. That is to say, the expert board will have, as part of its duty, the task of arriving at the general principles on which

the land is to be valued, and then it will apply those principles to the facts of each individual case.

Mr. J. Hegney: That will apply to ingoing, goodwill and so on.

Mr. McDONALD: Yes, all those factors must be taken into account. There is the matter of ingoing paid in respect of an hotel.

Mr. Styants: That has been the main source of trouble to date.

Mr. McDONALD: It has been a factor in promoting the introduction of this legislation. There are many other circumstances such as the situation of the property with reference to the passage of population. Land in one part of the street may have a greater value than that situated in another portion of the same thoroughfare because the former may be where people assemble to board trams or buses. However, I do not want to be drawn into a consideration of all the factors involved in estimating the value of a property, because that would be a very extensive task. The idea is that the expert board must be in a position to value the property of ratepayers upon the same general principles, because that is the only way in which, as between themselves, ratepayers can be justly called upon to bear their proper proportions of the city rates. Once we apply the right principles and value all properties within the metropolitan area on those principles, then it does not matter, in one sense, what the rate struck may be. I may use this illustration: Suppose that on the present valuations throughout the city of Perth, the required expenditure for the year could be raised by striking a rate of 2s. 6d. in the pound. What we have to look at is the total amount to be raised during the year. If we double all the valuations in Perth, the same aggregate amount would be raised by the imposition of a rate of 1s. 3d. in the pound. If we halve the valuations, then, in order to raise the same amount, we would have to impose a rate of 5s. in the pound.

With the amount of the rate that is struck by the City Council in order to obtain the requisite revenue for the year, the expert board has nothing to do. The ratepayers cannot appeal against that phase. The Bill before the House sets out that the board is to have power to determine appeals by ratepayers in relation to the valuations of any rateable land, or

against the amount of any rates assessed on that rateable land. The two matters really mean the same. The phraseology I have quoted has been lifted verbatim from the Municipal Corporations Act of 1906. Really, appeals can only be against the valuations placed on land. The amount payable will follow automatically from the valuation. I stress this phase because it seems to me that the board is to be entirely engaged upon expert duties. For that reason one of the members of the board is to be a professional valuer. The chairman is to possess professional qualifications in that he will be a man trained to weigh evidence and direct procedure. On the other hand, the third member of the board is to be a ratepayer who will have no qualifications at all. The suggestion has been made that the ratepayers' representative on the board is necessary in the interests of the ratepayers in the metropolitan area, but they do not need any such member on the board to represent them. The board cannot affect the amount struck by way of a rate; that is a matter for the City Council. Where the ratepayers want representation and where they have it now, is in the council itself. That is where their representatives, as councillors, strike the rate required to meet the expenditure upon which they have determined for the ensuing year.

When this matter was first brought before the City Council the proposed board was an expert body that was to be appointed for an expert job. It was to have a chairman of professional capacity. There was to be an expert valuer who would know all about the values of land and buildings. The third was to be an architect who would be an expert in connection with buildings. The City Council, however, desired to do its best for those concerned and now proposes to appoint a ratepayer, who may not necessarily have any professional knowledge of the subject at all. So the expert board to do an expert job as originally proposed, now, according to the Bill, is to be a combination of an expert body and a representative body. It, therefore, is not logical in regard to its composition.

The Minister for Mines: But the Bill will not prevent an architect being appointed as the representative of the ratepayers.

Mr. McDONALD: No. That could be done, but Parliament should say what steps should

be taken. Parliament ought to decide upon the principle underlying the Bill, the whole idea of which is to substitute for the present method by which the council deals with appeals, a board that is to do an expert job and which, therefore, should be composed of experts.

Mr. J. Hegney: Do you think another valuer would be more competent for the work than an architect?

Mr. McDONALD: The member for Middle Swan (Mr. J. Hegney) is probably correct. I would be equally pleased if two members of the Commonwealth Institute of Valuers were appointed to the board, together with the chairman as suggested in the Bill. All I am concerned about is to have a board, the composition of which is consistent, having regard to the duties to be performed.

Mr. Patrick: Probably all the members of the board will be ratepayers, whatever the composition may be.

Mr. McDONALD: That is true, and it is quite a probability. While we have gone to the trouble of providing for a partially expert board, we should recognise what we are really seeking to accomplish and make the board a wholly expert board. Apart from the amendment I have indicated, which I think will correct an anomaly in the Bill, I propose to support the second reading.

MR. SAMPSON (Swan) [5.10]: I trust members generally will support the Bill which should prove a very useful measure. It outlines means whereby appeals can be considered by those best qualified to deal with them, particularly if the amendment indicated by the member for West Perth (Mr. McDonald) is accepted. Members of municipal councils are never over enthusiastic regarding appeals against rating because they realise that they are laymen and their position is by no means an easy one, remembering that they represent ratepayers who may appear before them as appellants. I do not desire to suggest that members of local governing bodies are not ready to do their duty and to determine what is fair. They always attempt to do so after hearing the case made out by any ratepayer concerned. However, it is hardly likely that the resultant verdict in such an instance would be as satisfactory as could be expected under the provisions of the Bill. To my mind it would be excellent if the application of the principle embodied in the measure

were extended to all local authorities. Admittedly, seeing that the valuations of land are made by the officers of the Taxation Department, the same severe difficulties are not now faced by road boards as in the past. To-day if an appeal is lodged, the appellant is faced with the fact that the unimproved value of his property has been arrived at by an expert attached to the Taxation Department. Nevertheless, there are appeals, and, in my opinion, it would be helpful if all local authorities were given a similar opportunity to that afforded by the Bill when they have to deal with such appeals. I propose on some appropriate occasion to bring this matter before the notice of the Road Board Association of Western Australia with a view to discussing the subject and ascertaining if a majority of the local authorities wish to enjoy advantages similar to those outlined in the Bill. I am sure many anomalies will be prevented as a result of the creation of the proposed board. Regrettable circumstances sometimes arise whereby those who appeal and enter an appearance before the council when their applications receive consideration, secure treatment different from others who, however, do not appeal and whose position may be equally unsatisfactory. I support the second reading of the Bill.

MR McLARTY (Murray-Wellington) [5.14]: I support the principle of the Bill. The Minister was quite right when he said it was not practicable for 24 councillors to constitute themselves an appeal court. Some such councillors may have their ideas regarding the proper value attached to land, but others probably have no such conception whatever. I also agree with the point made by the Minister that councillors are elected by some of the people who may be appellants. I wish provision could have been made in the Bill to allow every municipality to take advantage of its provisions if it so desired, because the same principle applies to all municipalities throughout the State. Certainly the councillors in other municipalities are not so numerous, but the same difficulties arise. I agree with the member for Swan (Mr. Sampson) that what is good for municipal councillors is good for road boards, and probably the same provisions will be made for road boards at some future date. I do not agree with the member for West Perth (Mr. McDonald) that the rate-

payers' representative should be omitted from the appeal board. I hope the Minister will not agree to that because in other legislation that has been passed by this House representation on boards has been given to certain sections of the community that are affected.

Mr. Styants: Not on the Milk Board!

Mr. McLARTY: If it is right to do that in one Bill, it is right to do it in another. If anybody is to be omitted from the appeal board it should be the lawyer. The appeal board is to include a legal practitioner, a member of the Commonwealth Institute of Valuers and a representative of the ratepayers. Those three men ought to be practical men; they should know something about values. I would not accept many lawyers' ideas of values. Were the lawyer selected a practical man, I would not have any objection, but we have no guarantee that he will be.

Mr. Patrick: Will not evidence be taken?

Mr. McLARTY: Yes; but consider the constitution of the board. There would be a member of the Commonwealth Institute of Valuers with one idea and the representative of the ratepayers with another, and the legal practitioner would decide who was right. That would not be very satisfactory.

Mr. Patrick: That is the way our law courts function.

Mr. McLARTY: I do not think it would be satisfactory. It would be much more practicable if the Minister agreed to substitute some other person in place of the legal practitioner, someone with a practical knowledge of values. I do not care who is appointed so long as he has a practical idea of values.

The Bill also provides for an appeal to the local court. That again does not seem to be very practicable. To my mind the result would be an appeal to a less competent body. An expert board of valuers is to be set up, and then we are to say to the ratepayer who is appealing, "If you are not satisfied you can appeal to a magistrate." Probably the magistrate will not have any idea of values at all, and he will give his opinion on the evidence. I have had some experience of magistrates' ideas in regard to land drainage matters, and for that reason I do not regard the provision for an appeal to a magistrate as satisfactory. If we are to have an appeal board it should be differently constituted. I do not want to deprive ratepayers of the right to appeal, though perhaps we might

take this stand: that where the board was unanimous an appeal would not be necessary. It would be necessary only in the event of divided opinion. However, I support the second reading of the Bill.

MR. ABBOTT (North Perth) [5.20]: Before I suggest a few amendments to the Bill I wish to make a remark about the attitude adopted by the member for Murray-Wellington (Mr. McLarty). I was a little surprised at his lack of comprehension of the duties of the chairman of the board. I understood that the chairman and the board were not to decide matters on their own knowledge but on the evidence submitted. Some people—very often farmers—are extremely biased in respect to their own little district or piece of land. On the other hand, the whole of a lawyer's training is along the lines of logic. He is trained to look at matters from the point of view of the evidence submitted. I support the remarks of the member for West Perth (Mr. McDonald). We do not want to appoint to this board someone whose attitude would most likely be always in favour of the appellant. That would be wrong; and it is a circumstance that has always constituted one of my objections to the Arbitration Court as at present constituted. Invariably we find the representative of the workers looking at matters from the point of view of the workers alone, and the employers' representative is always apt to look at the evidence from the standpoint of the employers. Let us appoint impartial people to a board which has to act in a judicial capacity.

If the Bill is enacted, a ratepayer wishing to obtain redress will have to appeal to the board of review. The City Valuer has an immense number of valuations to make and it is easily conceivable that he will sometimes make a mistake. As a matter of fact, he does make mistakes which, when pointed out to him, he immediately realises. Under the Bill, however, the appellant has to proceed with his appeal to the board although the City Valuer may have acknowledged his error. In this connection I suggest that the same procedure should be followed as is adopted under the Federal and State land tax Acts. Let the appellant make his appeal, which could then be referred to the valuer for his consideration. The valuer might reduce the

amount or disallow the appeal. In the latter event I suggest the next procedure should be for the appellant to request the council or the town clerk to have his appeal heard either by the appeal board or by the local court. Under the Bill the appeal would have to come before the board and, as the member for Murray-Wellington mentioned—and in this I agree with him—the expert board would hear the appeal and the whole of the evidence would have to be taken and a good deal of time would be wasted and expense involved. If the appellant is not satisfied with the decision of the board the next procedure is an appeal to the local court, and the whole of the evidence has to be taken again. Not until one reaches the local court can a case be stated for the Supreme Court on a question of law. I suggest, therefore, that it should be optional whether an appeal is made to the board or to the local court. If this is provided the procedure would be that adopted under the land Acts, which are the result of long experience. Under the Federal Act one has the option of asking for his appeal to be dealt with by a board or by the local court or the Supreme Court. Under the State Act he can go to a court of review—which is the local court—or to a judge of the Supreme Court in Chambers. In the case of the rating appeals I suggest that it should be optional whether an appellant goes to the board—which would probably be the simpler procedure, no expense or cost being involved—or to the local court, in which case he might have to pay costs at the discretion of the court. Provision is made in the taxation Act—if a magistrate thinks fit or either party requires it—for the magistrate, before giving a decision, to state a case on a question of law for the consideration of the Supreme Court. I suggest that a similar provision should be inserted to enable the appeal board to state a case. The proposed chairman of the board is to be a legal practitioner of ten years' standing and he would probably have equal qualifications with those of a local court magistrate. There is no reason why a case should not be stated—by the board—if it is desired by the parties concerned, for submission to the Supreme Court on a question of law without the whole of the evidence having to be taken again by the local court to enable a question of law to be considered by the Supreme Court. That would obviate a

good deal of work. My suggestion is that it should be optional whether an appellant appeals to the local court or to the appeal board, but the appeal board should be given power to state a case for decision by the Supreme Court on a question of law. The process I have suggested would involve rather important alterations to the Bill. In my opinion those alterations, if adopted, should be made by the Parliamentary Draftsman rather than by me in Committee. I put these proposals forward for the consideration of the Minister, and suggest that if they meet with his approval they might be drafted into the Bill. The measure as it stands is a great improvement on the present system, and in any event, therefore, I support the second reading.

