

and generally to increase their practical knowledge very greatly over what it is to-day and over what it will ever be unless something is done to make it financially possible, and therefore physically possible, for members to whom I have specially referred to do the things they should be able to do because they are legislators.

They should be in a position to do this because they are public representatives and because of that, whether it be the development in Western Australia or matters in general, members of Parliament, who are not only members for their respective districts but members for the State of Western Australia as a whole, will be able to extend their knowledge.

Mr. Oldfield: One of the finest speeches I have ever heard.

On motion by Hon. Sir Ross McLarty, debate adjourned.

ASSENT TO BILLS.

Message from the Governor received and read notifying assent to the following Bills:—

- 1, Public Trustee Act Amendment.
- 2, Bank Holidays Act Amendment.
- 3, Returned Servicemen's Badges.
- 4, Declarations and Attestations Act Amendment.
- 5, Fertilisers Act Amendment.
- 6, Companies Act Amendment (No. 1).

BILL—TOWN PLANNING AND DEVELOPMENT (METROPOLITAN REGION INTERIM DEVELOPMENT POWERS).

Message.

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

BILLS (2)—RETURNED.

- 1, Reprinting of Acts Authorisation.
- 2, Marketing of Onions Act Amendment.

Without amendment.

House adjourned at 6.15 p.m.

Legislative Council

Thursday, 10th December, 1953.

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

BILL—ROYAL POWERS.

Received from the Assembly and read a first time.

BILL—ASSISTANCE BY LOCAL AUTHORITIES IN WIRING DWELLINGS FOR ELECTRICITY.

Returned from the Assembly without amendment.

BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

As to Rescission of Third Reading Resolution.

THE CHIEF SECRETARY (Hon. G. Fraser—West) [4.38]: I move—

That, in accordance with Standing Order No. 121, the resolution carried by the House on Thursday, the 26th November, 1953, on the third reading of the State Government Insurance Office Act Amendment Bill, be rescinded.

This is an unusual procedure and I would not like to see it repeated too often in the future. It has been adopted only because I consider that the present situation calls for something of this nature. As a Government we regard this as a very important matter. On the day the third reading of the Bill was put, I was busily engaged with the High Commissioner for Canada and his wife, and I only arrived here, at the House, when the bells were ringing.

Had I been in the Chamber a little earlier, and seen that a number of members were not present, I would not have taken the vote at that stage. It is a very important measure from the Government point of view, and it is one on which I wanted a vote of a full House—as nearly as possible—to be taken. I have spoken to Mr. Simpson on this matter and, as far as I am concerned, I am quite prepared for the vote on the third reading to take place without debate.

Hon. H. K. Watson: Take place how?

The CHIEF SECRETARY: Without debate; because if the vote on the third reading were taken, it would ensure that it was taken at a time when, as nearly as possible, a full House was present. If members desire to debate the measure I am quite prepared to accept that. But if it is suitable to members I am quite willing for the vote on the third reading to be taken without debate.

With humble apologies, I move the motion, for the reasons I have outlined. The decision made on the third reading was more in the nature of a snap vote. I do not think that such an important matter should be dealt with in that way, particularly as I had no indication, either during the debate on the second reading or at the Committee stage, that there was a possibility of the unusual procedure being adopted of throwing the Bill out at the third reading.

Usually one has some indication when the House feels in a temper to take that course. In this instance, however, the House debated the measure and amended it in Committee, and I accepted quite a number of amendments. But at no time was there any indication that the Bill would be defeated at the third reading. Whether the Bill is passed or otherwise, I will be quite happy, so long as the decision is made by, as nearly as possible, a full House.

The PRESIDENT: I would draw the attention of members to Standing Order 121, which provides that it is necessary for an absolute majority of members to vote in favour of the rescission of the motion.

HON. C. H. SIMPSON (Midland) [4.43]: All the steps that have led to the introduction of the motion have been quite in order, but at one or two stages there have been unexpected happenings. The Bill was introduced and debated, and the second reading was agreed to. As the Chief Secretary stated, it was amended in Committee; and I desire to say quite frankly that the Chief Secretary was most co-operative at that stage of the debate. Then the Bill was submitted to the third reading; and, in accordance with their rights, a majority

of members voted against the passage of the Bill. Now the Chief Secretary asks us to restore the Bill to the notice paper at the third reading stage, in order that there may be a check on the wishes of the House.

I think that if members cast their minds back to the time when the motion for the second reading was put, they will recall that there was rather a lean House; and on that occasion I was caught as much by surprise as the Leader of the House says he was when the third reading was submitted to the House. At the time of the second reading, I had expected at least two members to speak; but, for quite good and valid reasons they did not, and at least four members were absent, and were thus not able to record their votes or to secure the adjournment of the debate so that further enlightenment could be afforded members on the merits and demerits of the motion.

The Chief Secretary: Had any request been made, I would have considered an adjournment.

Hon. C. H. SIMPSON: I realise that, but the position developed so rapidly that there was no time for that to be done. Unfortunately, I did not know our whip would be away that day. He generally takes a note of these possibilities, and guards against any happening that would be in the nature of a surprise. I am not claiming any credit or discredit for what happened on that occasion, any more than the Chief Secretary is excusing himself because the motion for the third reading was put to the vote without his being aware of what was happening. As regards the third reading vote, I did not know, any more than the Chief Secretary did, what the result would be. It is true that it had been discussed at a meeting at which many other items were considered; but no resolution was passed and there was no understanding as to a combined resistance to the Bill.

The Chief Secretary: I am not suggesting there was.

Hon. C. H. SIMPSON: The vote was really a reflection of the feeling of the members at that stage. It is now quite competent for every individual to say whether he will or will not favour restoration of the Bill to the notice paper. I am not trying to suggest that members should or should not do so; but I am asking that they seriously reflect on the attitude they adopted when the motion for the third reading was put to the House, and then, at their own discretion and in accordance with their judgment, record their vote on this motion. My own intention is to vote against the restoration of the item to the notice paper.

HON. H. S. W. PARKER (Suburban) [4.46]: As I informed the Chief Secretary, I will vote to rescind the resolution. I

also explained to him that I intended to vote against the third reading. The reason I shall vote to rescind the resolution is that, in my opinion, this House should not decide any law by a catch vote, if I might put it that way. I am not saying that there was such a vote on the previous occasion, but the Chief Secretary thinks there might have been; and that being the case, I think we should vote on the merits of the Bill. As we now have a fairly full House, I feel it is my duty to vote for the rescission of the resolution. At the same time I have not altered my views on the measure.

Question put and a division taken with the following result:—

Ayes	....	....	....	....	23
Noes	....	....	....	....	5
Majority for					18

Ayes.

Hon. C. W. D. Barker	Hon. J. G. Hislop
Hon. N. E. Baxter	Hon. A. R. Jones
Hon. G. Bennette	Hon. Sir Chas. Latham
Hon. R. J. Boylen	Hon. F. E. H. Lavery
Hon. L. Craig	Hon. L. A. Logan
Hon. J. Cunningham	Hon. A. L. Loton
Hon. E. M. Davies	Hon. H. S. W. Parker
Hon. G. Fraser	Hon. H. L. Roche
Hon. Sir Frank Gibson	Hon. H. C. Strickland
Hon. A. F. Griffith	Hon. J. McI. Thomas
Hon. W. R. Hall	Hon. L. C. Diver
Hon. C. H. Henning	(Teller.)

Noes.

Hon. H. Hearn	Hon. F. R. Welsh
Hon. J. Murray	Hon. H. K. Watson
Hon. C. H. Simpson	(Teller.)

The PRESIDENT: There being more than an absolute majority in favour, I declare the question duly passed.

Question thus passed.

Third Reading.

THE CHIEF SECRETARY (Hon. G. Fraser—West) [4.52]: I wish to take this opportunity to thank members for at least allowing a fresh vote to be taken on this question. I appreciate their gesture very much. I want to mention one or two points that have been raised since the measure was defeated.

Point of Order.

The President: Order! The Chief secretary has already moved the third reading of the Bill.

The Chief Secretary: The resolution on the third reading has been rescinded, and I now freshly move the third reading.

Hon. H. K. Watson: At the moment I take it we are debating the third reading as moved by the Chief Secretary some weeks ago.

The President: The point taken by the hon. member is that the Bill has been restored to the notice paper at the point at

which it was lost, so I take it the Chief Secretary's remarks now must be in the nature of an explanation rather than a speech closing the debate, because members may wish to speak.

The Chief Secretary: I can make an explanation at the end of the debate.

Hon. Sir Charles Latham: Was not the discussion closed when the vote was taken? Do you, Sir, propose to go right back and allow us all to speak again on the third reading? I ask for your ruling whether anyone can speak again.

The President: I am afraid I am wrong. This is my decision: The Bill is now in the third reading stage. The Chief Secretary has not yet closed the debate. Certain members may have spoken on the third reading prior to the vote on the previous occasion. The Bill is now open for discussion by those members who have not yet spoken on the third reading.

Hon. C. H. Simpson: That being so, would not the Chief Secretary have the right to speak now on the third reading, as he did not do so when the vote was taken?

The President: He has already made an explanation.

Hon. C. H. Simpson: I suggest that that was limited by the intimation from you, Sir, that he was not in order in continuing the debate. It might be the wish of the House, with your concurrence, that if the Chief Secretary so desires, he should say what was in his mind when he stood up.

The President: Had the Chief Secretary wished to speak on the third reading, he would have done so. I have already given him an opportunity to make an explanation. He still has the right to close the debate. If we work from that angle, we will be within the Standing Orders. Those members who have not spoken on the third reading are the ones who are entitled to speak.

Hon. L. Craig: The motion that we have just agreed to is that the resolution arrived at by this House be rescinded. It does not deal with anything else. We previously carried a resolution that the Bill be not read a third time, and the Chief Secretary asked that that be rescinded. The Chief Secretary had replied to the debate on the third reading, so that the debate was closed when the question was put. All the speakers had completed their speeches, and the Chief Secretary had replied; therefore the whole debate had been closed. He then asked that the resolution that we arrived at should be rescinded; in other words, that the House should have an opportunity to carry another resolution. In my opinion, the vote should be taken now, and no speeches made.

Debate Resumed.

Question put and a division called for.

Bells rung.

Remarks during Division.

Hon. A. L. Loton: On a point of order, Mr. President, was not the motion of the Chief Secretary to restore to the notice paper the Bill as it stood at the third reading? If that proposal is carried I take it that we restore the Bill to the order that it was on the notice paper on Thursday, the 26th November, 1953, at 4.30 p.m. The Orders of the Day at that time show the "State Government Insurance Office Act Amendment Bill, Third Reading," as Order No. 1. I am of the opinion that as the House carried the motion just now it restored the Bill to that stage and I ask you to give further consideration to the ruling you gave on that one point.

The President: I have already decided that it is restored to the notice paper at the stage it was when it was defeated. Consequently this division will decide the fate of the Bill. The hon. member may take any action he likes after this division is completed.

Hon. A. L. Loton: I must make an explanation. I was speaking from my seat, in accordance with Standing Orders; but I intended to vote for the Bill as I did on the second and third readings.

The President: It is quite competent for the hon. member to pass over and vote with the Ayes.

Hon. A. L. Loton: Very well.

Division Resumed.

Division resulted as follows:—

Ayes	....	....	....	....	12
Noes	....	....	....	....	15
Majority against	....	....	....	....	3

Ayes.

Hon. C. W. D. Barker	Hon. A. R. Jones
Hon. G. Bennetts	Hon. F. R. H. Lavery
Hon. R. J. Boylen	Hon. L. A. Logan
Hon. E. M. Davies	Hon. A. L. Loton
Hon. L. C. Diver	Hon. H. C. Strickland
Hon. G. Fraser	Hon. W. R. Hall

(Teller.)

Noes.

Hon. N. E. Baxter	Hon. J. Murray
Hon. L. Craig	Hon. H. L. Roche
Hon. J. Cunningham	Hon. C. H. Simpson
Hon. Sir Frank Gibson	Hon. J. McI. Thomson
Hon. A. F. Griffith	Hon. H. K. Watson
Hon. C. H. Henning	Hon. F. R. Welsh
Hon. J. G. Hislop	Hon. H. Hearn
Hon. Sir Chas. Latham	

(Teller.)

*Fair.**Aye.**No.*

Hon. E. M. Heenan	Hon. H. S. W. Parker
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Question thus negatived.

Bill defeated.

**BILL—PUBLIC WORKS ACT
AMENDMENT.***Second Reading.*

THE CHIEF SECRETARY (Hon. G. Fraser—West) [5.3] in moving the second reading said: The progress being made in Western Australia has on several occasions rendered it necessary to amend the resumption provisions of the principal Act. It is not difficult to understand that provisions which were adequate to deal with resumptions, say, 20 years ago, would not satisfactorily meet the conditions of today.

For instance, it was found necessary as far back as 1906 to amend the Act to obtain authority to resume land for the purpose of stock routes. Coming nearer to the present time, Parliament agreed in 1945 to an amendment to enable the resumption of land for fire brigade purposes; to resume freehold land, other than Crown land; and to reserve all timber, stone, gravel, earth and other materials required in connection with industrial purposes. This Bill seeks to continue the sequence.

The Government's legal advisers have suggested that the definition of "public work" is not adequate to deal with all requirements with regard to resumptions. The Bill, therefore, seeks to remedy this deficiency by broadening the interpretation so that authority may be provided to resume, in the interests of the State, places of historical interest; to resume land for prospective townsites and agricultural research station; and for the important purpose of deepening, widening and straightening rivers.

Section 2 of the parent Act does enable the resumption of any building or structure of whatsoever kind which, in the opinion of the Governor, is necessary for any public purpose. On the face of it, this provision appears adequate to meet many contingencies, but our legal advisers do not consider it satisfactory, and have recommended that the definition be amended in the manner I have described. I do think it advisable that statutory authority should exist to preserve places of historical interest. This authority would, of course, be exercised with due care and discretion, in order that interested persons would not be affected adversely. I might mention that the parent Act already provides for the protection and preservation of any cave or place of scientific interest.

With regard to the wish to include in the definition of "public work" the words "including the deepening, widening, and straightening of rivers", the parent Act already specifies certain works that may be carried out with respect to rivers, and adds, "any other works for the improvement of rivers". The intention of the Bill is to detail what is implied by "any other

works". The Bill also takes the opportunity to define the meaning of the word "river". This interpretation is "a river, stream, creek or watercourse, in which water flows permanently or intermittently".

With respect to authority to resume land for townsites, difficulty has been met in this regard. The sole existing authority for the resumption of land for townsites is embodied in the Land Act. This, however, cannot be used in relation to freehold land. The Land Act can be used only where Crown land is concerned, and there is no provision in any Act for the resumption of freehold land which might be needed for a townsite. With the steady growth of Western Australia, the extent of land suitable for townsite purposes is diminishing, and it has become advisable to have available the authority to resume freehold land for this most essential purpose.

The accelerated development in the progress of the State and the substantial increase in population are bringing us nearer the stage where there will not be sufficient suitable Crown land available for townsites. Even now, it has been found necessary to utilise Crown land that has not been altogether suitable, in view of the inability to obtain the use of more satisfactory freehold land. A similar state of affairs exists in connection with agricultural research stations. It has been found that the most suitable site for a research station has been on freehold land, but no resumption power exists in this regard. In the interests of the State it is thought that such authority should be provided.

The next amendment is one which should be very clearly understood. Section 15 provides that where land is resumed for public works purposes, the right to mine for coal or other minerals under such land shall not be included in the resumption, with the exception of those minerals necessary to the proper and effective construction, support and maintenance of the public work concerned. The exclusion of the minerals necessary to the progress of the public work has created certain complications for the Titles Office.

The position may be that the land has been resumed for a public work. Those minerals essential to the carrying on of the public work also are resumed. The rest of the minerals, if any, are not resumed but remain the property of the previous owner of the land. The Commissioner of Titles has advised that, almost without exception, the previous owners, to all intents and purposes, on resumption have abandoned any personal interest in the land. This restriction on the ownership of the minerals frequently has obstructed the revesting in the Crown of the land. Members will understand that re-

vestment is essential for the reservation of the land for the resumption purpose, and for its subsequent development.

To overcome this difficulty the Bill proposes that all the minerals shall be included in the initial resumption of the land. Later, if it is found that some of these minerals are not required for resumption purposes they can then be re-vested in the original owners of the land. The amendment will enable the complete revesting in the Crown of the land required, and of the return to the previous owners of any mineral rights not required to assist resumption purposes.

The next amendment deals with the payment of compensation for land which is resumed, and on which there is a mortgage. If, in such a case, there is a delay in arriving at a settlement of the amount of resumption, the payment of interest is limited for six months. In cases of resumption where mortgages do not exist, interest is payable indefinitely should there be delays in settlement. It is difficult to see why there should be this distinction. It is a regrettable fact and a commentary on human nature that some land-owners deliberately attempt to delay settlement in order to obtain further payments of interest.

The Bill seeks to place all resumptions on a similar basis where there is a delay; that is, payment of interest will be confined to six months for unencumbered land as well as for that which is mortgaged. I might say that it has been found that vendors of land under contract of sale to private owners have refused, on resumption, to reveal the names of the purchasers of the land, and have continued to charge interest on the basis established in the contract of sale after the resumption. The limitation of payment of interest to six months will assist to prevent sharp practices, and will enable the completion of resumptions within a reasonable time.

The next amendment deals with investigations for water. The Crown Solicitor has expressed the opinion that it is very doubtful whether the Government possesses the authority to enter privately-owned land to search for, and generally investigate sources of water supply for public purposes. The Act provides that private land may be entered upon for survey purposes and to set out the lines of any work required, but there is no provision for the undertaking of investigations. Members will agree that some power should be given to enable investigations to be made to ascertain whether a survey or a resumption should be carried out. I am told that there have been cases where land-owners have proved most recalcitrant with regard to investigations being carried out on their land in connection with possible water supplies.

The provisions in the Bill, if agreed to, will enable investigations to be carried out on private land to determine whether further action is warranted. The Bill provides that 48 hours' notice of intention of investigation shall be given to the owner or occupier of the land. The ability of the owner or occupier to claim compensation for any untoward damage done to his land during the investigation is also provided for in the Bill.

Section 93 gives to the Minister and to local authorities the right to enter land on the banks of any river, stream, or watercourse, in order to remove any impediment to the free flow of the water. The Bill seeks to extend this right to enable the deepening, widening, straightening and other improvements to rivers. Improvements of this nature have been rendered particularly necessary by the progressive development of, for instance, the land serving such rivers as the Avon and the Moore, which are not subject to the Land Drainage Act. River drainage is essential, not only for general maintenance, but also to assist in limited flooding possibilities and the resultant damage to properties.

The last amendment seeks to include in the Act an authority which is already included in the Metropolitan Water Supply, Sewerage and Drainage Act, the Land Drainage Act, the Rights in Water and Irrigation Act and the State Electricity Commission Act. The power required is that when works have been authorised under the principal Act by Order-in-Council, provision should exist for prompt construction, even should resumption be delayed through a necessity for survey.

Such works would be in connection with country water supply requirements, drainage outside drainage districts, roads, schools, hospitals, etc. There have been instances where the vendor of the land has refused to allow urgent authorised works to commence until such time as all formalities have been concluded. As a result, it has happened that the well-being and interests of a community have had to be deferred at the whim of one person. As I have said the power to proceed without awaiting the completion of formalities is part of other important Acts, and it should also be included in the principal Act.

I have endeavoured to explain clearly the several proposals in the Bill. As I have said, its intention is to modernise resumption matters. If members desire any further information, I will be happy to endeavour to supply it later in the proceedings. I move—

That the Bill be now read a second time.

On motion by Hon. H. S. W. Parker, debate adjourned.

BILL—PERTH TOWN HALL AGREEMENT.

Second Reading.

THE MINISTER FOR THE NORTH-WEST (Hon. H. C. Strickland—North) [5.13] in moving the second reading said: This is a small measure to correct mistakes made in 1950 in an agreement with the Perth City Council concerning the transfer of land. Since Parliament ratified an agreement between the State and the City of Perth in connection with the exchange of Crown and council land, it has been found that some of the land to be transferred to the State was omitted; further, the question of widening Wellington-st. and closing certain roads has arisen and as a result a supplementary agreement has become necessary.

Originally, the council desired to retain the land fronting Moore-st. with a view to negotiating with the State Electricity Commission for the adjoining land. Subsequently, the Government purchased that land from the commission for hospital purposes, and the need for the council to retain the adjoining frontage no longer exists. However, while the City of Perth remains the proprietor of this land, Moore-st. cannot be closed, future hospital planning cannot proceed, and the Government is at present powerless to make progress with its project.

The State has already purchased the Kensington Hotel and part of lot 77, both sites having title rights to Wellington-st. alignment. In order to widen Wellington-st. the council requires 24ft. frontage strips from this property and following negotiations between the council and the Government, the agreement has been signed by both parties. The Bill is presented in order to ratify that agreement. I move—

That the Bill be now read a second time.

On motion by Hon. J. G. Hislop, debate adjourned.

BILL—CONSERVATOR OF FORESTS (VALIDATION).

Second Reading.

THE CHIEF SECRETARY (Hon. G. Fraser—West) [5.16] in moving the second reading said: Members are fully aware of the circumstances which have led to the necessity for the introduction of this Bill. Dr. Stoate's seven-year appointment as Conservator of Forests ceased on the 31st January, 1953. The new conservator, Mr. Harris, commenced duty as from the 19th October, 1953. Therefore, for over seven months the position of Conservator of Forests was vacant, although Dr. Stoate continued to act in that capacity.

The Forests Act provides that the conservator shall be a body corporate, with perpetual succession. It is thought unlikely that any action taken by Dr. Stoate during this interregnum will be challenged. It would, however, be advisable to place this beyond any possible doubt. For that reason the Bill seeks to provide that Dr. Stoate's term of office as conservator should be continued until the 18th October, 1953, and that all functions discharged by him in the role of conservator from the 1st February, 1953, to that date should be ratified. In case there should be any challenge to anything done during this period, it was thought advisable to introduce this Bill. I move—

That the Bill be now read a second time.

HON. J. MURRAY (South-West) [5.18]: I have no intention of opposing this measure; in fact, I give it my whole-hearted support. I would like to say that the Government must accept the responsibility for introducing this Bill. Had the Minister in another place allowed the Executive Council minute to stand and run to its natural conclusion—I refer to the minute signed on the 27th February, 1953—this Bill would have been entirely unnecessary. I have studied very carefully all the replies to the various matters which are brought forward relating to the appointment of the conservator, and there is nothing in what the Chief Secretary has said which does not further convince me that it was a grave error of judgement in referring the application to the Public Service Commissioner.

The **PRESIDENT**: I must point out that the hon. member must confine his remarks to the Bill.

Hon. J. MURRAY: I accept your ruling, and, without further comment, I support the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment and the report adopted.

Bill read a third time and *passed*.

BILL—ENTERTAINMENTS TAX ASSESSMENT ACT AMENDMENT (No. 2).

Second Reading.

Debate resumed from 2nd December.

HON. H. K. WATSON (Metropolitan) [5.23]: This Bill has been brought before us for the purpose of easing the existing provisions of the Entertainments Tax Act. Clause 5 is designed to exempt amateur sporting organisations. I certainly agree that football and cricket clubs should be exempt; but, in view of the provisions of

Clause 5, I would be sorry to see football clubs, for example, deprived of exemption from this tax because players may in one form or another receive very small weekly or monthly allowances for participating in the games.

Assuming for the moment that that clause does exempt the takings at a cricket or football match, conducted by amateur sporting clubs, I would ask this question: What about the football, cricket, soccer, baseball, bowling and tennis clubs which do not charge any admission to their matches? Throughout the country and the metropolitan areas there are many such organisations which do not charge any admission to their matches. They raise funds by weekly or monthly dances or other social functions. Under the Bill there seems to be no relief for these amateur sporting clubs when they raise funds by virtually the only method available to them; that is, by dances and other social functions.

It will be found that organisations like the Guild of Undergraduates, trade unions, R.S.L., Young Liberals, Young Labour or Young C.D.L., generally manned from people of commendable spirit and public service, are invariably suffering from lack of funds. Although the revenue collected from dances and functions is a mere drop in the bucket so far as the State Treasury is concerned, it is a matter of great importance to the organisations. If the Guild of Undergraduates or a trade union wanted to hold a dance to raise funds to send a debating team or a cricket team to some part of the State or to the Eastern States, surely it is entitled to hold those functions without being subjected to entertainments tax.

In the same way, if a country cricket club wanted to hold a dance to raise funds to send its team to the metropolitan area, surely the takings should not be subject to entertainments tax. Not only would these organisations be subject to the tax, but the honorary secretaries would have to go to the trouble of registering, arranging tickets, putting in returns and doing many other things. We should encourage organisations in activities such as the ones I have mentioned, and not penalise them by imposing an entertainments tax.

Clause 6 deals with easements, we are told, and of exemptions which apply to religious, philanthropic and charitable institutions. At the moment, admission charges for an entertainment conducted by any one of those three types of institutions are exempt from the tax, so long as the expenses do not exceed 50 per cent. of the takings. This Bill proposes to increase the expenses to 60 per cent. before the proceeds become liable to taxation. The existing Act provides that if the weather is inclement the commissioner, in his discretion,

may release an organisation from the existing provision of the Act, namely, that dealing with expenses not exceeding 50 per cent of the takings.

The Bill proposes to extend that 50 per cent. to 60 per cent.; also that the commissioner when determining whether expenses to the extent of 60 per cent. of the total receipts would be excessive, may take into account not only inclement weather, but also any other unforeseen circumstances. I suggest that the organisers of philanthropic, charitable and religious entertainments have something better to do than dance attendance on the Commissioner of Taxation to explain all these things to him. We could well exempt them completely without having all these pernicky requirements laid down in our legislation.

May I suggest to the Chief Secretary that the Government should view the position with some sense of proportion and not with the mentality of a derelict out to get money by robbing a kiddie's money box? The whole amount of tax is £176,000 and it is going too far to levy tax on entertainments conducted by religious and charitable people.

The official statistics show that 80 per cent. of the total entertainments tax is collected from two sources, namely, pictures and horse-racing. Another point is that this 80 per cent. is collected with a minimum amount of administration expense. The picture organisations consist of business men who run their businesses on commercial lines and submit their returns with a minimum of expense to the department. The same applies to the racing clubs. Thus we have 80 per cent. of the tax collected with a minimum of expense to the department.

The rest of the expense to the department would be represented by writing a letter to Mrs. Jones and frightening the life out of her by stating that she had infringed Section 6 of the Act by not putting in her return within seven days, and then an officer would have to spend time determining whether the expenses totalled 50 or 60 per cent. of the gross receipts and whether there was a storm in the district that night. This brings me to the real solution of the problem in order to make the tax workable, effective and remunerative, and that is to remove the uncertainty by confining its application to horse-racing and pictures which, as I have explained, produce 80 per cent. of the total tax collected. I commend this suggestion to the Chief Secretary.

Question put and passed.

Bill read a second time.

In Committee.

Hon. W. R. Hall in the Chair; the Chief Secretary in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Section 2 amended:

Hon. H. K. WATSON: I move an amendment—

That in line 2 after the word "by" the following be inserted:—

- (a) omitting from the definition "Entertainment" all the words therein after the word "Entertainment" and substituting therefor the following words:—

"means and includes any cinema show or any sport of horse-racing for admission to which payment is made, but does not include—

- (i) an entertainment of any nature other than a cinema show or horse-racing; or
- (ii) an entertainment of any kind whatsoever which is held north of the twenty-sixth parallel of south latitude, or within any other area, or at any town, which is specified in the regulations;

(b)

This would confine the tax to horse-racing and picture shows. The previous measure provided for an exemption for all entertainments north of the 26th parallel, but this one does not. Therefore I have taken the precaution of proposing that no entertainments tax whatever shall be collected from any entertainment held north of the 26th parallel or within any other area or town specified in the regulations. On the former occasion the Chief Secretary explained that, while the North-West could easily be defined, it was not so easy to specify other distant parts that were entitled to a similar exemption. My amendment will make provision for such places.

Hon. H. Hearn: Do you intend to exclude live shows?

Hon. H. K. WATSON: Yes. In the complementary measure yet to be dealt with, provision is made for a substantial measure of relief for live shows. For the negligible amount of taxation involved, let us do the decent thing and exempt them altogether. Ninety per cent. of the takings of a live show are spent in the locality where the show is held.

The CHIEF SECRETARY: I find myself in an awkward spot and the only way to get out of it is to amend Mr. Watson's amendment. I move—

That the amendment be amended by striking out all the words after

- (a) down to the end of subparagraph (i).

The clause would then provide for the exemption of entertainments held north of the 26th parallel. I think if both the hon. member's amendments, as they appear on the notice paper, were agreed to, they would result in reducing the total revenue to £50,000 or £60,000 per annum. The Government feels that it has gone as far as it can in this matter.

Hon. H. K. WATSON: I hope the Committee will not agree to the amendment on the amendment. What we are discussing here is whether this tax should be confined to horse-racing and pictures and I would point out that the amount involved is not that mentioned by the Chief Secretary but only 20 per cent. of the total. On my calculation, if the total tax were £180,000, this would mean reducing the figure to £140,000, a reduction of £40,000, which is little more than the amount of the proposed increase in members' salaries and little less than half of what would be saved if the Prices Control Branch were done away with. It is customary, following great events, to grant an amnesty and, in view of the recent discovery of oil in Western Australia, I would appeal to the Government to grant the people of the State an amnesty by confining this tax to picture-shows and horse-racing.

Hon. G. BENNETTS: I am in favour of some consideration being shown to the live shows but do not think that big companies that visit this State should be exempted. I do feel that the small local shows put on for charitable purposes might be exempted.

Hon. A. F. GRIFFITH: The amendment on the amendment would give relief from this tax to those living in the North-West. During a previous debate Mr. Barker interjected to the effect that he did not think the people of the North should receive any benefit in that way. Will he tell the Committee whether he feels the people of the North do not require exemption from entertainments tax?

Hon. C. W. D. BARKER: I think they should be granted many amenities and particularly freedom from entertainments tax. Most of the entertainment available in the North is due to the efforts of local people and it should be free of tax. If the hon. member gets pleasure out of bringing things such as this up against me, he can continue to do so; but I do not think I have ever said the North should not be exempted from taxation. I support the amendment on the amendment.

Hon. J. G. HISLOP: We are not dealing with the question of the North-West at the moment but whether certain shows should be exempted, other than pictures and racing, and I would point out that the cost of bringing live shows to this State is enormous. I feel that opera, grand opera, Shakespearean shows,

ballet and so on, which have high cultural value, should be encouraged to visit this State frequently, and, in view of the enormous expense involved in transporting them here from the other side of the continent, I believe we could well afford to grant them relief from taxation.

Recently it was estimated that a certain show would have to take between £4,500 and £5,000 per week to meet expenses and it was only when a group of us, as private individuals, gave up and the Adult Education Board took over and put on the show free of tax, that the society was able to make a profit. I am frightened of the possibility of rising costs precluding many shows visiting this State unless under the aegis of the Adult Education Board. In view of the increases that have taken place in almost every avenue of governmental revenue, and as the entertainments tax is something that was not expected, I think the Government could well make this concession to shows that are of cultural value, whether live shows or not.