HON. C. G. LATHAM (York) [5.31]: I support the second reading, though I disagree with the remarks of the member for Murray-Wellington (Mr. McLarty). His reasoning is difficult to understand. I do not know whether a taxation valuation has been made of unimproved land in the City of Perth. If not, such a valuation should be made. There can be only one true value of land. Very often taxation departments, and various bodies such as local authorities and others making valuations of properties, arrive at varying decisions. If experts differ in respect to valuations, one can understand how clouded the issues become when appeals are made from officials of the City Council to the council itself. This proposal seems to be a wise innovation. If the Taxation Department has made valuations of unimproved land in the city, the only thing about which there would be any question would be as to the value of the properties on such land. The rates are struck on the annual rental value. Some of the premises may not be rented for the reason that the owner is conducting a business in them. We would require to have someone who could determine the rental value of all types of properties. The proposed board might well be comprised as suggested by the member for West Perth (Mr. McDonald). A lawyer of 10 years' standing should have considerable judicial standing, and be able to determine the value of the evidence and to dissect it. He might call in special experts for their advice as to certain valuations. A member of the Commonwealth Institute of Valua-

tors would be able to assist in that respect. An architect might also be of material assistance. I cannot see what benefit a representative of the ratepayers would confer unless he was a qualified man, able to understand the evidence submitted. Such a man might or might not be capable of doing that. Very often one hears that it is difficult to induce some men on a jury to see a point, whilst that comes naturally to others. When the board is appointed care must be taken to select a satisfactory representative. The general idea is a good one, but I do not understand why it is restricted to the City of Perth. The same principle might usefully be adopted by any other municipality, and I am sorry it has been restricted in its application. One thing in the Bill I do not understand. According to the Municipal Corporations Act, a person has a right to appeal against a valuation. I do not see the necessity for an appeal against an assessment, after the valuation has been made. How can there be an appeal against an assessment? The rate is struck on the annual rental value of the property. If a mistake has been made in the computation of the amount payable in the assessment, all that the ratepayer has to do is to bring the matter before the notice of the town clerk or the officer concerned, and have the error rectified. An assessment is a document prepared after the rate has been struck on the value of the property. Why it is necessary to provide for an appeal in such a case I do not know.

Mr. Doney: You can appeal against a valuation.

Hon. C. G. LATHAM: Yes, but not against an assessment. Perhaps the Minister will explain why that was put into the Bill. A flat rate is imposed on all properties, and that rate may be 2s. or 2s. 6d. in the pound. Does the provision for an appeal against the assessment mean that a man may be dissatisfied with the amount at which he has been rated? Would the taxpayer have the right to appeal against the rate that had been struck? If that is so, I do not know of any authority for it in the Act, though I admit that the legislation raises the issue. Section 401 of the Act states—

If any person thinks himself aggrieved on the ground of unfairness or incorrectness in—
(a) The valuation of any rateable property in—

cluded in any rate; or (b) The amount assessed thereon, he may appeal against the same to the council.

It strikes me that this means that a person may appeal against the rate that has been struck. After that there is no provision in the Act for an appeal of that nature. The appeal is against the value placed upon the property for rating purposes, but the Bill provides for an appeal against an assessment. What is meant by that? If it is only a question of an error in computation, that can readily be adjusted. The ratepayer need make no appeal to the board or the court. It must be a question of valuation and not of assessment.

MR. J. HEGNEY (Middle Swan) [5.38]: The Bill is fair and equitable, and I support it. It is designed to relieve the City Council of a good deal of lobbying. When the rates are fixed on many properties in Perth, the council becomes an appeal court. We know that a good deal of dissension has existed with regard to the fairness and equity of the rates imposed on certain properties. Imagine this Chamber converted into an appeal court for the hearing of cases put forward by taxpayers! We might give a fair decision in respect to one group of persons, and in regard to other groups our decision would be wide of the mark. The Bill will remove from the City Council the task of hearing appeals, and will mean that such appeals will be handed over to a board of experts. Instead of appointing a representative of the ratepayers, I think another valuer should be appointed, a person qualified to understand how valuations are arrived at. Such a man would be more competent than would be a ratepayers' representative or an architect, as suggested by the member for West Perth. The Taxation Department does not go outside its own staff when dealing with such matters, nor bring in a taxpayers' representative. It appoints an expert board consisting of men qualified to deal with land valuations and taxation generally. The same principle should apply to the proposed board. When the time comes to appoint that board it will be necessary to see that it is made up of persons who have no interests in and around Perth. It may be said that that is an unfair observation. We know that Ministers of the Crown have from time to time as members of various Governments found themselves parties interested in directorates,

and they have had to retire from those positions. Perhaps the companies with which they were connected were associated with certain Government contracts. It is essential that members of the board should be men of high qualifications, and above suspicion or personal interest. The principle is a sound one, but I am not permitted to discuss the taxation aspect, as that does not come within the purview of the measure. With regard to the fixing of the annual rateable value of land, I understand that in law goodwill or ingoing is not taken into consideration. That is fixed on the rateable basis. That being so, the owners of properties around Perth have been relieved of a good deal in the way of rates they would otherwise have had to pay. A few years ago Bairds Arcade, as it was then known, changed hands. Although all the tenants of the arcade had paid ingoing and rates, when the new proprietor took over a higher ingoing was fixed and the rentals were considerably increased.

Mr. Hughes: They were trebled.

MR. J. HEGNEY: The new owner obtained a considerable rake-off. I understand the question of ingoing would not come within the purview of the proposed board. When rates are fixed, that is not taken into consideration by the City Valuer. The Taxation Department fixes values through land valuers and experts, and the land tax is paid according to their assessments. Many road boards adopt the same valuations. The Leader of the Opposition inquired whether the Perth City Council had been adopting such valuations. People have the right of appeal from decisions of the Taxation Department, to the Commonwealth taxation appeal tribunal, the members of which recently visited Perth. I understand that when taxpayers feel that an unjust valuation has been made by the Taxation Department they can lodge an appeal. Hitherto that was not the procedure, and the Commissioner of Taxation was a law unto himself. The establishment of the appeal board, however, has caused the commissioner to make more certain of the principles he is adopting in fixing land values and in arriving at his decisions. The same thing would apply in connection with city valuations. If it were known that persons might appeal against the valuations of the board, and it was thought that the appellants might prove their cases, and upset the valuations, those responsible would

be more careful how they arrived at their decisions in the first place. Thus there would be less liability of successful appeals from the valuations made. The principle underlying the Bill is excellent and sound. Members of the municipal council are, after all, only laymen, and no matter how fair and just they may try to be in giving their decisions it cannot be said that they have expert knowledge. Consequently we might expect from them unfair decisions. So I consider that the principles of the Bill are sound. The experts who might be selected would have no particular interest to serve. With proper valuers appointed I consider that we will have a workable measure. I would favour the appointment of another valuer rather than an architect as suggested by the member for West Perth to represent the ratepayers. An architect is not skilled in valuing, though he may know something about the designing of buildings. I would, however, support the inclusion of another valuer. I support the second reading.

HON. N. KEENAN (Nedlands) [5.46]: I find myself supporting the Bill because I recognise that there is a demand for a change in the present state of affairs. The Bill is designed to create a board which has been described by members as a board of experts. It will consist of three persons to be appointed by the Governor-in-Council, one of whom shall be a barrister or a legal practitioner of 10 years' standing, another of whom shall be a valuer, and the third a representative of the ratepayers. I cannot convince myself that with such a personnel we shall have an expert board. The appointment of a member of the legal profession may mean the appointment of a man of experience, but there should be more than that. While I stand up for the well recognised tenets of the profession to which I belong, I do not pretend to allege that those tenets cover any knowledge of land values or even give one any special capacity to judge the value of land. For instance, the member for Guildford-Midland (Hon. W. D. Johnson) does not aspire to the legal profession, and I do not suppose he ever will or even ever could have passed any of the examinations. Nevertheless, for a mere matter of determining evidence that would come before him as to the value of a block of land, he might very well be even a better man than a barrister of 10 years' standing. I do not find myself in love with

the idea of the representative of the ratepayers being a member of the board. What is going to be his function? Is he going to be there for a special purpose, that is, to support any appeal that is made, and merely to protect the ratepayer and reduce the amount that ratepayer will be called upon to pay? If there is to be an expert board, in my humble opinion it should consist of three valuers, all experts in the particular matter on which we are asking them to arrive at a decision. One of the three should in my opinion, be elected by the municipal council itself; one should be appointed by the Governor and the third might be elected by the ratepayers. At any rate, let us have an expert board and not a board in which one man possibly, as is proposed under the Bill, may be the only expert. The present state of affairs no doubt justifies any kind of a change, although let me remind the House that it is only in the case of the City of Perth that these particular provisions have produced unsatisfactory results. The particular statute that is being amended, in the course of its passage through the House in 1906, I think was responsible for something like a record debate of 42 hours, and one might say that that time was wasted on the provisions it contained.

Hon. W. D. Johnson: The Labour Party was in Opposition at that time.

Hon. N. KEENAN: The hon. member was in Opposition. I do not know whether that justifies my saying that the Labour Party was in Opposition. At any rate, it is beyond fact that at the present time there are no grounds for changing that statute in this particular regard; so any cure apparently is sufficient to warrant the support of members. The Bill does not purport to create an expert board, but only a board that possibly might be an expert board and very possibly also might be the very reverse. The second objection I have to the Bill is that raised by the member for North Perth (Mr. Abbott), and it is that we do not provide any opportunity for the correction of errors in the values that are made. I may make the remark, if I am permitted to do so relevant to the Bill, that in making a valuation based on rental value, undoubtedly we are entitled to take into account ingoings. For the purposes of taxation ingoing is rent; it is always rent. The suggestion made by the member for North Perth is a most valuable one and will reduce the work of the expert

board—if we create an expert board—to legitimate limits. When a person objects to a valuation the municipal valuer might recognise that the objection was a fair case, and if he could alter the value he would do so. Again and again the Commissioner of Taxation alters errors made by his department in the assessments sent up. The suggestion would reduce enormously the amount of work that the expert board would be called upon to do, and so I hope the Minister will give it careful consideration. The other objection I have is the appeal to the local court. I have no objection whatever to an appeal from the decision of the expert body on any question of law or any question that might be said is beyond its proper powers; but to allow an appeal on a matter of values purely and simply to a court which has no knowledge whatever of values, no special knowledge or any knowledge more than any one of us in this House possesses, or knowledge possessed by the man in the street, seems to me to be absurd. There should undoubtedly be an appeal from any determination by the expert board involving any question of law, but no other appeal should be allowed. So I find myself possessed of no enthusiasm for the Bill. It is a crude measure, and it might even, by the fact that it is designed to remedy a particular position that exists in Perth, really do a lot of harm. Once it is on the statute book it is there for years, and so it might take a great length of time before we again address ourselves to this subject in the proper spirit, that is, to create a specially trained board every member of which will be qualified by the profession he follows to deal with the particular matter of valuation and from which the result in almost every case if not in every case will be an equitable result.