Hon. L. CRAIG: How would you define "cultural" in the legislation?

Hon. J. G. HISLOP: If necessary the shows could be named individually: opera, grand opera, ballet and so on. In my opinion, it is not right that in these days even those representing the cultural side of life have to appeal to the Government for support so that cultural entertainment can be made to pay. The organisation of which I was speaking was putting all its money back into the show to improve the standard of stage props and the entertainment presented. In the first weeks that it showed here, there were grave doubts whether it would be able to continue. If this State wants cultural shows to come here—and surely we need them—I think some special concession should be given to them, even if we do not agree to the amendment moved by Mr. Watson.

Hon. J. M. A. CUNNINGHAM: I support what Dr. Hislop has said. In recent months, entertainments have come here and, although their admission charges were extremely high, after they had paid entertainments tax they did not obtain the return they were entitled to receive. In fact, the stars of those shows received less than the locally-hired musicians. The drummer, who did not have his own equipment, received a higher salary than the stars in the show. As a result, the entertainers generally did not receive a fair return for their work.

A short time ago, I drew a comparison between the charges made for shows presented at His Majesty's Theatre 50 years ago and those charged now. In fact, there is very little difference, because the average charge for a seat is about 10s. It is the same as it was about 50 years ago, except that today 2s. 2d. is added for entertainments tax. This is a serious problem for those people who earn their living on

the stage. Cultural shows and those which would be of benefit to the State, in particular live shows, should be exempt.

Hon. Sir CHARLES LATHAM: It is proposed to repeal and re-enact Section 4 of the principal Act. I think that section should be inserted in the Entertainments Tax Assessment Act, because that section only imposes the tax. If the other Bill had been dealt with first, I could have drawn attention to this section then. There is no doubt in my mind that the intention was to delete it, but the deletion should be made in the Entertainments Tax Assessment Act and not in this measure. I would like the Chief Secretary to consider that point, and I ask him to report progress, because I think that if he did so it would meet the wishes of all members.

Hon. L. CRAIG: Mr. Watson's amendment, while having some merit, does exempt all forms of entertainment, except horse-racing and cinemas. I do not think the Committee will be satisfied with that. I am not sure that the Committee wants to exempt motor-bike racing from this tax. If ever there was a horror, it is motor-bike racing.

Hon. L. A. Logan: The riders do not think so.

Hon. H. Hearn: They did a good job during the last war.

Hon. L. CRAIG: I am merely saying that that is one form of entertainment that I do not like.

Hon. L. A. Logan: Other people do.

Hon. L. CRAIG: Personally, I attend football matches regularly on Saturday afternoon. That is one of the cheapest forms of entertainment, and I would not exempt those matches from the tax. So many people attend football matches that the revenue received is substantial. The Bill as it stands makes a good attempt to ease the position where it is needed.

Hon. N. E. Baxter: What about sports in the country?

Hon. L. CRAIG: They are exempted by the Bill. Societies and organisations which present entertainments which are not run for profit are exempted.

Hon. Sir Charles Latham: What about boxing and wrestling?

Hon. L. CRAIG: If those sports are conducted by a society or organisation, they will be exempt. All such sports are provided for. Altogether, it is not a bad Bill. I think there is something in what Dr. Hislop says; but how are we to define "cultural entertainment"? It would almost take another Bill to do that. There are many forms of entertainment that some people would consider to be cultural, while others would take the opposite view. Horse-racing is generally regarded as being the sport of kings.

Hon. H. Hearn: And queens.

Hon. L. CRAIG: Yes; and there would be strong opinions about that. Why it should be picked out as being a sport for wealthy people I do not know. The patrons might be wealthy when they go on to the racecourse, but often they are not so wealthy when they leave it. I intend to support the Bill as it stands.

The CHIEF SECRETARY: In reply to Sir Charles Latham, I would suggest that we finish the Committee stage and, to meet his wishes, I need not move the adoption of the report. The suggestion made by him could then be considered and, if necessary, the Bill could be recommitted. Mr. Watson's amendment confines the imposition of the tax to two entertainments—horse-racing and cinemas. Although the Bill is fairly sectional now, it would definitely be placed on a sectional basis if the amendment were agreed to. The followers of horse-racing would have just cause to protest. We already impose a winning bets tax and other taxes on racing; and if they, together with cinemas, were left to carry the tax, it would be unfair. If the Bill becomes an Act, the tax collected will be less than that received previously. If members will examine the two Bills, it will be seen that the Government has tried to meet the situation as fairly as possible. We have to govern, and to do so we must obtain finance. This tax has always been a good source of revenue.

Hon. Sir Charles Latham: It was never intended for general revenue when it was originally introduced.

Amendment on amendment put and a division taken with the following result:—

Ayes	....	....	....	17
Noes	....	....	....	9
Majority for	....	....	....	8

Ayes.

Hon. C. W. D. Barker	Hon. Sir Chas. Latham
Hon. G. Bennetts	Hon. F. R. H. Lavery
Hon. L. Craig	Hon. A. L. Lotton
Hon. E. M. Davies	Hon. J. Murray
Hon. G. Fraser	Hon. H. S. W. Parker
Hon. Sir Frank Gibson	Hon. H. L. Roche
Hon. A. F. Griffith	Hon. H. C. Strickland
Hon. H. Hearn	Hon. R. J. Boylen
Hon. A. R. Jones	(Teller.)

Noes.

Hon. N. E. Baxter	Hon. C. H. Simpson
Hon. L. C. Diver	Hon. J. McI. Thomson
Hon. C. H. Henning	Hon. H. K. Watson
Hon. J. G. Hislop	Hon. J. Cunningham
Hon. L. A. Logan	(Teller.)

Amendment on amendment thus passed.

Sitting suspended from 6.17 to 7.30 p.m.

Hon. A. F. GRIFFITH: I would like your advice in this respect, Sir. I take it that if the amended amendment is carried, the Bill will remain in its original form, except that the people beyond the 26th parallel will be exempt from entertainments tax. Is that the position?

The CHAIRMAN: That is how it appears to me, because paragraph (a) of the amendment has been deleted.

Hon. A. F. GRIFFITH: I think Mr. Watson's amendment went a little too far, and that is why I opposed it. I was sorry the Chief Secretary introduced an amendment to the amendment which will now exempt from entertainments tax those people beyond the 26th parallel. I have nothing against their being exempt from paying this tax or anything against giving the out-back people relief; but if we permit this sort of thing to be done by regulation, other areas will come forward and ask for similar concessions. Would that be a good thing? Mr. Barker said that no man in Western Australia would resent paying this entertainments tax.

Hon. C. W. D. BARKER: That is true.

Hon. A. F. GRIFFITH: If that is so, it means that the people in the North-West would have no objection to paying this tax, either; nor do I think they would. I propose to vote against the amendment particularly if it gives a concession by regulation to one section of the State; it is possible that other areas will also ask for this concession.

The MINISTER FOR THE NORTH-WEST: I am surprised that the hon. member should oppose this provision. Members should know that there is very little entertainment in the North apart from cinema shows, and those shows are very mediocre. The proprietors have to pay high air freight costs in order to obtain films which are really second-class.

Hon. L. Craig: The freight on films is not much.

The MINISTER FOR THE NORTH-WEST: All places beyond Carnarvon have to use air freight for the carriage of films. I agree with Mr. Watson's move to insert this provision in the Bill.

Hon. A. F. Griffith: It is not Mr. Watson's idea.

The MINISTER FOR THE NORTH-WEST: I think that if he looks at the notice paper the hon. member will find that it is Mr. Watson's amendment. This provision was contained in another Bill which had to be discharged before this one could be introduced. Only a short while ago all parties endorsed a motion sent to Canberra asking that those beyond the 26th parallel be exempt from taxation. We cannot very well request the Commonwealth to exempt one section of the State from taxation and then impose taxation on that section ourselves. I hope the Committee will consider this point before deciding on the amendment.

Hon. C. H. HENNING: I do not like the amendment, not because I disapprove of a portion of the State being exempt from taxation, but because it is to a certain extent, creating sectional taxation.

Irrespective of the financial position of people in the North, they are to be totally exempt from entertainments tax. I know the residents of the North have a lot of difficulties and live in circumstances differing from our own. A tremendous number of people in the outlying areas would derive just as much benefit from the removal of this tax as would people in the North. Taking into consideration the fact that the Government has made a considerable concession in tax in another Bill on the notice paper, the whole of the State should be on the same footing in relation to entertainments tax. We should not make any exception where pressure can be brought to bear and given effect to by legislation. Let us make it uniform.

Hon. C. W. D. BARKER: I support the amendment. I think several members have missed the point. The people in the North are living under entirely different conditions from those in any other part of the State. They are contributing to our economy by the production of wool and beef.

Hon. L. Craig: Would you say that they are living under worse conditions?

Hon. C. W. D. BARKER: Yes; they are living under hard conditions, and I think the hon. member well knows to what I refer. Housing in the North is not a patch on what it is in the South. Very few places have water supplies, and in one place the charge is £1 for 1,000 gallons of water. The people up there are helping to keep those down here in luxury, and surely they are worthy of consideration! The only entertainment they get is one picture-show a week, and that is a second-class show. No one in the State will begrudge paying this tax, because it is only a few pence. If we are able to keep these people in the northern areas by giving them these concessions the whole State will benefit. Later, when oil is being produced and their conditions have improved generally, we can think of bringing them into line with the rest of the State. Mr. Watson asked for complete freedom from taxation for the people of the North.

Hon. L. Craig: That is a different thing altogether.

Hon. C. W. D. BARKER: It is not. How can we ask for freedom from taxation for these people and then impose on them another tax?

Hon. L. Craig: Pennies and pounds.

Hon. C. W. D. BARKER: Pennies make pounds. The hon. member has always advised us to look after our pennies and I have done my best to follow his advice! I do not think we are asking too much by this amendment and I support it.

Hon. A. F. GRIFFITH: I think that both the Minister for the North-West and Mr. Barker have completely missed the

bus. As I understand it, the expression "tax-free for the North" was applied to income tax, and to no other tax whatsoever. Surely the Minister would not suggest exemption for the North from sales tax, social service tax, or any other type except income tax! I would like it to be plainly understood that I do not want to see a tax of this kind imposed on the people of the North if they can be relieved of it.

The whole emphasis has been placed on picture-shows. Had the Government brought down a Bill to give a better exemption from entertainments tax to picture-shows than is provided in this measure, it would have done some good for the working man, whose chief source of entertainment, and that of his wife and family, is the picture show. Why should there be an exemption with regard to a football match and not with regard to a picture-show?

If the only thing to be affected is a picture show in the North, bearing in mind that Mr. Barker thinks every Western Australian would be willing to pay this tax in order to help the State to develop, I do not see why such sectional legislation should be allowed to pass, although I am not at all averse to giving relief to the North, and I endorse the plan of freedom from taxation for that part of the State.

The Minister for the North-West: Is that not sectional?

Hon. A. F. GRIFFITH: No; it is not with certain exemptions. The Minister knows that previously in taxation laws there were various zones.

The Minister for the North-West: We still have them.

Hon. A. F. GRIFFITH: I do not think that could be regarded as sectional.

The Minister for the North-West: Would this not be a zone?

Hon. A. F. GRIFFITH: The zones pertained to income tax. The relief given with regard to income tax was purely to encourage people to go to the North and earn an income without having it taxed.

The Chief Secretary: This is a further encouragement.

Hon. A. F. GRIFFITH: It is not a very great encouragement. Let the Chief Secretary tell the committee what he will do if there are applications for exemption of the same kind from the Eastern Gold-fields district.

The Chief Secretary: They will receive full consideration.

Hon. A. F. GRIFFITH: That is a good answer, but it is not very satisfactory. Suppose people in the south say that

they lack many of the amenities enjoyed by people in the city. What will the Government do then?

The Chief Secretary: The same answer.

Hon. A. F. GRIFFITH: I did not expect any other.

The Chief Secretary: Then you are not disappointed.

Hon. A. F. GRIFFITH: I do not think it is reasonable to say that people above the 26th parallel shall get this exemption, unless the Government is prepared to give it to other people.

Hon. Sir CHARLES LATHAM: I support Mr. Barker, because there is very little amusement provided for people in the North. However, I would like to see a further limitation, because I am sympathetic to any Minister who has to administer this measure. I move—

That the amendment be further amended by striking out in subparagraph (ii) the words "or within any other area, or at any town, which is specified in the regulations;"

If this is not done, there will be no end of requests for exemptions made to members of Parliament. This concession should be limited to the North, as originally intended.

Hon. J. M. A. CUNNINGHAM: The conversational gymnastics indulged in since this Bill was introduced have been marvellous, and the agility of members is amazing. First of all we were completely opposed to the reimposition of entertainments tax; then we decided to try to have it lifted from live shows and football matches, etc. Now some members do not want the North to have the exemption granted with respect to picture shows. If this amendment will provide any sort of relief from income tax to any group of people, I am prepared to support it, even to the extent of a regulation being inserted to give the Minister the right to grant the same concession to other parts as to the North. We hope that he may even find that he can extend the concession throughout the State, so that we shall have what we wanted in the first place—no entertainments tax.

THE CHIEF SECRETARY: I hope the amendment on the amendment will not be carried. I am very thankful to Sir Charles for wanting to remove these words so that Ministers will not be bothered.

Hon. Sir Charles Latham: It is the members I am concerned about, not the Ministers.

THE CHIEF SECRETARY: I appreciate the hon. member's thoughtfulness in that connection, but I would like this provision to remain, notwithstanding that Ministers might have extra work to do; because we aim to cut out taxation wherever possible.

Hon. Sir Charles Latham: Cut the lot out!

The CHIEF SECRETARY: If these words are retained, we may be prepared gradually to dwindle down the tax. We might gradually—and I am not emphasising the word "might"—be able to eliminate a number of the towns that are suffering the disabilities faced by the North-West.

Hon. Sir CHARLES LATHAM: In view of what the Minister has said, I propose to vote against the third reading. I am not going to allow any Minister piecemeal to exclude towns from taxation which should be distributed fairly amongst the community without any differential treatment. That has been one of the high principles of all Governments. I object to what the Minister proposes, although I am prepared to have a concession given to the people of the North. I am opposed to the Chief Secretary's wanting to extend this concession to other areas one by one, when he wants to win them over at election time.

The Chief Secretary: He would win a lot on that, would he not?

Hon. Sir CHARLES LATHAM: The Chief Secretary would be able to say, "We have given you a reduction in your amusement tax." What a lovely action that would be! Well, I am one who will not allow that to occur if I can stop it. I have no objection to the North receiving this concession. After all, that is represented by Labour members now, and other parties are not likely to win any seats by this proposal being passed, although we might possibly get some small favours! However, the principle is wrong. Surely there is no member of this Committee who will agree that it is right to give power to any Minister to say that he will exclude from taxation, one by one, various hamlets and towns.

Hon. H. S. W. PARKER: I cannot understand what all the noise is about. The amendment is very good, but I entirely disagree with the amendment on the amendment. The amendment will give the Government power to do away with the entertainments tax in Goldfields and other towns. The regulations would have to be tabled and we would have a perfect right to object to anything we did not like; so there would still be that protection. We are trying to do away with this tax entirely, and I shall support the Government if any regulation granting exemption to outback towns is attacked.

Hon. C. H. SIMPSON: I hope that the Committee will accept what is left of Mr. Watson's amendment, and I intend to vote against the amendment on the amendment. I thought there was considerable merit in the original proposal by Mr. Watson. The Committee decided not to accept the first part, but I think there is

merit in the second. It has been pointed out that the incidence of this tax, so far as the people in the North are concerned, would net a comparatively small return to the Treasury. On the other hand, the exemption is a gesture in recognition of the isolated circumstances in which the majority of the people up there have to live.

I have always thought there was room for variation of the proposition which fixes the 26th parallel of latitude as the dividing line between some areas which receive consideration and others which do not but which, in my opinion, are just as entitled to it. I think that the dividing line, instead of being a parallel of latitude, should be one of those rainfall lines so that it would include a lot of the hot eastern areas where people live in isolation and without the amenities enjoyed at Port Hedland and Carnarvon, which are seaport towns. The amendment will give the Government an opportunity of recognising these outback areas, which should receive consideration.

Hon. A. F. GRIFFITH: Could Mr. Parker tell us how we are going to disallow regulations that are made immediately after the rising of Parliament?

Hon. H. Hearn: You can disallow them when Parliament reassembles.

Hon. A. F. GRIFFITH: Six months later?

Hon. H. Hearn: Yes.

Hon. A. F. GRIFFITH: The people would get the benefit of the exemption for six months, and if Parliament then disallowed the regulations they would be back where they started. That is an unsatisfactory position. The Chief Secretary made the statement that the Government would progressively decrease taxation.

The Chief Secretary: I said it might.

Hon. A. F. GRIFFITH: Even if it is a slight "might", I would hate to see a Government with the right to do this just before election time, as Sir Charles Latham pointed out.

The Chief Secretary: He always thinks the worst.

Hon. A. F. GRIFFITH: I do, too, in some cases, because my thinking is from bitter experience. I would not be a party to giving any Government this power.

Hon. H. K. WATSON: I am in favour of there being no entertainments tax north of the 26th parallel, or south of it, but since the Government is not big enough to accept that view, and as it wants its pound of flesh from every entertainment in the State—

The Chief Secretary: Not every one.

Hon. H. K. WATSON: —and the majority of members support that view, I say we should have the next best thing. I

am content to support the rest of my amendment as it stands. I oppose the amendment on the amendment. It has been said that if my amendment is agreed to, we might find that at each election some town or area will be relieved of entertainments tax. That is all to the good, because it is just possible that we might have sufficient elections over the next 50 years so that my present desire of complete abolition of entertainments tax will be achieved.

Amendment on amendment put and negative.

Amendment, as previously amended, put and a division taken with the following result:—

Ayes	....	....	....	21
Noes	....	....	....	4
Majority for	....	....	....	17

Ayes.

Hon. C. W. D. Barker	Hon. J. G. Hislop
Hon. N. E. Baxter	Hon. F. R. H. Lavery
Hon. G. Bennetts	Hon. A. L. Loton
Hon. L. Craig	Hon. J. Murray
Hon. J. Cunningham	Hon. H. S. W. Parker
Hon. E. M. Davies	Hon. C. H. Simpson
Hon. L. C. Diver	Hon. H. C. Strickland
Hon. G. Fraser	Hon. J. McI. Thomson
Hon. Sir Frank Gibson	Hon. H. K. Watson
Hon. H. Hearn	Hon. R. J. Boylen
Hon. C. H. Henning	(Teller.)

Noes.

Hon. A. F. Griffith	Hon. L. A. Logan
Hon. A. R. Jones	Hon. Sir Chas. Latham
	(Teller.)

Amendment, as previously amended, thus agreed to.

Clause, as amended, put and passed.

Clause 4—Section 5A added:

Hon. H. K. WATSON: I shall vote against the clause, which gives the Commissioner power to make a default assessment on the basis of double tax, etc. This is in keeping with the Federal Tax Act. Nowhere, however, does it provide how the person so assessed shall object or appeal, or what the commissioner shall do upon objection, and so on. The clause is incomplete. Inasmuch as it provides for double rates, the person concerned is entitled to some protection.

The CHIEF SECRETARY: I hope the Committee will not agree with Mr. Watson. The clause sets out to provide a penalty for default, and so on. It is quite clear. I am surprised that the hon. member should want to protect people who default in the manner described in the clause. I have not got a copy of the original Act here, but we should have enough faith in the draftsman to know that he would not include something that did not tie in with the rest of the Bill.

Clause put and passed.

Clause 5—Section 8 amended:

The CHIEF SECRETARY: I move an amendment—

That in line 2 of subparagraph (iii) of proposed new paragraph (d) after the word "by" the words "an association," be inserted.

This will grant a further exemption.

Amendment put and passed.

The CHIEF SECRETARY: I move an amendment—

That in line 4 of subparagraph (iii) of proposed new paragraph (d) the word "and" be struck out.

This word is not required.

Amendment put and passed.

The CHIEF SECRETARY: I move an amendment—

That subparagraph (iv) of proposed new paragraph (d) be struck out with a view to inserting other subparagraphs in lieu.

Amendment put and passed.

The CHIEF SECRETARY: I move an amendment—

That the following subparagraph be inserted in lieu of the subparagraph struck out:—

(iv) no participant in the entertainment receives from the takings of the entertainment more than a reasonable allowance to reimburse to him expenses reasonably incurred by him to enable him to participate in the entertainment; and

This is self-explanatory and simply lays down certain conditions regarding exemptions.

Hon. J. G. HISLOP: It is puzzling to know what organisation this maze of words will affect, and I think the Chief Secretary might tell us whom they protect. This would not be necessary if Mr. Watson's first idea had been accepted. It is possible that the amendment will not cover some of the live shows; because, for instance, the Society of Concert Artist, in order to make a success of a certain show, might have to pay one of its principals a fairly high fee.

Hon. L. Craig: That would be reasonable.

Hon. J. G. HISLOP: And the rest of the artists would receive nothing at all. Some shows, such as comic operas, require a good singer to draw the crowd, and in such cases an artist is frequently brought from the Eastern States. Such a show would not be covered under this amendment because the singer would have to be paid a salary. His fares over could be classified as reasonable expenses, but his salary could not come under that category.

Hon. C. W. D. Barker: Why not?

Hon. J. G. HISLOP: I am sure it could not.

Hon. N. E. Baxter: Expenses do not cover his salary.

Hon. J. G. HISLOP: No. Some of these organisations require a paid secretary to keep the affairs running throughout the year, and I am not sure whether that would be covered under this amendment. I do not like this, but if the Chief Secretary can tell me that it is intended to protect certain organisations, cultural, or semi-cultural, I will vote for it.

Hon. C. W. D. BARKER: I intend to vote for this amendment. I might have the wrong idea, but I think this is to try to stop anyone claiming over and above what could be termed fair and reasonable expenses.

Hon. A. L. Loton: What do you mean by reasonable?

Hon. C. W. D. BARKER: If the expenses are unreasonable the show will not be protected by this amendment.

Hon. L. CRAIG: What Dr. Hislop said about the concert artists is quite true and it appears that this amendment will cover the organiser or promoter, but not a paid entertainer. We could easily get over the difficulty by an amendment to proposed subparagraph (iv). The participant in entertainment would then be brought into line with the promoter or organiser, and the two or three societies that run live shows at His Majesty's Theatre throughout the winter would be covered. Such bodies bring over from the Eastern States a professional artist in order to draw the crowd. I move an amendment—

That the amendment be amended by striking out the words "to reimburse to him" and inserting in lieu the word "and".

The CHIEF SECRETARY: I hope the Committee will not agree to this amendment to my amendment, because I think members are on the wrong track.

Hon. L. Craig: Explain it to me and I will be satisfied.

The CHIEF SECRETARY: This amendment was drafted to cover sporting fixtures, such as cricket, tennis, and so on.

Hon. C. H. Simpson: Could it not apply to other things as well?

The CHIEF SECRETARY: Evidently not. I have a note from the Premier which says that the object of the amendment is to assist in obtaining exemption from entertainments tax for sporting meetings, such as cricket, tennis, and football. The Premier said that he would have moved these amendments in the Legislative Assembly, but they were not drafted in time.

Hon. L. Craig: That would exclude league football.

The CHIEF SECRETARY: Possibly. We would have to get a ruling as to whether league football was a professional or amateur sport; but up to league football, at least, would be exempt from the payment of tax.

Hon. L. Craig: How will you get over the concert people?

The CHIEF SECRETARY: They are probably dealt with in another portion of the Bill. Certain provisions are laid down for philanthropic organisations and so on, to obtain exemptions from the tax. They have to meet certain conditions. A proposed subparagraph (v) is to be inserted to cover sporting bodies because of the payment of an organiser.

Hon. A. F. Griffith: He would not receive anything beyond expenses so you would not have to worry about that.

The CHIEF SECRETARY: Take lawn tennis for example.

Hon. L. Craig: Their officials are reimbursed for expenses only.

The CHIEF SECRETARY: They may have a paid organiser; but I do not know. However, this is to cover sporting bodies. In another part of the Bill, where persons apply for exemption for charitable organisations, the expenses must be confined to 60 per cent. That is because, in the past, functions have been run not for the benefit of an organisation but for the orchestras which take part in the show.

Hon. A. F. Griffith: In which part of the Bill will the set of circumstances referred to by Mr. Craig be provided for?

The CHIEF SECRETARY: They will come under the heading of charitable purposes.

Hon. Sir Charles Latham: But it was not for charitable purposes. Some time ago they brought over a prominent couple from the East.

The CHIEF SECRETARY: Somebody got the profit.

Hon. Sir Charles Latham: There was no distribution of the proceeds.

Hon. L. Craig: That was run by the Adult Education Board.

The CHIEF SECRETARY: Then it would be covered in the early part of the Bill. No provision was made for sporting fixtures, and the amendment seeks to cover that position.

Hon. L. CRAIG: Through an error, these worthy cultural organisations were eliminated by this clause. First of all the entertainment must be run for no profit; but if this amendment is left in, it will exclude the cases mentioned by Dr. Hislop. If my amendment is accepted it will do no harm to anyone, and it will also allow

a cultural society to use a paid organiser to make the function a success. A concert artist receives over £10, but he has to pay a reasonable amount for expenses.

Hon. J. G. Hislop: Sometimes he would receive £100 a week.

Hon. L. CRAIG: It is a big sum. My son-in-law was brought over under similar terms, but he had to pay his own expenses and air travel. The artists make the show a success. I think it is safe to allow this amendment and see what happens. If it is going to do any harm, that will be found out when the Bill goes back to another place.

The CHIEF SECRETARY: There seems to be some doubt in the minds of members. I shall report progress and check the matter.

Progress reported.

BILL—LOAN, £17,850,000.

Received from the Assembly and read a first time.

BILL—WAR SERVICE LAND SETTLEMENT SCHEME.

Second Reading.

Debate resumed from the 8th December.

HON. L. A. LOGAN (Midland) [8.37]: This Bill has for its purpose the bringing into line of an agreement between the Commonwealth and the State. Unfortunately there are too many agreements which have been repealed and are being brought before Parliament again.

I would like to know from the Minister what will be the conditions for freeholding of the properties of early settlers under the scheme. We know that an agreement was signed by the settlers; but because of some fault in the Commonwealth Act, the High Court ruled that it was illegal for settlers to make arrangements under that particular Act. Then the Government relied on the re-establishment scheme; and rather than introduce another Act of Parliament, it depended on an arrangement by letter between the Federal and State Governments. It appears that not many people knew the substance of the agreement that was arrived at between those two Governments. Settlers cannot find out what their commitments will be when the final lease provisions to enable them to obtain freehold tenure have been fulfilled. Will this affect the earlier conditions under which the soldier settlers signed?

After the agreement had been entered into by an exchange of letters between the two Governments, Mr. Kent Hughes, Minister for the Interior, prepared the document which is attached to the Bill before us. I cannot see that it has anything to do with the Bill, and there is no method to incorporate it in the Bill. We would be wrong to support the measure, having in

mind that the condition contained in this document must be accepted. It is possible for the Federal Government to alter the terms at any time without any reference to the State Parliament. The settler today does not know what he has to pay. If the earlier settlers are allowed to have the lease conditions which applied before 1952, we need not worry very much; this document will then apply only to the new settlers, who can look after their own interests in that regard.

I disapprove of the provision that in the final assessment settlers can be grouped, with 15 or more farms in one estate. I believe that, in the subdivision of an estate, all the cost of bringing the land into production for one block should be debited against that particular farm. In the earlier agreement each farm had to be a separate unit, but the idea now is to bring in farms all around and assess them as a group. That is a wrong principle. Under it, two farms 20 miles apart could be charged with the costs as one estate.

I do not think there is any need for that. The economic conditions of the farms could be entirely different, and I cannot accept those conditions on behalf of the settlers. The interpretation of "project" as contained in the Bill, leaves room for argument. It is as follows:—

"project" means an approved plan of settlement or such aggregation of approved plans of settlement as form a unit for development and subdivision.

Under that interpretation they should not go outside a project. The definition does not mean bringing in a single unit farm from a long way off.

This is the third Bill dealing with war service land settlement that has been submitted to us in the last few years. Why should that be necessary in view of all the experience of land settlement that the officials have gained since World War I? Why should it be necessary to be dodging around the mulberry bush before they can get down to a definite scheme? It seems to me that there has been pretty bad management somewhere and entirely unwarranted at that. Surely there has been experience, both by the State and the Commonwealth, of what was necessary to enable a scheme to be worked out so that the servicemen would know what was going to happen! We should get down to some basis that is fixed and definite.

The agreement should be embodied in the Bill and then we would know precisely what the conditions were. Mr. Loton has an amendment on the notice paper that, to a certain extent, will define the position of the earlier settlers, and I think we should also safeguard the interests of those who are to come. There is no definition of the time that an allottee-designate has to serve before he gets on to his own holding, and there are other weaknesses in the

scheme that ought to be tightened up, though I do not see how they can be tightened up under this measure.

The Bill also confers the right on the Governor to make regulations and prescribe forms, etc. It seems to me that, despite the fact that an agreement was made, new regulations may override it. I consider that that is not right. Surely it should be possible to work out the valuation of a property and let the settler sign the agreement and be finished with it! Of course, there might be some projects to be undertaken by the State itself, but the cost of anything of that nature could be added subsequently. All of that could be set out in the agreement. Let us get down to the basis whereby, as soon as a soldier goes on to his property, he can sign the agreement and know exactly what he is doing. Under the Bill, we cannot do anything about that. I ask the Minister to inquire of the Minister for Agriculture whether something really worth while cannot be worked out and finality reached, so that ex-servicemen will know where they stand.

The Minister for the North-West: That is all laid down in the Commonwealth conditions.

Hon. L. A. LOGAN: But can those conditions be altered at any time?

The Minister for the North-West: Only by the Commonwealth.

Hon. L. A. LOGAN: The copy of the conditions made available to members has nothing to do with the Bill. Presumably, we have to accept the agreement, which can be altered at any time by the Commonwealth. I realise that to a certain extent we are at the mercy of the Commonwealth, but I do not think the settlers have received fair play in the matter of their conditions. In some instances, they have done fairly well in relation to the farms they have received, but on the final valuation, they have discovered that their costs have been increased considerably and in a way that was never contemplated in the first place, and so they have not been treated so well after all. I repeat the hope that the Minister will endeavour to get the department to work to the end that some finality might be reached. I support the second reading.

HON. SIR CHARLES LATHAM (Central) [8.50]: My concern about the Bill is the uncertainty that must exist in the mind of every soldier-settler. This is the third agreement we have had. The first was in 1945, the second in 1951, and now in 1953 we have another. The trouble, as I see it, is that the settler of 1949 is to be brought under the 1951 agreement.

Looking back over land settlement in this State, it seems to have been very difficult to put up a scheme that would be satisfactory and encouraging to the people

settled under it. I have not forgotten what took place in 1919 when the soldiers returned from World War I. Immediately after that, we had the group settlement scheme. Nothing can affect the mind of a man more than uncertainty of what lies ahead of him. He works hard and buoys himself up with the belief that the farm is going to be his at the cost of what has been expended on it, but another agreement is brought in and made retrospective. It is proposed to make this one retrospective. How can we expect to get satisfaction under those conditions?