MR. CROSS (Canning) [6.0]: An alteration in the direction indicated by the Bill is long overdue; but I wish to be certain what the alteration is. My reason for speaking on the second reading is to prevent certain things from happening. When Parliament takes the opportunity to alter an Act, it should at least make sure that a change is desirable and necessary. I have had some experience of the present system of the conduct of appeal courts by members of the Perth City Council. Some years ago I lodged an appeal on what I considered a just ground laid down by the Municipal Corpora-

tions Act, 1906. My objection was to the capital value produced on the property, and I produced evidence of its actual cost, together with an affidavit setting out the rental paid under the Act, I could only be charged five per cent. of the capital value, or be rated on the actual rent paid at the time. Some councillors approached me while I was in the passage and said they would get some of their friends to support my appeal. I do not know whether anybody else owning premises in the same street took the trouble to appeal; but I did not get a fair crack of the whip. I was rated on a value higher than that upon which the council was entitled to levy a rate and was also rated on a higher rental value than that actually paid. I attended the Appeal Court for two or three evenings and saw things that led me to believe the whole proceedings reeked of unfairness.

Mr. Warner: Why did not you report?

Mr. CROSS: As a matter of fact, I fought a City Council election.

The DEPUTY SPEAKER: The hon. member is drifting slightly from the subject matter of the Bill.

Mr. CROSS: I am simply pointing out the need for a change.

The DEPUTY SPEAKER: The hon. member must keep to the Bill.

Mr. CROSS: The Bill provides for a new method of appeal. What I want to make sure of is that no member of the council or the council's valuator shall have anything at all to do with appeals. I will give my reason. An injustice was perpetrated a year or two ago when the council resumed a large area of land on the south side of the river at Victoria Park. For years past the council has rated that land on a capital value of £40, £50 and £60 a block; but when the council's valuer valued the land for resumption purposes, he struck a value of £5 to £10 a block. Now, if the city valuer is to become a member of the proposed appeal board, he, being a good officer of the council, will in my opinion be unconsciously biased. That is what happened in the case of the resumptions at Victoria Park a few years ago. I desire a board to be appointed which will be independent of the council, a board of experts. The Bill should go even further than it does and lay down a method by which the council should strike the rates and arrive at valuations. The method should be similar to that provided by the Public Works Act

for land resumption. That is a fair and just measure. I strongly object to a member of the City Council or a valuer who is a servant of the council or a lawyer having a seat on the board, because I know that many appellants will be people making appeals against small amounts. If this legislation will make it impossible for such people to appear before the board, then an injustice will be done to them. They will be afraid to appeal if they know a solicitor is a member of the board. If provision is made to cover the points I have raised, then I welcome the change, which will result in more equitable treatment being meted out to the ratepayers of Greater Perth.

MR. STYANTS (Kalgoorlie) [6.6]: I support the Bill. As an ex-councillor of the City of Perth, I realise that any change in the present system must be for the better. I was a member of the Perth City Council for a number of years; and, while I had great admiration for the work done by the councillors, I had nothing but contempt for the manner in which appeals by ratepayers were dealt with. It was farcical in the extreme. Probably 200 or 300 appeals would be listed and it was quite impossible for a councillor to make himself conversant with the merits of those appeals. The only sure way I had of making myself acquainted with the merits of an appeal was when a ratepayer came to me before the court was held and took me out to inspect the locality and explained his case. In that way I was enabled to form a judgment. In other cases, I accepted the valuations of the City Valuer. That was the only course an ordinary councillor could follow in the circumstances, because he did not know even the locality of the land. The appeal may have been in respect of land at North Perth, Wembley Park or Victoria Park. As was pointed out by the Leader of the National Party, in a system which has, as its basis, rating on the rental value, that is not the only matter to be taken into consideration. There is the question of the rate to be struck. The City of Perth strikes a medium in the matter of rental value. In some municipalities we find a particularly low rate, but a high rental value; in other municipalities, the opposite may be the case, a low rental value and a high rate. So these two factors must be taken into consideration when assessing

what is a fair and reasonable rate for a property. I think members all agree that some alteration of the law is necessary. We are agreed upon the establishment of a board; but we desire that its personnel shall be thoroughly efficient. It does not matter to me whether the members are solicitors, sworn valuers or architects. One member said that in his opinion an architect would not be a competent valuer of property; but if I asked an architect to draw up plans, I would expect him to be able to give me an accurate estimate of the value of the property which I intended to erect. Whilst he might not know the particular locality in which the land was situated, he would certainly know what the building would cost.

I cannot see anything to take exception to in the Bill as far as the ratepayers' representative is concerned. He may be any person appointed by the Minister. I also agree with one speaker who said that much lobbying goes on while appeals are being heard. I was a member of the Perth City Council when the first big controversy arose. The City Valuer had decided to take into consideration in the rental value the ingoing which was charged for licensed premises in the City of Perth. That controversy has been carried on ever since, and is the principal reason for the introduction of this measure. I support the second reading.

MR. RAPHAEL (Victoria Park) [6.11]: I support the Bill. I do so after having had 17 years' experience as a member of the appeal court of the Perth City Council. When I was first honoured by being elected a representative of the City of Perth, appeals were few and far between. Gradually organised appeals were made by owners of property in various districts. A ratepayers' organisation, composed of about 50 members, would lodge an appeal. Their representative on the appeal court would move that the rates be reduced, another representative of the district would second the motion, and no matter what facts were brought forward by the paid official of the council—the valuator—and what expert evidence was given, the representatives and I always supported the appellants in our districts, and so the valuations were reduced. That was our policy. Later, big business firms in Perth also organised. As a matter of fact, the Minister

for Works became very perturbed, owing to the fact that the Government was losing money in water rates over a period of years.

Hon. C. G. Latham: The Government still makes a profit.

Mr. RAPHAEL: Yes. This measure is long overdue. Hotel owners have been up in arms from time to time on account of the way in which the council has treated them. Various Lord Mayors have from time to time laid down different policies; and to my mind we have now reached a farcical stage. It is definitely necessary that the Bill should be passed. I hope it will not be defeated on the ground that some members consider the proposed board should be composed in a way different from that suggested by the measure. The ratepayers definitely are entitled to representation on the board. I do not agree with the opinion expressed by the Deputy Leader of the National Party, who said there should be no right of appeal to a court. We are aware that in law courts if further evidence cannot be adduced, there should be no right of appeal. The same should apply to this proposed board; it may not be 100 per cent. efficient, and to suggest that a magistrate may not use his commonsense and allow an appeal is ridiculous. If a ratepayer is willing to spend his own money on an appeal against a decision of the board, he should have the right to do so. I hope the second reading will be passed.

Sitting suspended from 6.15 to 7.30 p.m.

THE MINISTER FOR WORKS (Hon. H. Millington—Mt. Hawthorn—in reply) [7.30]: This Bill was introduced at the request of the City Council and therefore it has not general application, so the several suggestions made would involve an amendment to the Municipal Corporations Act. The only alteration we propose is that in the case of the City of Perth, the proposed board shall be substituted for the City Council. The Perth City Council differs from other municipal bodies in that it has 24 members who have to sit as an appeal board, and this has been found to be very unweildy and unsatisfactory.

Hon. C. G. Latham: I think the Bill has been supported by every speaker.

The MINISTER FOR WORKS: The details mentioned can be dealt with in Committee, but I wish to say regarding an amendment that appears on the notice paper that

the City Council has already dealt with the matter. First of all a committee produced a report to the council and I think the original proposal was for a board consisting of a magistrate, a sworn valuer and an architect. After heated and acrimonious debate, the provision that appears in the Bill was adopted, namely, a legal practitioner, a sworn valuer and a representative of the ratepayers. May I repeat that the original report recommended an architect as the third representative, but that was struck out by the council. I do not know whether the council divided on it but there was a very keen debate. According to the record, one councillor told another, "That is definitely a lie." Then it was pointed out that, even under the Bill, an architect could be appointed, but if the third representative was limited to an architect, the choice would be restricted. There are people who have had more experience than has an architect in the matter of land values. An architect would be a competent judge of the value of a good building, but he might not be as good a judge of land values. Possibly a land agent would better understand the value of land and the rental value. If I wanted to know the rental value of a building, I would go to a land agent rather than to an architect. In the matters of locality and use to which premises could be put, the actual experience gained by a land agent or even by a builder of wide experience would be better than that of an architect. Therefore why limit the ratepayers' choice to an architect when they might desire others to be placed in the panel when considering the appointment of the third representative? The City Council, which asked for this board to be substituted for itself, has definitely turned down the proposal that an architect should be the third member of the board. That was decided by a majority, and I assume that, even in the City Council, a majority rules.

Hon. C. G. Latham: It will rule here, too.

The MINISTER FOR WORKS: Having failed to get that proposal accepted by the City Council, the people who desire the appointment of an architect are making an attempt to get it here. Regarding the proposal which appears to meet with the favour of the member for North Perth (Mr. Abbott), there is an appeal from the City Council to the local court and then to the Supreme Court. According to the mem-

ber for North Perth there would be the valuer's decision and then appeal to the board, then to the local court, and then to the Supreme Court.

Mr. Abbott: No, straight to the Supreme Court.

The MINISTER FOR WORKS: In other States appeal to the local court is not cut out, and here it is a safeguard that I think property owners would desire to retain. We have been told that the proposed board is not an expert board. Surely it can be considered to be a board having special qualifications! Take the chairman: he certainly will have special qualifications, for he will be a man who understands the value of evidence, and evidence must be produced on appeal. Another member of the proposed board will be a sworn valuer who also will have special knowledge of the matter. By the time the third representative was chosen, he also would be a man of special qualifications. Therefore I consider the board will consist of members having special qualifications for this particular work.

Mr. Abbott: Why should they be overruled by a magistrate?

The MINISTER FOR WORKS: They would be overruled if the magistrate considered that a determination had been arrived at in variance with the evidence.

Mr. Abbott: No, the whole of the evidence would have to be re-heard.

The MINISTER FOR WORKS: The magistrate might decide that the case had not been properly considered in regard to the evidence. That is the provision at present; it is a safeguard, and we do not propose to alter it. Regarding the matter raised by the Leader of the Opposition, that is provided for by the existing law and we do not propose to alter it. In fact we could not alter it by this Bill. All that this Bill proposes is to substitute the proposed board for the City Council. The Bill entails no general amendment.

Hon. C. G. Latham: You could strike out a certain provision.

The MINISTER FOR WORKS: No, it is already in the Act. The municipal council has the option of rating on the unimproved value of the land or on the annual value. The valuation of rateable property is the first thing to be considered, and, after having made certain deductions, the amount of the rate is calculated.

Hon. C. G. Latham: Is a ratepayer likely to appeal against the amount of the rate?

The MINISTER FOR WORKS: The right deductions might not have been made, or the calculations might be wrong.

Hon. C. G. Latham: You have not heard of an appeal of that kind.

The MINISTER FOR WORKS: Quite possibly the allowances that ought to be made might not be made. If there has been a wrong calculation, there is a right of appeal. Of course the ratepayer could not upset the rate fixed by the council, but he could appeal against the amount for which he was rated. The ratepayer could say that the rate struck, by whatever means, was too high. His actual appeal would be against the rate.

Hon. C. G. Latham: No.

The DEPUTY SPEAKER: Order! I ask the Leader of the Opposition to allow the Minister to proceed.

The MINISTER FOR WORKS: The ratepayer would have the right of appeal against the amount assessed, which might not be in accordance with the valuation. As I said, consideration might not have been given to the allowances which, in respect of rateable property, amount, to about 40 per cent. This has to be allowed to arrive at the fair annual value. Since the proposed board will merely take the place of the City Council, it will operate under the Municipal Corporations Act, just as do other municipalities. If any of those provisions need amendment, it will have to be made by amendment to the Act, but we are attempting no amendment of the kind for the Perth City Council. The other matters mentioned can be dealt with in Committee. Members have expressed no objection to the principle of the Bill, which is the main point for consideration on the second reading.

Question put and passed.

Bill read a second time.

ANNUAL ESTIMATES, 1940-41.

In Committee of Supply.

Debate resumed from the 3rd September on the Treasurer's Financial Statement and on the Annual Estimates, Mr. Withers in the Chair.

Vote—Legislative Council, £1,680.

HON. C. G. LATHAM (York) [7.44]: These Estimates are not very different from those introduced in years gone by, except that the Treasurer took more pains to explain to members how the amount of money that we authorise for expenditure under the Estimates is disbursed. Really, he merely explained the position a little more clearly than I have done every time I have spoken on the subject from this side of the House. After all, we have very little control over the finances of the State, so that while we might intelligently observe what is being done with the money, we have very little control indeed over the spending of it. I am very grateful to the Treasurer for his having set out so clearly this year the amount of money we have to make available, for instance under special Acts. We have already passed some special Acts authorising expenditure—unknown expenditure, because we do not know what the cost will be. Every time a Message is received from His Excellency the Lieut.-Governor giving his consent to the appropriation of public funds, we are giving an open cheque to the Treasurer and he can do just as he likes. I am not too sure that the time has not arrived when we might alter that system. After all, it is little use for us to represent the people with respect to their finances unless we have some control over those finances. I do not, however, propose to set out to-night to alter the present system, nor do I feel inclined to do so. In the future, there will have to be stricter Parliamentary control. To-day we have to depend entirely on Ministers. Naturally I admit that Ministers hold their positions by consent of a majority of the Chamber. Still, we tell the public from the hustings how we are looking after their finances, whereas we really do not look after them.

I propose roughly to state my point of view. The Treasurer has stated his. He has told us that the revenue for the last financial year amounted to £11,119,943 and the expenditure to £11,266,768, leaving a deficit of £146,825, about which I shall have something to say later. For this year the estimated revenue is £97,209 over that received last year. Where the Premier is going to get the surplus from I do not know. I fail to perceive either in the Estimates or in the hon. gentleman's remarks how it is possible, under present conditions, to obtain that increase, unless the intention is to increase the taxes which we have been in the habit of

paying. The Premier's estimated revenue for this financial year is £11,217,152, and the estimated expenditure £11,383,849. I am indeed sorry that the Premier has budgeted for a deficit this year. If there ever was a year in which we ought to try to balance our Budget, surely it is this year. I say so because undoubtedly the demands which will be made by the Federal Treasurer—and I care not who he may be after the 21st of this month—on the public will have to be borne by the public; and therefore we should relieve our people as much as possible. Our liability on account of the war is very limited indeed. It is almost nothing, one might feel inclined to say. Undoubtedly it is extremely small in comparison with the liability for which the Commonwealth is responsible. Therefore I am sorry that our Treasurer has not attempted to balance his budget for the current financial year. If I perused the Estimates very carefully, I believe I could show the hon. gentleman how to reduce his expenditure. I do not propose to show him how he can increase his revenue. In my opinion he has over-estimated the revenue for the current year, more particularly in departmental votes.

The Premier: The railways have carried much less than was expected.

Hon. C. G. LATHAM: That is always the case. Estimated interest charges alone amount to £3,558,569, a most substantial amount. Every time we create a deficit or expend loan funds, our interest bill increases.

Mr. Styants: Exchange amounts to a good deal also.

Hon. C. G. LATHAM: Our expenditure in the way of exchange cannot vary, for we are not borrowing money overseas. The only likelihood of exchange increasing lies in the direction of purchases overseas, or money that has to be found by the Treasurer for outside interest payments. He would have difficulty in spending much money overseas now. He certainly did get the benefit of fair markets by purchasing just before the declaration of war last year, which purchases might otherwise have largely added to the exchange. That is practically 25 per cent. I hope there is no increase in that respect. Should there be, it will be bad for our Treasurer. Still, if

there is, we on this side of the Chamber will appreciate the benefit to the primary producers.

Towards Western Australia's revenues the Commonwealth Government contributes £473,432. That is an annual payment made by the Commonwealth to this State under the Financial Agreement. I notice that this year the Estimates provide £20,000 more by way of interest for new money; so I suppose it is anticipated that there will be some additional loan funds available. Further, I notice in the Estimates an item of £5,600 under another special Act. It represents a payment to the Police Benefit Fund, which previously was made from the Treasury account. It represents a subsidy paid by the State towards retiring allowances or gratuities granted to police on leaving the service. Another substantial amount the Treasurer has to find this year and did not find last year is on account of superannuation. Last financial year the amount was only £763. This financial year it is no less than £46,000. I understand that the money is not actually paid into the fund, but surely this year we shall not have to meet a demand for £46,000.

The Premier: That is the estimate.

Hon. C. G. LATHAM: It is a very substantial sum, and much in excess of what I had anticipated. I know that already some persons have been treated rather generously in the assessment of what was due to them out of the Superannuation Fund. Next, let me point out that when we consider these Estimates we must not think for a moment that the only money the Government has to expend is that provided in them. That is not the case at all, because besides that there is revenue of £271,698 handed over to the Minister for Health by way of taxation. That represents the hospital tax. Previously, of course, the payment was a charge against Consolidated Revenue.

The Minister for Mines: But not that amount.

Hon. C. G. Latham: No. It was only £104,000. When the legislation relating to that matter was introduced, the present Minister for Health opposed it. I can imagine the Minister putting his little hands together and exclaiming, "Thank goodness."

The Minister for Mines: You are thinking of the Lotteries Bill.

Hon. C. G. LATHAM: I can excuse the Minister's forgetfulness, for at that time he did not anticipate that he would ever be Minister for Health. He thought he would be Minister for Labour. Anyhow, he obtained £271,698 last year. While on this subject I suggest—I can only suggest—that if we could raise the hospital tax—I know we could not take the money away from the hospitals—by one halfpenny, we might be able to meet the demands of those deserving charities which to-day are languishing for funds, more particularly organisations looking after destitute children.

Mr. Abbott: There is too much taken out of the lottery profits for buildings.

Hon. C. G. LATHAM: I have not yet reached the lotteries stage. We might provide £80,000 a year if an extra halfpenny tax is imposed. I do not know that it is advisable for me to make even that suggestion, because I know how carelessly money is spent by the Government.

The Minister for Mines: How do you know?

Hon. C. G. LATHAM: Consequently I am extremely reluctant to afford them an opportunity for further expenditure. We ought to remember that the people of Western Australia are taxed to that additional extent by the hospital tax, and therefore the amount should be added to the amount shown on the Estimates. Moreover, £862,248 was provided from petrol tax, another source of income for the Government. I will admit that the whole amount is not obtained from our taxpayers. Some of it comes from the Eastern States. It is one of the means by which the Eastern States make some contribution for the disabilities, if they are disabilities, under which Western Australia suffers. But it makes a grand total, roughly, of £12,250,000. And there are other sources of income. Last year we received £60,000 from the Lotteries Commission. That also assists the Government. It helps the Minister for Health in providing money for hospitals, which otherwise would have to be found from Consolidated Revenue. It further assists charities, which otherwise would be a charge against the Government. It is what I may call a voluntary form of taxation administered to people who desire to be spoiled, who think their luck is good enough to enable them to win £6,000 by venturing half-a-crown. I have no objection to the

lotteries, but I do want members of this Committee to realise that there is a fair amount of money available for the Government. On that account I consider it unreasonable to ask us to pass Estimates showing the substantial deficit of £117,000. Besides, last year the Federal Government found money which was spent in Western Australia through the State departments. It amounted to £1,368,076. While I admit that the expenditure chiefly benefited certain individuals, still it was money circulated in the State. I should add that it takes in the £862,000 to which I have already referred. The rest is represented by unemployed assistance and assistance to industries. Those are the items shown in the returns submitted in connection with these Estimates.

I would not mind much if we did increase our interest liabilities a little, but we have to bear in mind—this ought to be hammered home every time there is an opportunity—that this country's liabilities are increasing while the population of the State is not increasing. That is a highly serious aspect. The load that the people of Western Australia will have to carry will in a little while become so burdensome that I am not quite sure we shall not have to go to the Federal Government for financial assistance far in excess of what we receive now. That may be the day when members opposite will have their policy of unification carried out. I regret that last year the population, according to the returns, increased by only 2,471 persons. When we consider that the natural increase was about 4,700, we realise how seriously we are being hampered by the decline in Western Australia's population. The problem is very serious. If we could increase our population in proportion to the augmented indebtedness so that the burden would be spread, the position would be much easier and the less likelihood would there be of a financial crisis. The Premier made the most of his having been deprived of £120,000 which he expected under legislation introduced last session but not passed by Parliament. On the other hand, I intend to demonstrate that his revenue benefited, because from taxation alone he received £223,354 more than he budgeted for. If his departmental estimates had been equally as accurate as his taxation estimates, he would certainly have been well off. We must take into consideration that if he had received, as he desired, £120,000 from traffic fees, and

his taxation returns had developed as he estimated, he would have been worse off than he is to-day. He should be grateful that he under estimated the revenue from taxation. The headings under which his losses were experienced were: Territorial, £12,305; Law Courts, £3,534; departmental revenue, £59,603—that was a substantial amount; State Trading Concerns, £14,088; Public Utilities, including railways, £188,177.

The Premier: That was the largest item.

Hon. C. G. LATHAM: Under the last-mentioned heading, the railways were responsible for £182,471. I believe it would be worth while investigating railway expenditure. Whether a better adjustment will be experienced this year, I cannot say, but the Premier told us that the Commissioner of Railways was going into the financial question seriously to ascertain whether something could not be done to rectify the position.

Mr. Doney: Does not he always go into the finances seriously?

Hon. C. G. LATHAM: Evidently he does not, because I intend to quote figures relating to traffic costs to indicate how expenditure has increased while revenue, if it has not actually fallen, has not increased proportionately.

The Premier: That was affected by the increase in the basic wage.

Hon. C. G. LATHAM: And the Premier has indicated that he regards increases in the basic wage as splendid. I remember the Premier applauding an increase of 5s. which was a heavy charge against the railways. He suggested that I should read the report of the Federal Grants Commission, but if he himself would do so he would see that some of his problems are therein indicated.

The Premier: That is so.

Mr. Fox: Did you say that you wished the basic wage to increase?

Hon. C. G. LATHAM: I do not mind the basic wage increasing proportionately to the national income.

Mr. Fox: I referred to the Federal basic wage.

Hon. C. G. LATHAM: I do not mind so long as the national income can carry the burden, but that income will be down considerably this year. Because of that I sympathise with the Premier who has to find the necessary money during the current year. I consider that the Railway Estimates this year are far too high, and, in fact, if we go carefully through the Estimates generally

members will find that the revenue anticipated from various departmental sources has been inflated. I do not think the departments can possibly live up to such financial expectations any more than it did last year. However, in a month or so we shall probably be in a position to realise how the earning capacity of those departments has been considerably reduced. In my opinion, our financial troubles largely originate from the operations of the railways. If members peruse return No. 14, they will find that in 1935-36 revenue amounted to £3,424,494, whereas the working expenses totalled £2,498,412. Those figures should be borne in mind, because I shall quote corresponding details for the past financial year.

The Premier: That excludes interest.