I am not complaining about land settlement. The repurchased estates, not so much as a result of good management but due rather to the rise in commodity prices and land values, are in a good position. I think of some of the holdings along the Great Southern and on the eastward side of the south-west part of the State. Those repurchased estates were obtained at a very reasonable price. Comfortable homes were built, and those settlers are in a sound position. In some instances, before the men had held the land for three or four years, they received offers far in advance of what they were paying. On the other hand, there is no settler on Crown land who is receiving anything like equivalent treatment to that meted out to a man placed on an improved farm.

I agree with Mr. Logan. If it is intended to group these holdings and then apportion the cost, it will be very unfair, because no two farms are alike, and there would be great difficulty in making an arrangement. I commend the amendments outlined by Mr. Loton, which would be the means of ensuring that any expenditure on a farm shall remain as before and not be made retrospective under the new agreement. Here again I stress the baleful effect of the uncertainty in a man's mind. Those who own farms know the effect on a man who has the prospect of possessing his own property. Of course, the man who is not going to make a successful settler soon leaves; but the man who is going to be successful does much work in excess of that for which he receives advances and goes along with great heart. But what is going to be the effect if we say that, notwithstanding the previous conditions, we are going to alter them?

Hon. H. L. Roche: Some of those men have been working on their places for 18 months.

The Minister for the North-West: And a lot of valuations have been issued.

Hon. Sir CHARLES LATHAM: All accounts ought to be kept separate, so that the settler would know the value of the work he had done and the value of the work that had been done for him.

Then, at the end of the period, he would have a good idea of the value and the cost of the property to him.

The Minister for the North-West: How would you treat a homestead block as against an unimproved block?

Hon. Sir CHARLES LATHAM: That might present a problem. I take it the Minister is referring to a block having an old homestead, which I venture to suggest was probably built at a cost far less than the cost of some of the homes being provided on farms today.

The Minister for the North-West: I mean the value of the workable land as against the value of the unworkable portion.

Hon. Sir CHARLES LATHAM: The Minister means the land that requires clearing and also the quality of the land. Is there any reason why a man who happens to receive a better start than another should be penalised?

The Minister for the North-West: I meant the productive portion of a farm and the unproductive portion which had been divided.

Hon. Sir CHARLES LATHAM: Any reasonable person would say, "This area has been cleared and contains land of better quality than the area that has yet to be cleared." I agree; but do not let us wait for three or four years before that is done. Let us do it when the farms are handed over. At present, however, it drags on for years, and then suddenly it is decided to form a group and apportion the values. This only makes a settler downhearted.

The Minister for the North-West: That has been the practice.

Hon. Sir CHARLES LATHAM: I am not blaming the Minister; the fault lies with the Commonwealth, acting with the State. I hate to think that we are going to have a repetition of the difficulties we experienced after World War I. Those difficulties occurred at Upper Swan and, in fact, all over the agricultural areas, but the agreement and conditions of today are worse than those of that time. I want the Minister to consider what he is doing with regard to this measure, and more particularly this agreement. Three agreements in eight years! And the worst part of all is the proposal to make the last one, which will be ratified by this Bill, retrospective to a settler of 1949, which is quite wrong.

The Minister for the North-West: Not all of them. You know that a lot of valuations have been issued.

Hon. Sir CHARLES LATHAM: If the Minister considers the amendment of which notice has been given, I think he

will agree that it would afford some security to the men who have been on the land for a few years and who feel that they have some rights in the land.

HON. C. H. HENNING (South-West) [9.0]: This is a difficult measure because it concerns a subject in which there have been so many changes. In order to deal with the fundamentals of the matter I will refer to a re-establishment pamphlet, No. 4, issued by the Commonwealth Ministry of Postwar Reconstruction. Under the heading, "Farms for Fighting Men", and dealing with what the scheme offers, the pamphlet states—

A reasonable prospect of success. Each farm will, when sufficiently developed and improved, be valued. This valuation will be made without regard to the cost of the farm, but will be based on the need for the proceeds of the farm calculated on conservative estimates over a long-term period of yields for prices and products being sufficient to provide a reasonable living for the settler after meeting all such working expenses, rent, interest and principal repayments as would be incurred by a settler possessing no capital.

The first part of that is the most interesting. From what I know of the position there are farms which have been sufficiently developed and improved and which have been carrying men for a considerable time, but even to this day have not been valued.

In this measure there is one particularly dangerous feature; the valuations can be made retrospective. I hope the amendment placed on the notice paper by Mr. Loton will be accepted by the State Government and by the Commonwealth. If men who have been on farms for a considerable time find that the values are gradually being brought up, as they could be, by saying that the properties were incorporated in a project, the position for them could become impossible.

According to the conditions laid down by the Minister for the Interior, a project means a number of plans of settlement or such aggregation of approved plans of settlement as form a unit for development and subdivision. I would take that as any particular group of properties that are in any way contiguous, but I have been told that farms can belong to a project though separated by a distance of 60 miles. If that were so, it would be easy to transfer a loss of one series of farms to another series. Whether that will be done I do not know, but the State implementing this scheme naturally wants to make it payable. If there is a loss, two-fifths is borne by the State and three-fifths by the Commonwealth.

If these farms are to offer a reasonable chance of success to men starting from scratch it must be on such a basis that the settler can eventually obtain the freehold of the property. Unless he can do that he has no chance of a reasonable measure of success. In my opinion, the main object of this scheme is to enable the settler eventually to become a land-owner. There is one particularly interesting clause in the Bill. It states—

Things done, including rights, titles and interests revested, conferred, granted, demised, and acquired, in pursuance or purported pursuance of the provisions of the repealed Acts are ratified as lawful and validated.

Would that ratify any excessive valuation and at the same time prevent an appeal by the settler against what he might consider to be an excessive valuation?

The Minister for the North-West: No.

Hon. C. H. HENNING: I hope that is correct, but there seems to have been a definite change of mind. Only last month at the Federal Congress of the R.S.L. the Minister for the Interior, Mr. Kent Hughes said—

The question of the valuation of the properties and writing down is not a simple one, owing to the variations which occur in the State controlling Acts. The conditions in each State must be considered on their merits. The Commonwealth is endeavouring to treat the ex-servicemen in each State as equitably as possible. One thing I can say is that the Commonwealth is not trying to make a profit on settlement. On the other hand, there is no need to incur unnecessary waste of public moneys in giving capital write-downs which cannot be justified under present economic conditions. We are writing off considerable sums of money, but in general we apply a test and only agree to further write down if it can be shown to be a necessity.

That does not say what has been the intention all along—that the whole secret of this plan is to give the settler a reasonable chance of success. Whatever land is purchased in the future, or allotted, will have to come under these conditions laid down on the 30th July last; but for the protection of those already in occupation and who have not received their leases, I think it is absolutely necessary that something be inserted in this legislation to ensure that their valuations cannot be increased by what happens in the future in connection with the project or the general expenditure of the scheme. I will support the second reading and sincerely hope that the Minister will accept the amendment, notice of which has been given by Mr. Loton.

HON. N. E. BAXTER (Central) [9.10]: Like other members, I am concerned as to what the eventual valuation on some of these war service land settlement properties is to be. The Minister has said it will be on a proportional basis, with administrative costs included, on the holdings that are part of a particular project. When replying, the Minister may be able to explain what is to happen to properties that are not in what might be termed a project. There are in my province some areas where separate farms have been purchased, and they could hardly be called one project as they are perhaps 20 miles apart.

Another factor is that during the term of the lease the settlers pay a rental of 2½ per cent. on the capital cost, but Clause 7, in Subclause (b), refers to the 10-year period, the time in which the settler may apply for the freehold, and says that at any time during the ten years he may pay an amount not exceeding 90 per cent. of the purchase price for the fee simple, as he thinks fit; and then it states that, on his making payment of an amount on account of the purchase price, interest on the amount so paid by him ceases to accrue.

So it appears that the State, besides receiving the rental during the 10-year period, is going to get further interest of 2½ per cent. accrued on the original cost and administrative costs over that period. The State is certainly making sure that, if it does not make a loss, there will be a possibility of it making a profit on the scheme and on grant moneys provided by the Commonwealth.

Will the Minister explain what justification there is for accrued interest on grant moneys? It would be different if the money was advanced by the State and the State was losing by it, but this is money granted under Section 96 of the Commonwealth Constitution and is not money on which the State would pay interest. That provision will increase the cost of the holdings considerably, and will place the settler in a position where he will have no idea of what his eventual freehold cost is likely to be. Like some other members, I will support the amendment placed on the notice paper by Mr. Loton in an effort to protect the settler.

On motion by Hon. A. R. Jones, debate adjourned.

BILL—LAND AGENTS ACT AMENDMENT.

Second Reading.

Debate resumed from the 4th December.

HON. A. F. GRIFFITH (Suburban) [9.14]: This is a Bill to amend the Land Agents Act in two or three specific ways. It proposes, firstly, to increase the bond which the land agent must put up by way of security from £500 to £2,000. I agree

with the principle contained in that provision. However, I do not think it will have the desired effect of protecting the public from any embezzlement intended by a land agent.

Hon. L. Craig: It will protect them up to £2,000.

Hon. A. F. GRIFFITH: Yes; that is so. The real effect it will have is that when people ask for registration under the provisions of the Act and apply to an insurance company to put up the money for their bonds, that company will certainly sort these individuals out, which will be of benefit to the public.

In recent months land agents have been under fire somewhat because of the publicity that has been given to those who have been convicted in the courts for embezzling trust moneys. I am informed that the people who have committed such breaches have not been members of the Real Estate Institute, although practising as land agents. Because one or two land agents have committed breaches, attention is drawn to the activities of land agents in general, but we might well have a look at other sections of the community and say, "Perhaps these people who are handling trust moneys should put up a bond also." In other words, because of the shortcomings of a few, I do not think that all members of the Real Estate Institute should be branded in a manner which is not fitting to their profession, and I do not think that was the Government's idea in introducing the Bill.

Another provision with which I agree, is that which makes it an offence under the Act for any person to accept key money. Many Press reports have been published of abuses that have taken place by people accepting key money, and some agents, when advertising the sale of real estate, indicate that key money will have to be paid before the sale is effected. Therefore, I compliment the Government on introducing that provision.

I do not agree with the next part of the Bill whatsoever. If I had my way I would delete all pages of the Bill from page 3 to the end. In this portion it is proposed to set up a committee with certain powers. There will be three members on that committee, one of whom shall be the chairman; the other two being a qualified accountant and auditor, and a licensee. The object of constituting this committee is to endeavour to protect the public still further from land agents embezzling trust funds. Undoubtedly, the exercising of the powers which the committee will have, will tend to improve the situation.

The committee will be empowered to make certain inquiries and even to call evidence on oath to obtain information concerning any land agent whose business

transactions may be under suspicion. However, in effect, the establishment of such a committee is similar to the action of closing the stable door after the horse has bolted, because I do not think that its establishment will prevent any act of embezzlement. The man who sets himself out to embezzle will not be apprehended until it is too late and the harm has been done.

Let us assume that a land agent is making a transaction with the specific purpose of embezzling his client's money. All he need do is to obtain the certificate of title and other documents concerning the transaction, and receive the money. After the embezzlement has taken place, and before he can be apprehended, the money has disappeared into thin air, the general excuse being that it has been lost at the races.

I would like to see the whole of this section of the Bill removed, and other provisions inserted which would make it obligatory for a land agent to have his books of accounts audited on a three-monthly, six-monthly, or twelve-monthly basis, particularly those accounts relating to trust moneys. If that were done and an audit certificate were forwarded to the Minister, some measure of protection would be afforded the public and also the land agent himself would obtain some satisfaction from the knowledge that his books had been duly audited and found to be in good condition.

From inquiries I have made, most of the land and estate agencies already voluntarily subscribe to a system whereby their books are audited at certain periods of the year and a certificate is issued by the accountants accordingly. Of course, it could be argued that even the conducting of an audit would not prevent a land agent from embezzling money if that were his intention. As I said a few moments ago, an audit would only discover if any defalcation had been made, but by that time it would probably be too late to recover any money that might have been embezzled. Nevertheless, it would provide a further safeguard for the people's money.

I am sure that any of us who desire to make any transaction in real estate would approach a member of the Real Estate Institute who has a good name in the community, because as I have said, no lapses by any members of that institute have been reported. Therefore, the real need for affording protection to the public is to provide every safeguard possible against those land agents who are not registered members of the Real Estate Institute and who are more likely to stray from the straight and narrow path.

I understand one objection to a compulsory audit of a land agent's books is that it would involve a small man in unnecessary expense. That may be rather

unfortunate; but we, as members of Parliament, are responsible to the people, and I do not think the cost of conducting an audit would be so great as to make a beggar of a man engaged in this type of business. Therefore, I do not believe much consideration should be given to that objection.

I am prepared to offer a compromise to the Chief Secretary. I think the provisions to which I have objected should be replaced by others similar to those in the South Australian legislation, which provide for a compulsory audit of a land agent's books every six months, and for an audit certificate to be forwarded to the Minister.

The Chief Secretary: Your proposed amendments would take the place of Clause 6.

Hon. A. F. GRIFFITH: I am suggesting that the Government should provide for a compulsory audit.

Hon. N. E. Baxter: Who will pay for the audit?

Hon. A. F. GRIFFITH: Let me ask Mr. Baxter this question: "Who pays when a land agent embezzles the life savings of a man, or his widow, or his dependants?"

Hon. L. A. Logan: That is a different proposition.

Hon. A. F. GRIFFITH: It is not. The Bill seeks to prevent, if possible, defalcations taking place. There would be more possibility of preventing such defalcations if an audit were made than if one were not made. I do not think it would impose any great hardship on land agents if they were obliged to have their books audited. I am informed that members of the stock exchange have their books audited voluntarily at intervals of three months or six months, and at any period of the year they know in what state their books are.

A stockbroker's business is far more difficult to conduct than that of a land agent; he has money in scrip and scrip in transit, but a land agent deals with one commodity only; namely, money in hand, money in trust and money in the bank. Therefore it would be a simple matter to audit his books. Further, if his book-keeping system were simplified, naturally the audit would also be simplified and, as a result, should not be expensive.

I suggest to the Chief Secretary that he take the Bill back to his Government to be reframed, because of the lateness of the session. It would be more difficult for me, as a private member, to endeavour to effect at this stage the amendments I desire. Therefore, if the Chief Secretary will approach his Government with the request that provision be made for a compulsory audit of land agents' books, I would be quite satisfied. In the meantime I will support the second reading,

so that the Chief Secretary will have an opportunity of referring the Bill back to his Government with a view to putting into effect the suggestions I have made.

HON. H. L. ROCHE (South) [9.30]: Whether this measure is amended or not along the lines that Mr. Griffith desires, I think we certainly must pass it, because it is a move in the right direction. I would suggest to the hon. member that there is a much better opportunity of getting the amendments he desires if he has them prepared and placed on the notice paper, than if he leaves them to the Government at this stage. The Government has given consideration to this measure, and the Minister has submitted the Bill to the House. There is not more than a week for it to go back and be reconsidered. On the other hand, if it is amended here, within the next sitting day or so it could go back to the Assembly and give that place an opportunity of accepting the amendment.

I regret that provision for audit contained in the South Australian Act has not been included in this Bill. I do not think they have it periodically, but I understand it provides for the audit of any land agent's accounts, securities, and trust funds at any time, rather than on a set date or at a set interval. By that means there is no opportunity for a person who wished to do so to cook his figures or securities. Who pays for it I cannot say, but I should think that could be overcome by a charge on the members of the Land Agents' Institute.