Hon. C. G. LATHAM: Yes, it does not include interest or sinking fund charges. However, in 1939-40, the revenue from the railways was £3,497,529, or roughly £73,000 more than in 1935-36. It was about that time that the present Premier introduced the State Transport Co-ordination Act with the idea that the railways would be materially assisted in consequence of that legislation; but time has shown that the anticipated benefit has not been apparent. I have already referred to the revenue for 1939-40. The working expenses for that year rose to £2,802,850. Thus the revenue was £73,000 more than that received in 1935-36, while the working expenses increased by £304,438. I would not mind such an increase if the returns showed augmented traffic or added earnings. The increases under the last two-mentioned headings were so small that they certainly did not justify such enormous expenditure in excess of that for 1935-36. The interest charges to which the Premier referred increased by £98,729. Over 200,000 tons more were hauled over the railways in 1935-36 than last year, and the expenditure was £300,000 less than in 1939-40. Obviously that is one of the utilities that should be investigated in order to ascertain where the trouble lies. I do not know whether the Railway Department is overstaffed, but costs there appear to be far too high. I realise it is very easy in Parliament to criticise the departmental operations and perhaps it would be much more difficult to adjust the position if we were in charge. Nevertheless, I think some alterations could be effected with advantage. For instance, the system could be varied,

even in the metropolitan area, and Diesel coaches could be utilised instead of trains that run at certain periods.

The Premier: Worse luck, we have only half-a-dozen Diesel coaches.

Hon. C. G. LATHAM: If we desire to conserve expenditure it would probably pay us to purchase another half-dozen. I do not know if the chassis could be manufactured locally. If they can manufacture motor car bodies, then it should be possible to build the chassis for the Diesel coaches. I do not know that it could not be done at the Midland Junction Workshops, where provision is being made for the manufacture of munitions.

The Premier: We are procuring a lot of new machinery and we hope to be able to do that work.

Hon. C. G. LATHAM: If we are embarking upon the manufacture of munitions, the probabilities are that we shall be able later on to undertake work such as that to which I have referred. It would be far better if capital expenditure resulted in saving present-day losses. Some time ago I noticed a train proceeding to Midland Junction with four or five coaches that were occupied by about half-a-dozen passengers only. I do not know the cost of haulage of coaches, but surely the expenditure incurred in those circumstances could not be justified. Another section that will bear investigation is the Tramway Department. Last year the loss on operations was £9,659, as against the profit of £31,934 in 1935-36. The Premier should look into that position. I remember making a fuss about the trolley buses, and I do not know whether those utilities have had anything to do with the tramway position.

The Premier: No.

Hon. C. G. LATHAM: At any rate, I would not expect the Premier to make any such admission. However, there may be something in the suggestion, and certainly these matters are worthy of investigation. Probably more people are travelling by motor car.

The Premier: And buses are running everywhere.

Hon. C. G. LATHAM: I do not know that they have covered a greater mileage than in previous years.

The Premier: Many of them run extended services.

Hon. C. G. LATHAM: At any rate, we can easily ascertain the position when petrol rationing commences on the 1st October. That may result in our public utilities securing greater patronage. No doubt during the present Federal election campaign we will hear the cry, "How dare the Federal Government ration petrol?" It may prove of great advantage to the Premier if petrol is rationed.

The Premier: Are you going to use that cry?

Hon. C. G. LATHAM: If there is any sacrifice to be made for the defence of the country, the Premier can do as much as he likes, and I will be behind him.

The Premier: Hear, hear!

The Minister for Mines: How far behind?

Hon. C. G. LATHAM: I will be as close up as the Minister.

Mr. Rodoreda: And no panic!

Hon. C. G. LATHAM: Neither the Minister for Mines nor I will be in a panic. I hope not much of that sort of thing will be indulged in during the election, and this matter should not be made an election cry because I do not think it is justified. However, to revert to the point I was making, I think, in view of the losses that have been incurred, we would be justified in revising the scale of fares. Surely if the Premier can talk about increasing the freight on super, which will affect the wealth of the State, the people who use public utilities in the metropolitan area should be prepared to pay a little extra. I do not want the utilities to be converted into taxing machines, but I do not think the general taxpayer should be exempt from shouldering an added part of the financial burden. I notice that the Electricity Supply showed an improvement during the year and provided £1,000 in excess of the earnings in 1935-36—

Mr. Sampson: It improves every year.

Hon. C. G. LATHAM:—although the revenue from this service during later years has been declining, comparatively speaking. If members look at Return No. 16 they will find that during the intervening years the revenue has gone down considerably but last year's returns showed a slight increase again. That was probably due to the increased capacity of the power house.

The Premier: We are paying interest on that extra cost.

Hon. C. G. LATHAM: I cannot understand how the State could spend £500,000 on increasing the power house plant, and yet that amount is not shown in the capitalisation of the concern. I do not know how that matter is adjusted, but it could be looked into.

The Premier: It has gone up £700,000 in the last five years.

Hon. C. G. LATHAM: Well, it has been added.

The Premier: Last year it was £600,000 and it is a little more this year.

Hon. C. G. LATHAM: The loan capital in 1935-36 is shown as £1,854,065. In 1936-1937 it was £1,901,198. It increased by nearly £26,000 the following year and last year was £1,949,556.

The Premier: You are referring to the capital account of the Electricity Supply Department?

Hon. C. G. LATHAM: I am referring to return No. 16 relating to electricity.

The Premier: On the railway account it is shown as £1,926,579.

Hon. C. G. LATHAM: Return No. 16 shows the loan capital. I know that about £500,000 of loan money was used—

The Premier: Get the return of the Railway Commissioner on which the figure appears.

Hon. C. G. LATHAM: This is the return from which it is easiest to pick up the figures. Evidently it does not correspond with the return which the Premier is consulting. The loan capital is shown at about £1,949,000. I suppose Treasury officials become lax at times and that may be the explanation. Interest, sinking fund and exchange figures are shown at £94,110. The return does not indicate that interest was charged on that £500,000.

The Premier: In this return the interest is debited to the Treasury, but the railway people did not debit that until they took it over.

Hon. C. G. LATHAM: These returns should be in order, but the officials have omitted to bring them up to date.

The Premier: It is in the railway account. You will find that the electricity figures went up £600,000.

Hon. C. G. LATHAM: I am glad it is shown on one return.

The Premier: It is shown on both.

Hon. C. G. LATHAM: Not on the returns submitted to the House. The Metropolitan Water Supply, Sewerage and Drainage Department has a surplus of £38,875 and has now become a taxing machine. I do not believe in that. We should make sure that we build up a slight reserve, but not a big one like that. I believe I saw somewhere that there is a possibility of another increase in the rates this year as there was last year. I think the sewerage rate was increased by a penny last year.

The Minister for Works: You say that there is a profit after all expenses have been paid?

Hon. C. G. LATHAM: I am quoting from the figures. I have no inside information. Return No. 17 shows the loan capital, working expenses, interest, sinking fund and exchange, and the gross revenue and surplus for 1939-40. The Minister can see the figures for himself. That surplus is very nice, but I suppose the capital cost of the new sewerage and drainage work has not been charged up to the department, and consequently the surplus shown has probably been absorbed in interest.

The Minister for Works: It certainly has.

Hon. C. G. LATHAM: It is not shown on the return. One picks up the return and says, "This is a very nicely managed business seeing that it can make a profit like that." But the return is inaccurate and it should be brought up-to-date.

The Minister for Works: The annual report will be here.

Hon. C. G. LATHAM: It is not here now. Moreover, we do not know what the Auditor-General has said about the Government's management for the year. I do not know what happened in 1937-38, but in that year, according to the return, there was a deficit of £659. In 1938-39 the rates were increased considerably and there was a surplus of £24,608. I think I read somewhere that the rates were to be further increased. I am not sure that they are not already increased.

The State trading concerns should also be overhauled. I know that the policy of the Government is to conduct State trading concerns and I may be challenged with not having disposed of those concerns when this party was in power. However, we could not give away the people's assets. Assets can easily be disposed of if they are given away, but the trading concerns could not have been sold at a fair price. If the returns

are consulted, it will be found that for the first time since 1933-34 the State Brickworks made a profit totalling £113. That must have been due to better management in the State Sawmills branch. The previous year showed a loss of £2,100, but last year there was a profit of £113. That is shown on return No. 21. The return for the State Implement Works indicates that the loss was reduced from £10,219 in 1937-38 to £8,588 last year. Of course a certain amount of capital has been written off the State Implement Works and the Treasurer has to find interest on that amount. The loss on the State Quarries increased from £1,562 to £3,167. I remember saying something about the State Shipping Service when the Government decided to purchase another vessel. The return from that department shows that the loss increased from £54,181 to £113,240 for the 18 months ended the 31st December, 1939. That is a substantial subsidy to pay for cartage along the coast.

The Premier: We are improving the position now.

Hon. C. G. LATHAM: I hope that is so. When losses are increased to that extent—

The Minister for the North-West: There were substantially increased costs, to a great extent due to the war.

Hon. C. G. LATHAM: If we take up a business we must treat it in a business-like way.

Mr. Rodoreda interjected.

Hon. C. G. LATHAM: The Railway Department is not making as great a loss as the State Shipping Service. If a loss is being made, it is not due to the freight which is being carried but to unnecessary expenditure somewhere or other. The return for the State hotels indicates that the profit decreased from £7,733 to £6,121. In every district of which I know the State Hotels Department has a monopoly. I think we own seven State hotels; that is, without Cave House. That is a very small profit to make on our State Hotels.

The Premier: They are mostly in the agricultural districts.

Hon. C. G. LATHAM: I could refer to another company in the same line of business as this, which is making a little more profit than that. The State Sawmills Department is maintaining its profits, that is, allowing for the accuracy of the statement of the Treasurer, which I do not question, that there was £12,000 profit.

The Premier: £14,000.

Hon. C. G. LATHAM: As a matter of fact, profits are down because in 1937-38 there was a profit of £40,445, whereas in 1938-39 it was only £14,132. The year to which the Premier referred was 1939-40, the figures for which we have not yet before us. That is a fairly substantial drop. It may be due to the fact that there was difficulty in securing markets for the timber. I do not know what the cause was.

The Premier: During the last war the timber industry closed down.

Hon. C. G. LATHAM: The Wyndham Meat Works are improving their position. I do not know why but certainly the figures are more attractive.

The Premier: And the producers are getting better returns.

Hon. C. G. LATHAM: From the 1st February, 1934, to the 31st January, 1935, the loss was £56,499. Last year it was £8,968. I do not know whether any capital expenditure was written off in the meantime. There is also a loss on Cave House but I have not those figures. However, I am justified in asserting that there should not be a loss.

The Premier: There was some disorganisation while the new Cave House was being erected. They could not take in visitors.

Hon. C. G. LATHAM: When did the place open?

The Premier: About 12 months ago.

Hon. C. G. LATHAM: There was a loss of about £900. I saw it somewhere. I hope that loss will not be permitted to continue. People ought to pay for accommodation at its cost. Excellent accommodation is provided at Cave House and visitors are very well treated. If similar accommodation were sought in the Eastern States, considerably more would have to be paid for it, and it would willingly be paid.

As I said before, the appointment of a few vigilance officers would be a good move. The other night when the Premier was speaking I interjected that I was glad to know he would not be able to buy any motor cars. I do not want to be critical because criticism at the present time is not fair. But let us consider the matter of motor cars. If there were an officer to whom applications for the use of a car had to be sent, it would frequently be found that three or four departmental officers could travel to the same district in the one car, thus saving consider-

able running costs. There is very little organisation in that respect. Northam has been claiming a good deal of the attention of our public servants because of the work that has been undertaken there. Officers have travelled to Northam from the Architect's branch, the Main Roads Department and the Health Department, and three or four cars have made the trip on the one day. Some organisation should be established so that costs could be considerably reduced. Fewer cars would be required and costs would be reduced. So far as State trading concerns interest me, I admit they return interest, which is probably equivalent to dividends in the case of companies. The trading concerns, however, have the advantage of not paying rates and taxes. I also believe they probably possess better equipment than is in the hands of private firms. The quarries are losing considerable sums of money. I wonder whether the management is of the best, and whether there is any interference with their operations. We should not be expected to supply gravel or stone at a price below cost. Evidently that is what we are doing. No other business could continue on those lines. That is why I suggest it would pay to appoint an officer to check everything and see that no unnecessary expense is incurred. If the expenditure could be cut down, we could sell goods at the same price as is charged by other people. The suggestion is worth our consideration. I hope something will be done to reduce the expenses of which I have complained. We cannot get more revenue that we are receiving; that would be impossible. Notwithstanding who is in charge of the Treasury, we cannot expect to get the revenue that is forecast in the Estimates for this year. We all agree that in any claim there may be for additional taxation, the Federal Government must have the first call. The people cannot be taxed much more than they are to-day. I agree with the Premier when he made a statement to that effect in his Budget speech. Already the State taxation is £8 0s. 1d. per head of the population, and in addition people have to pay Federal taxes, local authority taxation, and are taxed in many other ways. A man, who has a wife and two children has to pay £32 a year in taxation.

Mr. Sampson: His mythical two children.

Hon. C. G. LATHAM: The Premier said this was the heaviest taxed State in Australia. We do not want to boast about that.

for high taxation is the best way to keep away people who otherwise would invest their money here. The Premier also said he was anticipating the approval of Parliament for another measure, not to impose additional taxation, but to transfer revenue from the local authorities to Consolidated Revenue. He proposes to take 75 per cent. of the money from the metropolitan traffic fees. He is not justified in asking for that. He also said he expected to get more money from the Commonwealth Government because of the recommendations of the Grants Commission.

The Premier: Because of the severity of taxation.

Hon. C. G. LATHAM: In what I have read I can see nothing to justify that statement. I have gone into the records to see what was the history of the matter. Let me take the Committee back to the fourth report of the Commission covering the period 1937-38. That was the first report in which the matter was referred to. On page 54 I find the following:—

(a) Diversion of Motor Taxation and Up-keep of Roads.

109. On this item South Australia claimed that the grant for 1936-37 should have been increased by £241,000. Its representatives argued that, owing to the depression, motor taxation was used for the relief of general revenue, and that, as a consequence, the roads of South Australia had fallen into a state of disrepair.

110. A stranger to the methods of the Commission might at first find it difficult to understand how this could be a ground of claim, and indeed it is really an illustration of the way in which the methods of the Commission can be pushed to illegitimate lengths.

111. If a State desires to use its motor taxation as a luxury tax, and so relieve general taxation, the effect on the roads is a matter which concerns it alone; and to make this a subject of claim seems at first sight strange. It must be remembered, however, that the Commission, in order to compare the financial position of the States, adjusts their budgets to a comparable level and excludes certain items which would vitiate fair comparison. On the other hand, it compares their relative severity in taxation and makes an adjustment to put the States on a relatively fair basis. In making the calculation of comparative severity of taxation, the Commission has included motor taxation and local government taxation, since it would be illogical to make an adjustment in favour of a State because of high severity in State income taxation when its citizens were lightly taxed in other ways. It is not always easy, however, in regard to some forms of taxation to distinguish between pure taxation and money which is really paid for a service, and,

if one State levies special taxation for certain services which are not given by other States, there is some case for not including this as taxation. To give full effect to this suggestion would, of course, be a matter of extraordinary difficulty. It would involve an examination of all taxation legislation, on the one hand, and a meticulous comparison of services in the various States on the other. If done at all it would be done only on broad lines where it is clear that there is some substantial difference in services. Generally, there is a remarkable similarity among the States in their general lay-out and equipment and in the services given.

112. The Commission has, however, recognised the point in some larger matters such as motor taxation and local government taxation, and has treated both on special lines. Having done this, the Commission is satisfied that the treatment in the matter of severity of taxation is fair to the States. None of our calculations is exact and there is a very substantial margin in favour of the claimant States.

This was a reference to South Australia, Western Australia, and Tasmania.

113. The claim mentioned above has been strongly pressed by the South Australian representatives. It could not stand, however, unless the following facts could be established:—

- (i) That South Australia makes a substantially greater diversion of motor taxation to general revenue than other States;
- (ii) That the actual diversion was the amount claimed, and that no other money was spent from revenue on roads;
- (iii) That the roads have been starved through this diversion.

The Commission has gone closely into all of these matters, and is satisfied that none of them can be proved. We will take them *seriatim*.

114. South Australia is certainly not the only State which diverts motor taxation to general revenue. All States do this. The amounts vary, and it is exceedingly difficult to compare them; but in some cases the amounts diverted are quite large. The amount mentioned by South Australia as its claim on this item cannot be established. South Australia has for some years taken all its motor revenue into its Consolidated Revenue Fund. The main road expenditure is under the control of the Highways Commissioner, who keeps an account of the expenditure of the main road fund. This account does not bring the motor taxation in, but it includes on the credit side appropriations from general revenue and contributions by corporations and councils. On the debit side it includes the expenditure on administration, construction, grants to corporations and councils and maintenance. It is curious that the interest on road loans is, according to the Main Roads Fund, appropriated in favour of the fund, and then paid back to general revenue. This fund, therefore, does not contain the whole of the road expenditure of the State, for it does not include either the interest on loans for roads or some other items of expenditure.

I do not propose to read the rest of this report except to refer members to pages 54 to 57. I shall also read from the 1937-38 report. In that year South Australia received £1,200,000, Western Australia £439,000 plus an advance of £136,000, or a total of £575,000, the same as was received by Tasmania. The complaint of the Commission was that this money was paid into revenue, and yet the States said they had not sufficient money with which to maintain their roads. The same thing will happen here if we carry out the Premier's wishes, and he takes the traffic fees into revenue. The money that has been used for the construction of roads will be passed on to the local authorities. The fifth report of the Commission, pages 42 and 43, discloses the following:—

69. South Australia again urges that its grant is adversely affected, because the Commission makes no allowance for the fact that a big proportion of motor taxation is diverted from expenditure on roads and used in aid of general revenue. A similar claim submitted last year was rejected by the Commission, and the reasons for disallowance are set out fully in the Fourth Report. As no fresh evidence has been adduced this year, no good purpose can be served by repeating all of the arguments on which the Commission based its conclusions. Briefly stated, the claim of South Australia could not stand unless the following facts could be established:—

- (i) That South Australia makes a substantially greater diversion of motor taxation to general revenue than other States;
- (ii) That the actual diversion was the amount claimed, and that no other money was spent from revenue on roads;
- (iii) That the roads have been starved through this diversion.

The Premier: We do not propose to take that money into revenue in the ordinary sense, but to pay interest on the cost of road construction.

Hon. C. G. LATHAM: I had better quote paragraph 72, which says—

72. In the opinion of the Commission the fairest method of treating motor taxation is to obtain a measure of the relative severity in the various States of the actual rates of motor taxation and charges for drivers' licenses, and then to take only any excess above or deficiency below the average for all States as taxation, positive or negative. Under this method South Australia gets a substantial adjustment because of her higher rates of motor taxation. Last year she got £90,000, and in the previous year £102,000. We consider this a fair adjustment. To spread motor taxation over the whole popu-

lation would, in our opinion, be an unsound procedure, and would produce injustice to some States.

In that year South Australia received £1,040,000, Western Australia £614,000, less £44,000, and Tasmania £410,000. I now come to the words the Premier said I should read. They are worth repeating. I do not put the same interpretation upon them that he did.

The Premier: It is a very good literary effort, and easy to understand from my standpoint.

Hon. C. G. LATHAM: But not from my standpoint, and that is where we differ.

Mr. Patrick: South Australia certainly received more money than we did.

The Premier: The charge in that State for a driver's license is 10s., and we charge only 5s. That is an item we could deal with.

Hon. C. G. LATHAM: That comes in as revenue and does not go to the local authorities. On page 83, under the heading of "Recommendations," in the sixth report of the Commission I find paragraph 198 as follows:—

198. Now that positive action has been taken to deal with the transport problems of the State, it is felt that the time is opportune to divert a proportion of motor taxation revenue towards meeting a part of the very large annual debt charges on loan moneys spent on roads. The marked increase in Federal Aid Roads grants and in motor taxation should enable this to be done without much difficulty. A similar course is suggested for Western Australia. In other States a substantial proportion of motor taxation is applied in the manner above indicated, and the budgets of those States are correspondingly relieved.

That was not what the Premier wanted me to quote.

The Premier: It is the very extract. Leave it at that, and I shall be satisfied.

Mr. Rodoreda: The Leader of the Opposition read the wrong extract.

Hon. C. G. LATHAM: No, I did not.

Mr. Thorn: That is only the first lesson.

Mr. Doney: There is something there that the Premier does not want read.

Hon. C. G. LATHAM: Then again we find the following contained in the report:—

The figures taken for State taxation must be carefully considered. For collections of taxation, all taxation is included, whether paid into Consolidated Revenue or not. All lottery taxation, however, is omitted on the ground that it is paid largely by the people of other States.

The Grants Commission was referring there to Queensland and New South Wales.

The Premier: And to Tasmania.

Hon. C. G. LATHAM: Yes. The report continues—

Motor taxation presents special difficulties. It is, in general, a payment for service which will tend to vary according to the extent to which a State uses motor transport. In some States, however, it is so high as to contribute substantial sums to revenue, whilst in other States it leaves a margin to be provided from other sources.

That is what the Commission had to say regarding that matter. The best argument I can submit is that if we take the £120,000 that the Premier wants to take into revenue—

The Premier: No, £75,000.

Hon. C. G. LATHAM: If the Premier does that and the effect is to balance the budget, does he think that next year he will secure assistance from the Federal Government in excess of what he has secured this year?

The Premier: Yes.

Hon. C. G. LATHAM: I do not think he will. Is the Federal Government providing money to build up a surplus for this State?

The Premier: No.

Hon. C. G. LATHAM: Of course, the Premier would not suggest that. Let me tell him that we cannot hoodwink these people. If we inflate our anticipated revenue—

The Premier: That would not do.

Hon. C. G. LATHAM:—and decrease expenditure proportionately, these people will see through it.

The Premier: They penalised us for finding interest on unproductive works, such as the money spent on road construction.

Hon. C. G. LATHAM: If members have regard to the tables that have been published, they will see that we are not so badly off after all. After referring in their report to the assistance expected on behalf of the railways from the motor taxation, which, of course, was not forthcoming in Western Australia, the Federal Grants Commission shows that we are not so disadvantaged. Despite what the Premier says about the increased amount he will receive, if we reason it out for ourselves we must appreciate the position. The Premier said that some of the local authorities collected the traffic fees and spent the money on foot-

paths. Money must be spent in that way, but more often than not it is provided from loan funds.

The Premier: If the money is borrowed for that purpose, it is quite all right.

Hon. C. G. LATHAM: I do not know any local authority that does not strike a loan rate, and certainly the main proportion of money spent as the Premier suggested, is taken from loan rate collections. I know that some may be paid for out of revenue, but that does not often occur. Nearly all the new work undertaken of which I am aware is paid for from loan funds. Only recently the City Council floated an additional loan.

The Premier: The City Council has reduced its indebtedness by about £500,000 in the last six or seven years.

Hon. C. G. LATHAM: That may have been done, but the City Council makes huge profits out of the supply of current.

The Premier: Out of our current.

Hon. C. G. LATHAM: I was not in Parliament at the time, but I presume the Premier was one of those responsible for that.

The Premier: I was not in the House then.

Hon. C. G. LATHAM: Then we are both free from responsibility. I know at that time the Treasurer of the day thought he had made a good bargain. Naturally we can be wise after the event. Next I find that the Commission had this to say—

We agree that States with large areas may have to incur greater road expenditure than more compact States; but there is measure in all things, and the amount of transport costs that a community can afford is definitely limited. The above figures seem to show that excessive road expenditure, added to excessive railway losses, may bring about a financial crisis for small States. It is true that the Commission has not made a physical examination of the roads of the various States, but the members are not without experience of public affairs, and they do not believe that such a rapid expansion is likely to have been caused by abnormal needs for roads. Moreover, such a rapid increase in expenditure is difficult for departments to cope with efficiently, and a large increase in the demand for contracts and materials induces increased costs and prices. If, with the increase in the Federal Aid Roads grant, the State expenditure in 1937-38 had been kept to the level of the previous year, the budgetary position of two of the claimant States would have been much more favourable. This observation applies particularly to South Australia. It is difficult for us to make any definite deduction from the grants in this matter, but we shall take it into account in our final assessment.