This Bill will certainly need something of that kind to strengthen it. I do not think that the fidelity bond of £2,000 is in any way adequate at all. In certain cases that we have had recently, £2,000 would not nearly cover the defalcations. We must realise that people can very easily lose the whole of their life savings. They might trust a man to buy or sell a property for them, only to find that as a result of the activities in which certain of these people indulge—and have done in recent times—they lose all their life savings. They then have to start again from scratch and it is very likely they have reached an age when it is too late to do so. I think the House will be justified in strengthening this measure, and I hope Mr. Griffith will give serious consideration to framing an amendment along the lines he indicated, and moving it here when we deal with the Bill in Committee.

HON. N. E. BAXTER (Central) [9.34]: I agree with this Bill, and I would support Mr. Griffith if he put up amendments on the lines he has suggested. From my interjections he may have come to the conclusion that I was against his proposal; but that is not so.

There is one clause in the Bill in connection with which I do not agree with Mr. Griffith. I refer to Clause 6, which deals with the formation of the committee. During last session amendments passed through both Houses on this particular Act, and one of those amendments was to place in the Act power to deal with certain persons in the city who were conducting letting agencies. I think most members will recall what was transpiring during that period, or up to the time that the amending Bill was passed. Although passed, the amending Bill did not give power to anybody to take action, except individuals, or perhaps land agents at their own expense. The police would not intervene, the court would not intervene, and there was nobody there who was prepared to take action, because if they lost the case, they would be involved in considerable expense in connection with the suit.

I have discussed this matter with several land agents, and they have told me that nobody would take up their cases against those so-called letting agencies who at times were fleecing the public thoroughly. I feel certain there is a means of dealing with people who are still operating in that way today—although I believe their operations are not on such a broad scale as they were 12 months ago; they are not getting as big margins. In my opinion this committee is the only set-up that can adequately deal with this situation, because it has the power under the Act to call in the police to investigate and report to them. Proposed new Section 14C reads as follows:—

At the request of the Committee the Commissioner of Police shall cause a member or members of the Police Force to make inquiries and reports relevant to any matter being, or about to be, inquired into by the Committee and shall cause reports to be sent to the Committee.

That is one of the reasons why this committee has been formed; to enable matters of that kind to be handled. I agree that perhaps in the case of embezzlement the committee may be powerless unless it can get some information by which it can cause action to be taken. But there may be other ways in which this committee will be particularly useful to the land agents and the State in general. I support the second reading.

HON. G. BENNETTS (South-East) [9.37]: I am glad the Minister has brought down this Bill, because only within the last few weeks have we had cases of unscrupulous land agents sending people along to homes and receiving money under false pretences. An instance I have in mind is that of a person who had a house to let for a particular family unit. The land agent would send along an entirely different family unit and would charge

them a fee to go and see the house. If they did not take the house, they would be obliged to forfeit so much of the amount they had placed with the land agent. This was done in the case of all families that went to see this house.

The committee proposed under the Bill will be able to investigate practices of this kind and perhaps be able to overcome them. Whether we will be able to stop the practice of key money or not, I do not know. I know of a case in the city where £1,000 was paid for the key to certain premises. Unless that amount had been paid, the party concerned would not have obtained those premises, which have, of course, paid for themselves over and over again. I support the measure and commend the Government for having brought it down.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [9.39]: I do not intend to delay the House very long in replying to the second reading. I am very pleased at the reception members have given to the measure and realise that they are attempting to make a very good Bill out of it. I am also glad to hear that Mr. Griffith is prepared to be so co-operative. I would like to inform the hon. member that, being a reasonable man and representing a reasonable Government, I will be very pleased to receive his amendments so that we can have a look at them; and, if they are what he says they are and will improve the Bill, we will bring them down, most likely on Tuesday. If after having gone through the amendments we find they do not fit the Bill, I will then notify the hon. member, and he will have to take his chance on the floor of the House. I appreciate the spirit in which he is offering the olive branch. We will investigate the amendment and probably come to some understanding which will short-circuit any debate in Committee.

Question put and passed.

Bill read a second time.

BILL—RENTS AND TENANCIES EMERGENCY PROVISIONS ACT AMENDMENT.

Second Reading.

Debate resumed from the 8th December.

HON. C. H. SIMPSON (Midland) [9.40]: Before the Chief Secretary closes the debate, I would like to make a small contribution to it. I do not intend to detain the House very long, but having listened to the various speakers I have come to the conclusion that the time is now ripe to drop this continuance measure altogether. It is true that during the last three years I have been instrumental in bringing down continuance measures and asking for the operation of the Act to be continued for another year. That is why I have not contributed to the debate earlier; I knew the

Leader of the House would perhaps remind me that what I was about to say was the direct opposite of what I had done in the past three years.

The Chief Secretary: I would not have been so uncharitable.

Hon. C. H. SIMPSON: I accept the Minister's assurance. It had been the intention of the previous Government to bring this continuance business to an end as soon as reasonably possible, and, on each occasion, a continuation for only 12 months was sought. I am convinced the position has eased to an extent where now the desired controls can be released in their entirety. The active migration programme of the Federal Government was responsible for the previous Government asking for the protective clauses in the Act to be continued. But now that that policy has been eased considerably, and the work of the previous Government in augmenting supplies of houses and materials has borne fruit, I believe that any dislocation which might be occasioned by the dropping of this measure would be entirely temporary and would right itself almost immediately. I am convinced that if controls were removed many people living in houses now would gladly accept the opportunity to make portion of their houses available to those who desired to rent part houses, or rooms.

The Minister for the North-West: What stops them now?

Hon. C. H. SIMPSON: They have been prevented from doing that by the realisation that controls still exist, and they are not willing to enter into any obligation of that kind, feeling that, while it might be all right, on the other hand it might be all wrong, and that those they allowed to go into their houses might be difficult to get rid of if and when it was desired to remove them.

The Chief Secretary: What would stop them from getting people out?

Hon. C. H. SIMPSON: The fear that as long as control legislation exists, controls might be reimposed. People do not understand the freedom they have under the Act. I have spoken to quite a number of them, and they say, "Yes; but we do not know what is going to happen." But if the controls were dropped, and they knew they were entirely free from interference, I think we would find the position reverting speedily to that which existed prior to 1939 when people knew exactly where they stood and families always seemed to have necessary accommodation.

I am aware that in some cases there might be hardship, but such cases will always exist; and so long as this legislation continues, there will always be a call for its renewal at the end of each period.

I consider that the conditions are more favourable now for the dropping of these controls than they have been or are likely to be in the next few years.

The Chief Secretary: Have you examined that position?

Hon. C. H. SIMPSON: I have talked to a great number of people, and they share my views. They say there may be some dislocation and there probably always will be, no matter how long the discontinuance of the measure is deferred, but they feel that it is just as well to make a start at getting back to the position that existed before the war. This measure was introduced as emergency legislation, but the war has been over for many years.

The Chief Secretary: But the emergency still exists.

Hon. C. H. SIMPSON: I am not so sure it does. So long as people continue in the idea that the Government is going to do this or that, or prevent this or that being done, they will be inclined to sit back and lean on the Government, and make no attempt to do anything for themselves. So I am inclined to suggest to the House that we get back to the point where people can be asked to stand on their own feet and travel under their own steam. I have given that a great deal of thought, and I am convinced from what has been said in this House, and from my own inquiries, that that is the step we should take. Therefore I intend to vote against the Bill.

HON. G. BENNETTS (Central) [9.47]: I support the Bill because I think that we can very well continue this measure for one more year.

Hon. C. H. Henning: Only one?

Hon. G. BENNETTS: Yes; in view of what is taking place in the North. I know from the people with whom I come in contact that there is still a shortage of homes for those with families. People who have houses or rooms are not prepared to let them to family units. Folk inquiring after accommodation are asked whether they have any children; and, if they have, they do not secure the accommodation. I know that there are a lot of unscrupulous landlords, and also many unscrupulous tenants. I have seen both. I am sorry for some of the landlords when I see the homes; and I am also sorry for some of the people with families, who cannot obtain accommodation, and others who have been exploited.

I know of one family unit which is occupying a home for which a rent of £3 10s. a week was paid at one time. Now the figure is £7 10s. If it is not exploiting people to charge them £7 10s. for a four-roomed house with a sleep-out on the side and a front and back verandah, I do not know what is! I support the Bill in

order to permit of the continuance of the Act for one more year. I can visualise a lot of people coming to this State and needing homes on account of the developments in the North.

The Chief Secretary: I am worrying about what is happening in the South.

Hon. G. BENNETTS: Even in my province there is a shortage of homes in Merredin. I support the measure.

HON. J. McI. THOMSON (South) [9.50]: Because of my unfavourable attitude to controls generally, I am not prepared to look favourably upon the continuation of legislation of this kind. To me the most important factor is the injustice that the present measure does to the landlord whose property is included amongst those that were in existence during 1938-39 and the rents of which were pegged. These people have received small increases from year to year, but they are still in a very inferior position in comparison with those who are building houses for letting at the present time. I think it is high time we gave the people to whom I have been referring an opportunity to be placed on the same footing as the State Housing Commission in relation to the rents that are charged.

I would like to mention a case that has come to my notice of a person who built shops and flats in a suburb in 1938, by way of an investment. His rents were pegged on account of a wartime measure introduced in 1939. Today the value of his property is in the vicinity of £18,000 to £20,000. His return per week from the 30th June, 1950, to the 30th June, 1953, was £30 10s. per week. I want the House to appreciate that that was the gross rent. The staggering part of it is that, after he has paid rates and taxes and insurance, and has carried out necessary repairs to his buildings, his net rent per week is £7 10s. He is not alone, for there are many landlords in the same position.

Hon. E. M. Davies: Is that property let on lease?

Hon. J. McI. THOMSON: No.

Hon. E. M. Davies: Why does he not take them to court?

Hon. J. McI. THOMSON: I may have to correct myself.

The Chief Secretary: I think you want to correct yourself a lot!

Hon. J. McI. THOMSON: That may be the Minister's opinion. I will perhaps concede that he has a right to express that opinion, but I will continue with my case.

The Chief Secretary: You want me to believe that he is only getting the same rent, plus the 32 per cent. allowed, and nothing extra for rates. Is that what you are trying to convey?

Hon. J. McI. THOMSON: That is what has been conveyed to me.

The Chief Secretary: If that is so, your informant does not know his Act. You are on wrong premises.

Hon. H. Hearn: Who is making this speech?

Hon. J. McI. THOMSON: The Minister can reply in a few moments. The point I want to make is that when we compare the money invested by that man and the small return he has by way of rent because of the figure being pegged—when we compare what he receives with what a pensioner couple can obtain and earn—namely, £11 6s. per week—I think the comparison is very odious.

What encouragement does this type of legislation give to the man who, because of his independence and thrift, has built up an estate of the type possessed by the person to whom I have referred, only to find that he has to accept an extremely modest income of £7 10s. per week; while a pensioner, who may have adopted the attitude of "sufficient unto the day" and has not provided for the future is able to receive, with his wife, as much as £11 6s. per week? It is high time that landlords were placed on a basis similar to that operating with respect to the State Housing Commission which receives for a timber-framed asbestos house the sum of £3 16s. per week.

The Chief Secretary: Tell me where the State Housing Commission is placed on a different footing from anybody else?

Hon. J. McI. THOMSON: I can only go by the amount of the rent.

Hon. H. Hearn: They never had any in 1938-39; that is the answer to the Chief Secretary.

The Chief Secretary: The commission is in exactly the same position as the person who builds today.

Hon. E. M. Davies: People are paying £4 and £5 a week for houses 50 and 60 years old.

Hon. J. McI. THOMSON: I can expect such interjections from the Minister and Mr. Davies, because naturally they are supporting the Bill, while I am opposing it. So long as we have this sort of legislation we are not going to encourage people to build houses as an investment. It is not the task of the Government to do this work, though I admit that it did the job very well during a time of emergency. But now we should get rid of that system, and the Government should return to its function of governing the country, instead of continuing controls and stopping free enterprise from investing money in providing accommodation for the people.

The Chief Secretary: In what way does this Act stop them?

Hon. J. McI. THOMSON: It does not prevent them, but it does not give them encouragement to build, because of the small return received for their money.

The Chief Secretary: It does not interfere with them at all. You are on the wrong basis altogether.

Hon. J. McI. THOMSON: There is no security for the person who builds. Therefore it is high time that we discarded these controls. Rents will right themselves in the near future. I know of people who have been allocated Commonwealth-State rental homes, and who have to pay £3 17s. 6d. a week for them, and they have left places that were costing them in the vicinity of 25s. They have said, "We would willingly have paid the landlord another £1 a week to remain, but because he was not able to take it, we are now compelled to pay £3 17s. 6d."

Sitting suspended from 10.1 to 10.25 p.m.

Hon. J. McI. THOMSON: Prior to 1939, I would say that about 50 per cent. of the building work being carried out was of a speculative nature; but today, with rents as they are, there is no encouragement for this type of investment. My other point is that today the rental for a house built in 1939 is based on its cost in those days; but if the owner dies the house is valued, for probate duty, on present-day figures. That is most unfair and unjust. Therefore, we should give relief to these people who have suffered injustices over the years, and the only way to do that is to repeal this Act.

We all know of many workers who, over the years, have been able to save sufficient money to buy a house but, because of their employment, they have been transferred elsewhere and have let their homes at a low rental. But when those people have returned, they have been unable to obtain possession of their houses. The person who ought to be controlled is the one who obtains a house at a low rental and then lets rooms for anything from £3 to £6 a week. I am opposed to all types of control, but that is one instance where the public has been exploited and yet no legislation has been introduced to control it. We need have no fear of the future if we lift controls of this nature, and, therefore, I propose to vote against the second reading.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [10.30]: At the outset I would like to correct the impression amongst some members that I have no sympathy for home-owners; that I am opposed to their interests; and that I am concerned only with tenants. That is far from being a fact, as indeed I do appreciate their position as much as other members. I am well aware of the circumstances in which some home-owners find

themselves. I appreciate what they have said. They have their problems as tenants have; and, in some circumstances, the latter may be classed as unscrupulous and have no right to any consideration whatsoever. I do not agree to the proposed suggestions for relief.

Hon. H. Hearn: There is not much relief in the Bill.

THE CHIEF SECRETARY: Would the hon. member expect me, as Minister, to provide for that, when the Arbitration Court says there shall not be an increase in the basic wage?

Hon. H. Hearn: That is not correct.

THE CHIEF SECRETARY: It is all very well for the hon. member to say that; but we, as a Government, have to take notice of the actual facts.

Hon. Sir Charles Latham: Your Government introduced a Bill to give increases under the Arbitration Act.

THE CHIEF SECRETARY: We will debate that if we get such a Bill before us. I emphasise "if." As with all other legislation, so with this: if members can put up a formula, we will consider it.

Hon. H. Hearn: The Government should have brought down a Bill.

THE CHIEF SECRETARY: We are dealing with the position as we saw it. If members think differently, and put up sensible suggestions, we will give attention to them. The circumstances as I know them, and these come under my notice daily as Minister controlling the Act, are such that the balance is weighted heavily on the other side and usually the victim is a tenant. I make no apology for that statement. When I took control of the department, and found what was happening, I asked the department to put up a Bill based on actual facts; and this is the Bill that was drawn up. I have examined every phase of the Bill, and cannot see anything wrong with it. I have heard nothing during the course of this debate which would alter my mind.

Hon. A. F. Griffith: You think these almighty powers should be given to the rent inspector?