There it is pointed out that although South Australia has taken those steps, the State did not receive much consideration in consequence. In the course of its report the Commission shows further the trend of road expenditure in the claimant States over a three-year period. It is shown that Western Australia expended from State revenue and special accounts a sum of £356,000 in 1935-36, which rose to £418,000 in 1937-38. Interest and sinking fund charges increased from £127,000 in 1935-36 to £142,000 in 1937-38. Thus, the total revenue charges increased from £483,000 in 1935-36 to £560,000 in 1937-38. The expenditure in this State from Federal Aid Roads grants increased from £536,000 in the former financial year to £717,000 during 1937-38, while the expenditure from State loan funds rose from £134,000 to £155,000. Thus the total expenditure increased from £1,153,000 in 1935-36 to £1,432,000 in 1937-38. Of course Western Australia is differently situated from the other States because of its scattered population.

The Premier: And everyone wants good roads.

Hon. C. G. LATHAM: We have spent much money on road construction in this State and I believe we could have saved an appreciable proportion. I do not profess to be a civil engineer, but I know of one road that was re-made three times before the blanket surface was finally put on it. Perhaps it was because the blanket was not laid early enough. I do not know what the explanation was, but when a road has to be made three times before the blanket is put over it, there would seem to be something wrong.

The Minister for Works: Was that a complete road or was it just patching?

Hon. C. G. LATHAM: A complete road.

The Minister for Works: I know that salt patches have to be remade from time to time.

Hon. C. G. LATHAM: This had nothing to do with salt patches, although I know that does happen. The road between Perth and York, which was finished, had to be reconstructed although the original cost was between £3,000 and £4,000 a mile. That work had to be undertaken again before the blanket was put on the surface. I know it is all very well to be wise after the event. Perhaps it was a question whether we could secure the money necessary to

buy the materials in time to do the work. I know the problems that have confronted past Governments which had to find money for employment and could not raise the necessary cash to enable materials to be bought. Those problems have always confronted the State.

I do not intend to detain the Committee much longer, but I desire to direct the attention of the Premier to the fact that he is always very pleased at increases in the basic wage. At the same time, he should give some consideration to increasing the allowances to people or institutions that are looking after our children. We raise wages in proportion to the increase in the cost of living, but the interests of many institutions and families that are dependent on the State for sustenance are not similarly taken into consideration. I do not know whether the Premier proposes to take action along those lines this year, but I notice that the amount provided on the Estimates is substantially more for the current year than for 1939-40. The amount voted last year was £4,000 more than was actually spent. This year I notice the estimate has been increased by £10,000.

The Premier: The ruling rate seven or eight years ago was 7s. whereas it is 9s. now.

Hon. C. G. LATHAM: I do not know whether the number of children has been reduced or whether the number under the care of the Government has declined. One other matter I want to refer to involves the expenditure of money, and the Premier may say that I have just given him a lecture about expenditure. The matter I have in mind relates to the old railwaymen who consider they have a grievance. A select committee investigated their complaints and the report of the committee was subsequently endorsed by Parliament. The men affected feel that they have a distinct complaint, more particularly seeing that superannuation is now provided by the State. We should see what it would actually cost the State to provide the men with a small allowance. There is no doubt in my mind that the old Act was definite that there should be no differential treatment between the wages and salaried staffs. In those days it was never anticipated that we would have railways. Notwithstanding what the Act stipulated, there was differential treatment.

The Premier: Who did that?

Hon. C. G. LATHAM: I know we did not do it.

The Premier: It was done in 1871.

Hon. C. G. LATHAM: That is so.

The Premier: We cannot repair damage done 70 years ago.

Hon. C. G. LATHAM: That does not matter. No attempt was made to alter the position until 1905.

The Premier: That was when they were cut off.

Hon. C. G. LATHAM: Yes. However, members can imagine how these railwaymen feel seeing that they did a full day's work for small pay, which they accepted in the belief that they would be provided for later on. When the time came, they were merely offered the old age pension. That seems to me to have been very unfair. We have an excuse for assisting these men. There are only one or two other matters to which I desire to refer. The Premier informed the Committee that there was a sum of roughly £400,000 in a trust account to the credit of the State Government Insurance Office. No provision is made here for the appropriation of that money; I do not suppose such provision would be made, because it has already been made under the public buildings measure. If we use that money we must pay interest on it; I presume it is lying idle at the Treasury.

The Premier: It is earning $1\frac{1}{2}$ per cent. interest.

Hon. C. G. LATHAM: It is invested as a short dated loan in Treasury bills?

The Premier: Yes.

Hon. C. G. LATHAM: Then it is earning some interest, but a very small amount in comparison with the interest that will be paid if we need the money.

The Premier: The rate to be charged will be about $3\frac{1}{4}$ per cent. only.

Hon. C. G. LATHAM: We must be very careful to look after that money. I presume our State Government Insurance Office is connected with the Underwriters' Association. I do not know whether it is or not; but we must be careful to retain sufficient assets to meet all possible claims. We do not want to encounter the same difficulties as we did some time ago over our State Savings Bank, when we did not have sufficient money to meet the demands of the depositors. The other night the Premier hinted that a calamity might occur in one of our

mines, and that we might experience difficulty in finding the money required to meet the claims. Therefore I warn the Premier. I desire the Committee to understand that this sum has been built up to a considerable extent out of revenue. I do not know how much revenue has been paid into the State Government Insurance Office—I shall have to find that out—but it must be a substantial sum. Some time ago, during the course of an inquiry we ascertained that the clerical staff of the service was insured with the State Government Insurance Office at the rate of 20s. per cent., notwithstanding that such insurance could have been effected outside at the rate of 2s. 6d. per cent. We are consequently making a big subsidy to the State Government Insurance Office. That office ought to act in a businesslike way, as other insurance companies do. We ought to ascertain the total amount the Government has paid to it by way of premiums. I think the amount will be found to be a large one. No provision is made in the Estimates for such payment, unless it comes under the heading of Contingencies.

The Premier: Much of it is paid into a State Insurance Fund—an employees' fund. The balance sheet shows the amount to be about £50,000.

Hon. C. G. LATHAM: I think it worth while to inquire into the matter in order to ascertain how much the State is contributing to the State Government Insurance Office. Three matters seem to me to be assential. The first is that the State Government and every citizen should give all assistance possible to the Federal Government in order to bring about a successful conclusion to the war. That is the most important. The second is that we should make sure that those engaged in our primary and secondary industries are enabled to carry on those industries. I regret to say that the people engaged in primary production in this State are in an extraordinarily bad way. I do not know whether the Premier realises it.

The Premier: I do.

Hon. C. G. LATHAM: Last week I was in the country. In a district that ordinarily produces an average of 18 bushels per acre, I saw crops nine inches high coming out in ear. There is no more chance of that crop maturing than there is of its flying.

The Premier: Unless it rains all the time.

Hon. C. G. LATHAM: We cannot expect that. The position is desperate. I desire to

make a suggestion, which I am sorry the Minister for Lands is not present to hear. There are some crops in what I call the middle wheat belt, and also from Moora northwards, that will produce some grain. We ought to have a stocktaking by our Agricultural Bank inspectors to ascertain what parts of that area can be harvested and what the yield will be. We should also provide new sacks for the purpose of collecting as much seed wheat as possible from farms that are clean. We must avoid distributing seed wheat that is unclean. From a national point of view, it is essential to obtain the cleanest possible seed. So far as hay is concerned, I should say that from Moora, taking a line across to and including Perenjori, and south to Newdegate, there will be no hay crops, except for an odd patch or two, which have had slightly more rain than the surrounding districts have had. There are some crops at Quairading a foot or 18 inches high; they certainly require rain. Past Kwolyin the crops are not much higher than nine inches.

The Premier: What do they look like, green?

Hon. C. G. LATHAM: They are turning a fair colour, which is a bad sign, unfortunately. I admit that last year the farmers had a fair quantity of hay, but the season was long and dry. They have, however, since used the hay to feed their stock. What worries me is that farmers are carrying too much stock. The member for Avon (Mr. Boyle) will bear me out in the statement I am about to make. There was a large yarding of sheep at Kellerberrin the other day, but not a bid was made for one of them—nobody wanted them. I do not know what will happen. I know farmers who are carrying 1,100 or 1,200 sheep, but have feed for only 400, and there is no sale for the stock. There will be a big rush of sheep to the saleyards as soon as shearing is over. Then Perth people will be able to get cheaper meat and we shall have fewer complaints from the Price Fixing Commissioner about farmers getting an unfair deal. Perhaps the farmers will get nothing for their sheep, except for such of them as may be frozen for export. The Minister for Agriculture might look into this matter and ascertain whether it is not possible to keep up prices. Farmers will have to reduce their flocks considerably. I am not a pessimist, but we must look facts in the face, and we have a hard

problem to solve. Many farming areas will experience difficulty in obtaining water supplies. We have had less than five inches of rain, and that rain has not occurred in heavy falls. Consequently farmers will have to depend almost entirely on the Government for water supplies. I do not like stating these facts, but they must be faced. Whatever is to be done must be done immediately. Many farmers are to-day leaving their holdings and enlisting, because by doing so they say they can obtain a living for their wives and families. It is deplorable that men engaged in our main industry have such an outlook. I would like some pronouncement from the Government as early as possible as to what it will do. I do not know to what extent the farmers can be helped; but we depend to a very great extent upon them. I do not like to make this statement, but I would not be surprised if we had only a 5,000,000 bushel yield of wheat this year over our State's requirements.

The Premier: There will be as much as that or more in the northern areas alone.

Hon. C. G. LATHAM: If the hay is cut there that ought to be cut, we shall not have a big yield. I do not know whether it might not be better to cut hay and let the wheat go; but there will be but little wheat for export. I cannot see where it is to come from. I was keenly disappointed on my journey through the country. Many crops have been sown on fallow and there has certainly been no rain to build up reserves. As I say, the position of the farmer is desperate. I have received two telegrams from farmers in the electorate of the member for Avon. One is from Narembreen and reads—

Conditions drought Nungarin dreadful. Suggest early visit there and prompt action State and Federal.

The other telegram was from Mr. Gregory. It reads—

Drought conditions Nungarin north alarmingly bad. No feed or fodder for stock. Have wired Cameron but State action necessary first.

Evidently he was impressed by what he saw. And this industry is essential to enable us to absorb our soldiers when they return from the war. I do not propose that we should launch on a big scheme of settlement, as we did after the last war, but we must start planning for the future. The same remark applies to our secondary industries. We must do all we possibly can to encourage people to build up secondary

industries while there is a chance to do so, as these are the best means of absorbing the men who will be returning from the war. Many of them, no doubt, will be able to return to their old vocations, but it will be difficult to find employment for others. I do not favour the suggestion by the Minister that we should delay our railway repair work in order that returned soldiers may be employed upon it, because many of them will be unable to do that class of work.

Mr. Doney: In any event, it will be only temporary.

Hon. C. G. LATHAM: We have for a long time played with the question of absorbing our unemployed. Road building is no real help; it certainly opens up country districts, but at the end of the road the Minister knows he must look for something else to find employment for the people. We must go about the matter in a businesslike way. I do not know whether the Premier has yet done anything in the matter; but I do think it worth while to draw attention to the fact that we should endeavour to develop our iron ore deposits. I will do everything I can to help. Cold water is thrown upon suggestions like this. It is said that our coal is not suitable for smelting, but I want to see it tried out. I want to be satisfied, without somebody whispering that it cannot be done.