THE CHIEF SECRETARY: I do. I think it is a help not only to the tenant but also to the owner. If the hon. member examines the position he will agree with me. I am not going to deny that this legislation is obnoxious to many. Controls are obnoxious to Mr. Thomson. I consider some legislation obnoxious, but I am prepared to sink my feelings when it is necessary to do so. But Mr. Thomson says that he is against all controls irrespective of their merits. If it is a measure of control, then he considers it must go out. But we find the same member supporting Bills which suit the farming community but which contain controls.

Hon. L. C. Diver: The principles in that case asked for it.

The CHIEF SECRETARY: The principles in this case are as good as any principles which the hon. member supports.

Hon. H. Hearn: That is the Minister's opinion.

The CHIEF SECRETARY: Of course! Each member has his own opinion. I shall tell the House how the attitude of some members appealed to me. Some are against any form of controls irrespective of their merits. Is that a right attitude? Do members think I wish to be regimented any more than another member?

Hon. Sir Charles Latham: You are regimented now, by the Trades Hall.

The CHIEF SECRETARY: That is the hon. member's opinion. We will not impose restrictions where they are not necessary. In this case we consider they are necessary. I hope that before I conclude I shall sway the opinion of some members. The information I have here will, I think, astound members. They say they have heard cases from different people about the effect of this legislation; but what do those people really know about it? They know very little; otherwise they would not have come to that conclusion. The cases I am going to give will show how far some people are prepared to go to extract the last pound of flesh and provide further justification for our continuing amending the Act as is proposed. I shall refer to a number of cases later.

Like other members, Mr. Watson and Mr. Logan have nothing but adverse criticism to offer with regard to the powers which are proposed to be given to the rent inspector by the Bill. Mr. Watson said that the whole measure seemed to be a rent inspector's Bill and that the House should hesitate before it agreed to extend his powers. I made these notes to remind members what they said and to give them the answers.

Hon. A. F. Griffith: Can the Minister tell the House how many rent inspectors there are, and how many more he proposes to appoint?

The CHIEF SECRETARY: The present staff consists of three or four persons. It is not proposed to appoint many more.

Hon. A. F. Griffith: But it is proposed to increase the number?

The CHIEF SECRETARY: Definitely. Mr. Watson further said that one clause provides that the rent inspector may, of his own volition, without an application from either the tenant or the owner, determine what the rent of any premises shall be. He indicated that the rent inspector would be clothed with all the powers of a dictator. Mr. Logan had somewhat similar ideas.

Hon. L. A. Logan: I objected to the rent inspector usurping the rights of the owners.

The CHIEF SECRETARY: We object to many things, but they are for the good of the community.

Hon. Sir Charles Latham: That is making Western Australia a socialised State.

The CHIEF SECRETARY: I have heard that before. It is rather amazing how arguments can be switched round to suit a particular occasion. Mr. Logan said that if the landlord and tenant wanted to find out what was a fair and equitable rent, there was a better person to approach than the rent inspector. I do not know to whom he referred, but that is what he said.

Hon. A. F. Griffith: Is the rent inspector entitled to enter into any premises and inspect them?

The CHIEF SECRETARY: Under the circumstances existing today, definitely. Mr. Logan also asked why the rent inspector should be allowed to take control and do exactly as he wants. Other members spoke in similar strain. Firstly, let me say this: The rent inspector and his staff are qualified valuers and any assessment made is subject to the right of appeal to the court.

Hon. J. G. Hislop: What is the training needed for a rent inspector?

The CHIEF SECRETARY: I shall not go into that. Those facts should be borne in mind by all members. All this criticism of the rent inspector and the powers proposed to be given to him is completely unjustified. At the present time he enjoys exactly the same power with regard to parts of premises concerning which an application has been made to him.

Hon. A. F. Griffith: That is different.

The CHIEF SECRETARY: Of course it is different, and because it is different we want to alter it and make it right.

Hon. A. F. Griffith: It is desired to give him power to enter and interfere with anybody's business he chooses.

The CHIEF SECRETARY: Yes, anybody conducting business along the lines complained of. These powers are conveyed to the rent inspector by regulation and are identical in terms as proposed in this Bill, so that all we are seeking to do is to give him the same authority where complaint has been made regarding the rent of premises. The rent inspector had exactly the same authority under the Increase of Rents (War Restrictions) Act and the same power exists in every State throughout the Commonwealth as far as I am aware. Listening to the debate, one would think that we were doing something not done anywhere else. As far as we could discover, this is done in every other State of the Commonwealth; but some members seem to think that it is outrageous for us to have these powers.

Hon. L. C. Diver: That does not necessarily mean that they are right.

The CHIEF SECRETARY: I agree; but then we must be right, and five other States must be wrong.

Hon. L. C. Diver: That could be the case.

The CHIEF SECRETARY: Of course, anything could be the case. The actual fact is that five other States have this power. Has any member heard of any complaints regarding the activities of the rent inspector, past or present, with regard to any inquiries he has made or the manner in which he has performed his duty? Right throughout the debate I have listened intently to hear complaints. Not one member has put up anything on those lines. But it is quite easy to build up an Aunt Sally in the air and knock it over. That is what some members are doing. I am dealing with the facts, but some members are referring to what might happen.

Hon. A. F. Griffith: You admit the staff of the rent inspector's office will be increased?

The CHIEF SECRETARY: Yes; but no matter how small the staff was, it could have been obnoxious if it had any ideas in that direction. We are asked to believe that because additional powers are sought, the rent inspectors will in future become obnoxious.

Hon. J. M. A. Cunningham: Have they had the same powers to do those things contemplated under the Bill?

The CHIEF SECRETARY: They had those powers in the war years.

Hon. J. M. A. Cunningham: That was eight years ago.

The CHIEF SECRETARY: That does not matter. They did have the power, and not one complaint was made about their activities. Those are the actual facts; never mind what might happen. There are no cases in the records of the department, so how do members classify an inspector as a dictator? One member asked why we should give a rent inspector such authority.

I ask him to take his mind back a few years and recall that the rent inspector's authority arose from the cumbersome and expensive procedure involved in approaching the court. To prevent so many cases going to court, it was contended that the rent inspector should have this power. That fact cannot be disputed. Yet now we are told that he should not have the power. It took months to secure an approach to the court, and, because of this delay, the Act was amended to provide for the appointment of a rent inspector and he enjoyed the authority which is proposed to be given him by this Bill. Thus we have the actual experience of the rent inspector having exercised the powers proposed under this measure and not one complaint has been made, but now we are

being asked to believe that something different will happen in future. The procedure has worked well, and with advantage to all concerned.

It may be of interest to members to know that at present more owners than tenants are approaching the rent inspector for assessments. I ask members to take particular notice of that fact, which can be verified by reference to the departmental records. Thus, instead of there being one-way traffic as some members would have us believe, there is actual proof that the provisions of the Act have been availed of by more owners than tenants. That is not hard to understand, as most tenants, in today's circumstances, do not approach the rent inspector because of the fear of eviction, and that is one of the big reasons for introducing this Bill.

Another aspect to be considered is that there is already power, under Section 24 of the Act, to call for a statutory declaration as to the rent being charged for premises in respect of which an application has been made for the determination of a fair rent, but that provision is insufficient where complaints are being investigated for the charging of unlawful rents. Briefly stated, therefore, we are seeking to restore the same provisions as were in the old Increase of Rents (War Restrictions) Act, not with the idea of putting the clock back, as was asserted by Mr. Watson, but for the reason that the need is urgent to deal with those who have taken advantage of the decontrolling of this particular section.

The Government would be failing in its duty if it did not remedy this obvious deficiency, which it is just as important to rectify as that concerned with key money, which members appear to accept. There is very little difference between an owner fleecing his tenants by charging exorbitant rentals and a person extracting key money. Yet many members are prepared to protect a person indulging in rack-renting but support the provisions relating to key money. I confess that I am at a loss to understand their attitude.

Reference has been made to the rents charged by the Housing Commission. Mr. Thomson and others have made assertions based on entirely false premises. Members raised the issue that these rents should also be subject to the Act. There is no necessity for that. Members ought to know that houses let by the Housing Commission are covered by an agreement between the Commonwealth and the State and are let at an economic rent.

Hon. A. F. Griffith: You agree with that now, but what about the election propaganda?

The CHIEF SECRETARY: There is no comparison between the rents charged by the commission and by private enterprise. The former are on a fixed formula, and

the latter are at rates which in some instances are highly exorbitant. Members have told us that people will not invest their money in home-building today, and they ask for the same treatment for landlords as is meted out to the Housing Commission. Both are receiving precisely the same treatment.

I may mention that, of the homes built by the Government in pre-war years, none was built for renting. In 1936, one of the worst things done by this Chamber was to disallow provision in a Bill for £50,000 to enable the Government to build homes for renting. Therefore no rental homes were built by the Government previous to the war. Had the Government been permitted to undertake the construction of those rental homes at that time, what a Godsend it would have been! However, I hope that members will not persist in repeating the statement that the Housing Commission has received preferential treatment. It has not done so, and never will because the agreement will not permit it.

This brings me to the figures to which I referred in my opening remarks. I wish to quote a few cases to show what is happening. I am in a position to supply the names and addresses of these people, but will not do so unless a member actually requests it.

Hon. H. S. W. Parker: A good job you are not in New South Wales.

The CHIEF SECRETARY: Do not introduce that subject here! There is a house at East Perth containing seven rooms, a kitchen and three sleep-outs. The rooms are furnished at an average standard. Six of the rooms are let at £4 4s., one at £3 10s., and three sleep-outs at £1 15s. each, the total rent being £33 19s. One of the tenants, a woman, called on the rent inspector and complained that she had been paying £4 4s. per week for one room occupied by herself, her husband and three children. Other families were living in single rooms.

Her rent was a fortnight in arrears, and the landlord had demanded and taken her child endowment card so that he could collect the endowment money on account of the rent. The story told by the woman was that she was to meet the landlord on child endowment day at Forrest Place, where the endowment was paid. The woman would not apply for determination of a fair rent for fear of eviction, and the rent inspector had no power to fix the rent because application had not been made to him.

Hon. J. M. A. Cunningham: When did that case occur?

The CHIEF SECRETARY: Within the last six months. I have a few other cases. I could give dozens of them, but will not quote them all.

Hon. L. C. Diver: That woman could have gone to the rent inspector.

The CHIEF SECRETARY: I have made it plain that, when a person comes to the rent office, he must be told the true position. The position is that once a tenant makes a complaint, the owner must be notified. Immediately the owner is notified, the tenant gets an eviction order.

Hon. H. S. W. Parker: Has not the Housing Commission fixed up those people?

The CHIEF SECRETARY: The Housing Commission is doing a wonderful job. So far it has fixed up every tenant who has been evicted by order of the court. If this Bill is not passed, and there is not some improvement in the present position, any number of tenants will be thrown into the street.

Hon. N. E. Baxter: Do not worry about that.

The CHIEF SECRETARY: I wish members would talk with the eviction officer of the Housing Commission and with the rent inspectors in order to get an appreciation of the real position. Here is another case in Perth. A woman with two small children rents part of a house purporting to be partly furnished. The furniture consists of wardrobe, table and three worn lino squares. She is either separated from her husband or is a widow. Her income is £4 10s. a week and she has to work to make up the rent, which is £5 a week.

Another case is that of a man living at Mosman Park. He is employed at the superphosphate works at £13 a week. He has a wife and three small children and pays £6 10s. for the house, plus electricity. He says that he has only about £5 a week on which to clothe and feed the family and cannot afford presents for the children for Christmas. In another case at North Beach, a man has a shack consisting of one bedroom, a kitchen, verandah and lean-to bathroom. He has a wife and family and pays £4 a week. The landlord is now demanding £7 10s. to £8 per week during the holiday season.

The next case came to me from the Infectious Diseases Hospital. A patient from Hilton Park was reported to be renting a house in which she lived with her husband and family at a rent of £11 a week. The hospital authorities could not take action and the comment was made, "No wonder people are sick". At West Perth there is a place where 20 people are using the conveniences consisting of one bathroom and toilet. A man, his wife and children occupy a room 12ft. by 12ft. in which are two beds, a wardrobe and a table, and they eat and sleep in the same room. This is typical of the rest of the tenants. The rent is £2 10s. a week.

Hon. N. E. Baxter: What is the Health Department doing in that case?

The CHIEF SECRETARY: Would the hon. member be satisfied if those people were thrown out into the street? At East Perth a woman with a family of nine has the use of two rooms and shares the kitchen, for which she pays £4 10s. plus electricity. At Cottesloe a man and his wife having an adolescent son and daughter occupy a bedroom 14ft. by 12ft. and a kitchen 12ft. by 12ft.; the children sleep in the kitchen. The rent is £3 10s. a week, including electricity.

In Perth there is a five-roomed house, one room of which measures 8ft. by 8ft. plus a kitchen and bathroom. The husband and wife and family of three small children occupy this accommodation and pay £3 per week and share kitchen and bathroom. Another room 15ft. by 13 ft. is occupied by a man and his wife and two children and £3 a week is paid and kitchen and bathroom shared. Other rooms are occupied similarly, and a room 8ft. by 8ft. is rented at £1 10s., to a single man.

In Mt. Lawley five families numbering approximately 16 people share kitchen, one gas stove, one bathroom and one toilet. Some of the bedrooms are make-shift enclosures on a verandah and are not weatherproof. One tenant is paying £4 13s. per week and others apparently are paying like amounts. No action can be taken in those cases unless the Bill be passed. That is why we want the rent inspector to be empowered to investigate what is happening. The trouble today is that the rent inspector cannot enter premises unless a complaint has been made by the tenant, and the tenant dare not complain for fear of being evicted immediately. Those are just a few instances, and I have many more here. Would I be doing my job if I sat idly by and allowed that sort of thing to continue?

Hon. N. E. Baxter: No one suggested that.

The CHIEF SECRETARY: That is what the hon. member is suggesting, unless he agrees I should have power to do something about it.

Hon. H. K. Watson: I said you should separate the legislation relating to rooms and houses.

The CHIEF SECRETARY: The same applies in each case. The person acting honestly has nothing to fear from the Bill.

Hon. G. Bennetts: The honest landlord could have no objection to the rent inspector.

The CHIEF SECRETARY: Of course not. More owners than tenants go to the rent office for information.

Hon. N. E. Baxter: I am objecting to the inspector setting the rent.

The CHIEF SECRETARY: That provision was welcomed years ago to save unnecessary litigation, and I agree with it.

Hon. A. F. Griffith: Is not the honest landlord entitled to some increase in rent?

The CHIEF SECRETARY: That is a general question which cannot be answered in a general way, because many places have been built since the war and must be returning the right rent. The only ones that may be suffering a disability are owners letting homes built prior to the war.

Hon. A. F. Griffith: I asked whether the honest landlord was not entitled to an increase in rent on the 1939 figure.

The CHIEF SECRETARY: A number would be entitled to it but many would not. By the remarks of some members, it would appear that they are unaware of the plight of home-seekers at present residing in rooms and in dwelling-houses and paying enormous rentals, much beyond that which they can afford to pay, but which they must pay because they have nowhere else to go.

It is all right for members to say, "Let the Housing Commission provide for them, or lift controls and private enterprise will build if they can get a reasonable rent." Mr. Parker spoke in that strain. He said there is a certain amount of money available now, and a lot more will be available in the near future; but no one will invest in houses for letting purposes. Mr. Griffiths had somewhat similar ideas. Do members realise that the lawful rent on new dwelling-houses would be the rent at which they are first let? Members have probably overlooked that phase when discussing the question.

Hon. H. S. W. Parker: No.

The CHIEF SECRETARY: Then what are members worrying about?

Hon. H. S. W. Parker: No one knows what you will do.