The Premier: Coke cannot be produced from Collie coal.

Hon. C. G. LATHAM: Iron can be smelted with coke of a special class. There is a market for iron, I do not know whether it is unlimited.

The Premier: Charcoal is suitable for smelting.

Hon. C. G. LATHAM: I think powdered coal would smelt iron. We ought to get our University people to ascertain what we can do and how it should be done. I hope the Premier will investigate what can be done with the Yampi deposits. If it cost us £100,000 per annum, the expenditure would be justified if we established that industry. I wish to see preparations made so that we shall be in a position to absorb our men on their return. Many of them will come back as technicians, and they will certainly not be satisfied to accept pick and shovel work. The only thing we can do is to endeavour to build up our country by establishing secondary industries. After the war is over every

bag of wheat, every pound of butter and every fat lamb we produce will be able to find a market. The people in Europe will be on the verge of starvation, and they will be only too glad to provide shipping in order to obtain our goods. Let us be ready for that time. If we on this side of the House can give the Government any assistance in the direction of keeping men on their farms and keeping them cheerful, despite the fact that nature has not treated them too kindly in recent years, we are prepared to give it. I believe our farmers are willing to do their share. They are growing less this year than ever in the history of the agricultural industry and the reason for this is that they are putting first things first. They realise that the first essential is to preserve the Empire and retain their independence, and all they ask is an opportunity to get ahead with the task. I hope the Premier and the Minister for Lands will do everything in their power to assist to that end.

Vote put and passed.

This concluded the general debate.

Votes and items discussed as follows:—

Votes—*Legislative Assembly*, £2,971; *Joint House Committee*, £4,658; *Joint Printing Committee*, £5,307; *Joint Library Committee*, £265; *Premier's Department*, £18,160; *Governor's Establishment*, £2,412; *Executive Council*, £5—agreed to.

Vote—*London Agency*, £10,110;

Item, Salaries and allowances, £4,470.

Hon. C. G. LATHAM: Under a statute of 1905 the salary of the Agent-General was fixed at £1,500. Until this year no provision was made for payment under special Act. I was going to suggest that the £2,000 a year now paid be shown as salary.

The Premier: It includes an entertainment allowance.

Hon. C. G. LATHAM: No, that is shown as well. There is a proper way to do things and if necessary the Premier should bring down an amending Bill. It is not right to have a statute providing for a salary of £1,500 and to increase the amount without altering the statute.

Item, Upkeep of Savoy House, £2,740.

Mr. SAMPSON: This item shows an increase of £431.

Hon. C. G. Latham: For an air raid shelter.

Mr. SAMPSON: No, provision is made for air raid precautions, alternative accommodation. Is the building being painted?

The Premier: Portion of it is sub-let, and periodically we have to renovate it.

Mr. SAMPSON: I understand that the rental paid by the Swan Dining Rooms and Cafe includes renovations and maintenance.

The Premier: There is the Fairbridge Farm School office as well.

Mr. SAMPSON: That has been in Savoy House for some time.

The Premier: But the accommodation has to be renovated occasionally.

Mr. SAMPSON: I understand that the accommodation has not been increased and that Savoy House is still the same rather drab looking building.

The Premier: Last year we saved £200 on upkeep and have to spend it this year.

Mr. SAMPSON: I should like to know the reason for the increase.

The PREMIER: We usually spend £2,500 on upkeep. Last year we spent £2,309. This year we must make up the leeway caused by the saving last year.

Mr. Sampson: I still think the increase rather a large one.

Vote put and passed.

Votes — Public Service Commissioner, £1,705; Government Motor Car Service, £2,570—agreed to.

Vote—Printing, £73,300:

Mr. LAMBERT: Some saving could be made in the printing of departmental reports. Bulky reports are issued by various departments that possibly are never read.

The CHAIRMAN: I think the hon. member should have introduced that matter on the vote of the Joint Printing Committee.

Mr. LAMBERT: I thought this was the appropriate vote. The Minister should give attention to the exhaustive reports that are published year after year and cost a large sum of money.

The Premier: I am looking into the matter.

Mr. LAMBERT: The reports of the Mines Department, the Railway Department and one or two other departments might be very informative, but I do not know that the amounts spent on printing them are justi-

fied. In view of the Premier's assurance that the matter is being considered, I have nothing more to say.

Vote put and passed.

Vote—Tourist Bureau, £7,050:

Mr. SAMPSON: The vote shows a decrease of £94. I have no objection to the decrease if it is justified, but the item "Publicity," which is the life-blood of this department, remains at £3,000. There are special reasons why the Tourist Bureau should be given an opportunity to develop. Probably for some time there will not be facilities for people to take holiday trips overseas and we should make more widely known the many attractions the State has to offer to tourists. Look what it would mean if greater publicity was given to Esperance, greater publicity to Albany and the South-West generally, to Geraldton and the North-West! All these places offer great attractions. Take Shark Bay, with its fishing. Take Point Samson.

Member: And Kalamunda.

Mr. SAMPSON: Yes; the Darling Ranges generally, including Kalamunda. I am quite sure, Mr. Chairman, that if you were the owner of Western Australia you would take advantage of the opportunities existing today. Many people come here from Malaya. Numbers of them seek opportunities for holiday enjoyment here, and we have the opportunities to offer them. They can see here things they cannot see in Malaya. The attractions of Western Australia should be made better known, even to our own people. There is camping in West Murray. There is a trip through the Hotham Valley, and all those places. The Tourist Bureau could, I am sure, do all these things; and in doing them the department would increase the traffic on the railways and bring a great deal of money into the State.

The Premier: Don't you know there is a war on?

Mr. SAMPSON: I know there is a war on, Mr. Premier.

The Premier: And that we must conserve our resources?

Mr. SAMPSON: As there is a war on, we must see where we can get revenue. Additional revenue is obtainable because, as I said before, so many opportunities for holiday tours available in peace time are now no longer open to the people.

The Premier: The people are putting their money into war savings certificates, and not spending it at all.

Mr. SAMPSON: Many of those who took trips in Western Australia were visitors from other countries. I am not quite sure that the adoption of my suggestion would not assist the Government almost, if not entirely, as much as war savings certificates or war loans. The Government would certainly not regret a bigger income from the Tourist Bureau. When I see the splendid work that has been done by that department, and realise the opportunities which exist for greater efforts and development of larger opportunities, I hold that I would be wanting in my duty if I did not say so. In spite of the fact that such opportunities exist, however, there is no addition to the bureau's funds for publicity.

The Premier: We did increase the vote previously.

Mr. SAMPSON: And I am sure the increase paid well.

The Premier: You cannot be sure.

Mr. SAMPSON: If the Premier will pardon my contradicting in a very straightforward way I will say that the department has been doing a great deal better than it did, and that it could do much better still if we could give it more money. There has been a decrease of £43, but if we gave the bureau an additional thousand pounds it would come back ten or twenty-fold. I am sorry every year when I see this department treated so badly. It offers such splendid opportunities.

The Premier: The vote for the department has been increased each year almost, except during war time.

Mr. SAMPSON: There is no increase. The expenditure on the director for last year was £809; now it is £670.

The Premier: The department went £300 over its estimate last year.

Mr. SAMPSON: This year there is £94 less to be spent on the department.

The Premier: But we were £300 over our estimate last year.

Mr. SAMPSON: The amount shows a net decrease of £94.

The Premier: Because it owed £340 last year.

Mr. SAMPSON: The amount provided for publicity is £3,000.

The Premier: A very decent sum, too.

Mr. SAMPSON: I notice that some booklets have been issued for the department by the Government Printing Office. They are excellent. If there is a means to bring about the taking of more advantage of the trips offered by the Tourist Bureau, it is these booklets. I would like to see many more of them issued. I would like to see the trips assisted by advertisement in the Eastern States, and in Malaya and other foreign countries. I realise that we cannot increase the vote now. However, I venture to say I am quite sure that this department is a department that would pay the Government better and better in accordance with the consideration given to it. The greater the consideration, the more money invested there by the Government, the greater will be the returns received by the Government.

Vote put and passed.

Vote—Literary and Scientific Grants, £11,335.

Mr. HOLMAN: I am very pleased the Treasurer has decided to grant £185 to the Fish and Game Society of Western Australia. It is high time that the members of that body were given the encouragement that their work merits. I could almost say they are doing the work of the Tourist Bureau in a big way. And all their efforts are voluntary. They fill up the streams of the South-West in particular, as well as elsewhere, with fish. Two or three days ago I had the opportunity of seeing the balance-sheet of the Collie branch, and I was amazed to learn the manner in which that branch has financed its scheme, besides supplying all other south-western branches with trout to stock the rivers. By this means we shall help to make Western Australia popular for tourists, and I believe that in the near future this development will represent a great advantage to the State. Every branch of the society is doing wonderful work not only in the stocking of our streams with trout but also in protecting these streams. I am sorry to say the society is not receiving sufficient encouragement from the Government, having regard to the fact that its work is voluntary. I was surprised and sorry to learn that the Government is not backing the society as regards the closing of certain estuaries. Though this may not be included in the vote, it does deal with the Fish and Game Society.

The CHAIRMAN: It does not.

Mr. HOLMAN: At any rate, the society is doing excellent work, and the grant will be of great assistance. I hope the Government will extend even greater help to the organisation.

Mr. DONEY: The item deals with an interesting activity. It is satisfactory to know that the society is to receive a grant of £185, but how will the money be spent?

The PREMIER: The society is doing very good work and is raising quite a lot of money itself. While no grant was made available last year, the Government has contributed towards the funds of the society in past years.

Mr Doney: Were those advances repayable?

The PREMIER: No, they were grants. The society is not dependent upon Government assistance, but raises funds by other means. At present it is endeavouring to provide supplies of trout to meet the State's requirements. Much has been done in the streams at Pemberton and elsewhere. Some time ago the ova was imported from the East by aeroplane and distributed in the South-West. While I am not anxious to increase grants at such a time, the amount provided will be put to good use by the society.

Mr. ABBOTT: The society, which is doing excellent work, commenced operations two or three years ago by importing trout from Ballarat and stocking streams in the South-West. As the result, trout are now being caught up to 4 or 5 lbs. in weight. When more of the streams are stocked, an additional attraction will be provided for tourists, an attraction which has proved so profitable in Tasmania and New Zealand.

Mr. McLARTY: I suggest that the Premier should take steps to protect the trout in streams throughout the South-West, and if control were given to some of the committees operating in that part of the State, it would prove a wise step. I appreciate the fact that the Premier has made a small grant available and I know he would like to increase the amount. The society finds it difficult to raise funds in these days.

Vote put and passed.

Votes—Treasury, £31,900; Audit, £17,180; Compassionate Allowances, etc., £4,255—agreed to.

Vote—Government Stores, £18,499:

Mr. LAMBERT: With regard to the calling of tenders for requirements of certain Government activities—

The CHAIRMAN: To what item is the hon. member referring?

Mr. LAMBERT: The first item will do, but I want to refer to the calling of tenders by the Railway Department. While tenders are called to meet the requirements of Government activities, it is remarkable that those concerning the railway refreshment rooms are never included.

The CHAIRMAN: That can be discussed when the Railway Estimates are before the Committee.

Mr. LAMBERT: I can voice my definite objection to the manner in which tenders are dealt with. Is that not so?

The Premier: No; that can be dealt with under the Railway Vote.

Mr. LAMBERT: As a matter of fact, one is entitled under this item to discuss the manner in which tenders are called.

The CHAIRMAN: I draw the hon. member's attention to the fact that no provision is made in this item for what the hon. member is discussing.

Mr. LAMBERT: Then I will give the item a thorough trouncing on the Railway estimates.

Vote put and passed.

Vote—Taxation, £45,000—agreed to.

Progress reported.

BILL—POLICE ACT AMENDMENT.

Received from the Council and read a first time.

House adjourned at 9.47 p.m.