The CHIEF SECRETARY: Is it not a fact that many of the new flats being built today are being let at rentals fixed by owners at rates convenient to themselves and much beyond that which is considered reasonable? I do not think any member in this Chamber can deny that statement. If any member would like to, I would be pleased to hear him during the Committee stage. The same position applies to dwelling-houses, so that it is quite wrong to say that no one will invest in houses for letting purposes because he cannot get a sufficient return for his money. There is nothing preventing people from getting a sufficient return, under the provisions of the Act.

It is a fact, of course, that the owner or tenants of these newly-constructed buildings can apply to the court or rent inspector for the determination of a fair rent; but, as previously stated, the tenants are in the unfortunate position that they are unable to bargain for themselves and must accept the payment of exorbitant

rentals. If a tenant resists in any way, he very soon gets notice to quit and out he goes in favour of somebody who will pay. He has no protection from eviction because he is a tenant in occupation after the 31st December, 1950, and so the pernicious system prevails to boost up rents to standards much beyond the ability of the average wage earner to pay.

I know of an ordinary house at Applecross which was converted by the owner into two flats which were rented at £6 10s. each. The tenant in one of the flats came to the rent office and made a complaint. The position was explained to him, but he wanted something done; and the rent officer who investigated the case assessed the rent at £3 per week, and there we had the two flats with exactly equal accommodation, and the man who complained had his rent adjusted to £3 per week, while the other continued to pay £6 10s. per week.

Hon. H. Hearn: Was that man evicted?

The CHIEF SECRETARY: Yes.

Hon. H. S. W. Parker: What rent is the owner getting for that flat now?

The CHIEF SECRETARY: I assume he is still receiving the £6 10s. per week. Do members want that sort of thing to continue? Any system which operates in that way should be controlled by legislation, and that is what this Bill seeks to do.

Hon. H. S. W. Parker: It is legislation which has brought it about.

The CHIEF SECRETARY: Yes, the poor type of legislation on the statute book; but we never had anything like that when the full legislation was in force. Mr. Parker said there are many persons in the community who have houses that are too big for their immediate needs, but they are not game to let them because of the various restrictions. That may be so in some cases, but there are many who do let them at exorbitant rents. They take a calculating advantage of the less fortunate. Surely it is not the opinion of members that they should have free rein to continue such un-Christian practices.

Much has been said concerning the owner of premises occupied by tenants since 1939. It is maintained that he has been treated unfairly by the Act in comparison with other owners. The Act, as members are aware, was designed primarily to arrest any inflationary trend in rents in a wartime emergency. The war having ended, there followed in its train a state of emergency similar to that in other States and in other parts of the world; and while we have this emergency in an acute shortage of housing, there will still be a need to continue the Act.

Control in certain directions has been eased under the Act; but to suggest—as some members have—that it should be

lifted altogether, is a point of view to which I would not agree, nor do I agree to the proposal that control should be lifted with regard to 1939 rents, as in the manner suggested by some members. Those who have built in the last few years and who have let houses, if they charge a lawful or reasonable rent, secure a reasonable return, but many go beyond that mark and the same applies to the 1939 owners. That is one of the reasons why it is desired that the rent inspector should have authority to assess a fair rent without application being made to him.

This provision would obviate most of the abuses which are occurring today, and which are condoned by tenants through fear of eviction if they lodge a complaint with the rent office. I can assure members that the rent inspectors would confine themselves to where they knew abuses were occurring, and that they have sufficient information to keep them busy for months to come.

The 1939 owners have been permitted by the Act to increase rents by 32 per cent. on 1939 levels for dwelling houses and 43 per cent. for business premises, plus any increased outgoings. In the case quoted by Mr. Thomson, the owner evidently did not know his rights, because he is permitted certain other charges apart from the 32 per cent. If owners since 1939 consider they are not being adequately recompensed, those who have not already applied for a determination of fair rent may do so on application to the court or rent inspector as the case may be.

In determining a fair rent, many factors are taken into consideration, including expenses involved in improving premises, rates, maintenance, and the like, so that it is possible for an owner to secure a reasonable return on an outlay which was made many years ago. One factor that should not be forgotten, too, is that such an owner has benefited to the extent that his property has increased in value; and if he sells, he sells at a good profit—more likely at a tremendous profit.

Hon. N. E. Baxter: His rent is not based on the increased value.

The CHIEF SECRETARY: The hon. member wants him to get it both ways, but he cannot do that.

Hon. N. E. Baxter: He does not get it both ways.

The CHIEF SECRETARY: The proposition that rentals of houses let since 1939 should be based on present-day capital values is one which should be rejected. It was rejected by a South Australian Parliamentary committee of inquiry after a Commonwealth survey by that body in 1951, and I trust that this House will do likewise.

Hon. L. C. Diver: You allow it for the new homes but deny it for the old ones.

The CHIEF SECRETARY: No, we do not. I have worked out a couple of cases in this way. A house valued in 1939 at £1,000, which members will agree was a reasonable type of house at that time, would be worth today at least £3,000 on a conservative estimate. Mr. Watson suggests that the rents should be six per cent. of the gross increase in value and that would result in the rent being increased by £3 9s. 3d. per week.

Hon. H. Hearn: That is the rent the State Housing Commission is charging.

The CHIEF SECRETARY: A rental of £3 9s. 3d. a week for a house that was built before 1939 is excessive.

Hon. L. A. Logan: Do not forget that that house needs a great deal of maintenance on it.

The CHIEF SECRETARY: The State Housing Commission is charging its rentals on new houses.

Hon. H. Hearn: But the owner of a house built before 1939 has to pay for repairs to it at an enhanced price.

The CHIEF SECRETARY: Some of these properties have been up for 60 years.

Hon. J. M. A. Cunningham: And they are better houses than those that are being built today.

Hon. Sir CHARLES LATHAM: You can't make a case that way.

The PRESIDENT: Order!

The CHIEF SECRETARY: If I am sticking my neck out I am prepared to stick it out a dozen times. If an hon. member can justify an increase in rental to £3 9s. 3d. for a property worth £1,000 in 1939 I will stick my neck out again.

Hon. L. Craig: What about the Ampol shares? They have gone up by 500 per cent.

The CHIEF SECRETARY: That is a different proposition. There is a chance of losing with Ampol shares, but there is no chance of losing in this proposition.

Hon. A. F. Griffith: What year would you say that that house would be built?

The CHIEF SECRETARY: It could be built in any year prior to 1939.

Hon. A. F. Griffith: Do you not think that that fact is rather important?

The CHIEF SECRETARY: The house could have been built 60 years ago, and with a return of 6 per cent. on the capital value the cost would have been paid a dozen times, and everything the owner receives over and above the cost is all buncce.

Hon. H. S. W. Parker: You are assuming that the owner today is the original owner.

The CHIEF SECRETARY: In many cases he is.

Hon. H. Hearn: In many cases he is not.

Hon. N. E. Baxter: What does the Chief Secretary say about the owners of conditional purchase properties?

The PRESIDENT: Order!

The CHIEF SECRETARY: If we have a Bill introduced dealing with them, I will debate that matter with the hon. member.

Hon. L. A. Logan: The amount of increase in rental that would be granted to the owner would represent part of the income he is relying upon for a living, but you are denying that to him.

The CHIEF SECRETARY: I am denying him nothing; I am not denying him a fair return on his capital outlay. The capital he would invest would not be £3,000 in 1939, but £1,000. Over 15 years he has had a return from that capital outlay and members are now desirous of giving him an increase because the value of the house has increased to £3,000, due to circumstances beyond his control. Members might satisfy their consciences that their arguments are right, but I cannot agree with them.

Hon. L. C. Diver: You must take into consideration that currency has depreciated.

The CHIEF SECRETARY: This House has awarded them a 32 per cent. increase which has been granted because of the fact the hon. member has mentioned.

Hon. H. S. W. Parker: May I suggest that you take no notice of any interjections?

The CHIEF SECRETARY: I do not intend to now, because I have given satisfactory replies to the points raised during the debate, and no doubt in Committee further points will be raised. I have explained the reasons why the Bill is required. I can assure members the measure would not have been introduced if conditions were satisfactory; but they are not. I had a list showing the number of families that had been evicted and who are receiving attention by the State Housing Commission. I think it is handling approximately 11 eviction cases a week, for whom houses have to be provided.

If the Bill is defeated at the second reading stage and the legislation goes overboard, there is no Housing Commission or any other authority in Australia that will be able to prevent wholesale evictions from taking place, and we will find that this will be a canvas town in a short space of time. And I am not exaggerating.

Hon. H. Hearn: You are only putting up a good case.

The CHIEF SECRETARY: I am telling members what will happen if the lid is lifted. Instead of lifting it, I want it clamped on tight to prevent these evictions taking place. Once the position returns to normal this legislation will go overboard.

Hon. H. Hearn: You do not have the last say, you know.

The CHIEF SECRETARY: I have a little say, and I am having it now. I cannot allow members to vote on the Bill under false pretences. I have not spoken to the extent that I might have done, but I have gone far enough to make members realise how serious the position is. Members know full well what is going on, unless they go round with cotton-wool in their ears and their eyes closed. Members know from conversations they have with their friends, and from observations generally, what is going on in this State; and it has been going on too long. It will not go on much longer if I can prevent it and I ask members to assist me.

Question put and a division taken with the following result:—

Ayes	.....	16
Noes	.....	12
Majority for	.....	4

Ayes.

Hon. C. W. D. Barker	Hon. E. M. Heenan
Hon. N. E. Baxter	Hon. C. H. Henning
Hon. G. Bennetts	Hon. J. G. Hislop
Hon. R. J. Boylen	Hon. F. R. H. Lavery
Hon. E. M. Davies	Hon. A. L. Loton
Hon. G. Fraser	Hon. H. L. Roche
Hon. A. F. Griffith	Hon. H. C. Strickland
Hon. W. R. Hall	Hon. Sir Frank Gibson

(Teller.)

Noes.

Hon. L. Craig	Hon. J. Murray
Hon. J. Cunningham	Hon. H. S. W. Parker
Hon. L. C. Diver	Hon. C. H. Simpson
Hon. H. Hearn	Hon. J. McI. Thomson
Hon. A. R. Jones	Hon. H. K. Watson
Hon. L. A. Logan	Hon. Sir Chas. Latham

(Teller.)

Question thus passed.

Bill read a second time.

In Committee.

Hon. W. R. Hall in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Section 4 amended:

Hon. H. K. WATSON: The prime object of the clause is to restore control over caravans which were released from control several years ago. As good and sufficient reasons were given then for the release of caravans and seaside homes from such control I intend to oppose the clause.

The CHIEF SECRETARY: I hope the Committee will not vote against this clause. Because a mistake was made by releasing caravans from the provisions of the Act some years ago, that is no reason why we should repeat the same mistake now. There is a great deal of trafficking in caravans. Much abuse has taken place in regard to the renting of caravans and seaside homes. A rental of £8 8s. a week for a caravan is extremely excessive.

Hon. L. Craig: Anyone can buy a caravan on payment of a small deposit and if any person pays £8 8s. a week to rent one he is foolish. Caravans are advertised for sale all over the place.

The CHIEF SECRETARY: What is the good of advertising them if people have not the money with which to buy them?

Hon. L. Craig: They can buy them on the payment of a small deposit.

The CHIEF SECRETARY: Members know the abuses that are going on.

Hon. L. Craig: Hard cases make bad laws, as you know.

The CHIEF SECRETARY: There are so many bad cases that we have to do something to protect the people. Owners of caravans are some of the worst offenders in regard to rent abuses.

Hon. N. E. Baxter: Will you have the rent inspectors visit all these caravans?

The CHIEF SECRETARY: Yes, if the hon. member would help. Why go to extremes?

Hon. L. Craig: That is what we are wondering.

The CHIEF SECRETARY: There are many caravans scattered around the metropolitan area.

Hon. L. Craig: You know a number of people would not leave the caravans even if they did get houses.

The CHIEF SECRETARY: I want to see the people get a fair deal.

Hon. H. S. W. Parker: What is the definition of a dwelling?

The CHIEF SECRETARY: It covers a lot of things, but not caravans, and I want to bring caravans under that heading. They are definitely dwellings and are being rented at extravagant rentals.

Hon. H. HEARN: The Minister has made assertions that caravans are being rented at £8 8s. a week and I think he should give us some concrete cases. I know of one or two caravan parks in very good localities where the rental is £3 3s. a week. I do not doubt that the Minister has struck an isolated case but I feel sure he would not like to mislead the House when he says the general charge is £8 8s.

The CHIEF SECRETARY: The hon. member always likes to twist my words. If there is no overcharge, there is nothing to fear.

Hon. H. Hearn: You said the rent was £8 8s. a week.

The CHIEF SECRETARY: Of course it is.

Hon. H. Hearn: Where?

The CHIEF SECRETARY: In a number of places. The hon. member may make inquiries from Albany, Busselton, Bunbury—in fact from anywhere at all, and he will find that my statement is correct.

Hon. H. Hearn: You are using a holiday camp to insinuate that people are living in caravans continuously, and it is not true.

The CHIEF SECRETARY: The hon. member knows it is true; it is true around the metropolitan area. The statement I made is correct, and the hon. member can find it out quick and lively.

Hon. H. Hearn: It is for you to give concrete evidence.

The CHAIRMAN: I ask members to allow the Chief Secretary to continue.

The CHIEF SECRETARY: The hon. member has me on the run; I thought he would accept the statement I made.

Hon. H. Hearn: It is contrary to my experience.

The CHIEF SECRETARY: It is a fact. Mr. Thomson would verify what I have said from the charges for caravans in his own district.

Hon. J. McI. Thomson: Those are at Middleton Beach for holiday purposes.

The CHIEF SECRETARY: Never mind about Middleton Beach. What about the caravans at Coogee in my own district? Exceptionally high rentals are charged; and if a man occupies a caravan for three months, it is considered for residential purposes. Owners generally evict tenants at the end of three months and so continue to get high rentals throughout the year. That is what I want to stop. If no offences are committed, then the people have nothing to worry about. I want the word "caravan" to go into the definition.

Hon. E. M. HEENAN: If these caravans are let for holiday purposes, the owners are protected under the Act as it stands. If the Chief Secretary's assertions are correct, what is the harm of including them in the Act? If they are occupied for dwelling purposes, surely it is right that the people forced to occupy them and pay high rentals should receive the protection given to other classes of tenants under the Act. I appreciate the arguments of both the Chief Secretary and Mr. Hearn. If Mr. Hearn is right, then the people who let them for holiday purposes will be outside the provisions of the Act, but if people occupy them for long periods and pay high rentals, why should we deny them the provisions of the Act? The Committee should not agree to the deletion of this clause.

Hon. L. CRAIG: The real story is different. Many people provide holiday huts and caravans for holiday purposes as a living. When they are vacant during the winter months they are quite willing, because of pressure brought on them, to make them available to those who have not got accommodation. This is done on the understanding that the caravan will be vacated during the holiday season or that the tenant will pay the extra amount. The tenants, however, want to continue paying,

the whole year round, the low figure they pay for the winter months. No good purpose would be served by including caravans in the definition of dwelling. Anyone who could afford to pay £8 8s. a week for a caravan could afford to pay a substantial deposit to purchase that caravan, because they are not that expensive.

Clause put and a division taken with the following result:—

Ayes	....	....	....	8
Noes	....	....	....	19

Majority against 11

Ayes.

Hon. C. W. D. Barker	Hon. E. M. Heenan
Hon. G. Bennetts	Hon. F. R. H. Lavery
Hon. E. M. Davies	Hon. H. C. Strickland
Hon. G. Fraser	Hon. R. J. Boylen

(Teller.)

Noes.

Hon. N. E. Baxter	Hon. Sir Chas. Latham
Hon. L. Craig	Hon. L. A. Logan
Hon. J. Cunningham	Hon. A. L. Loton
Hon. L. C. Diver	Hon. J. Murray
Hon. Sir Frank Gibson	Hon. H. S. W. Parker
Hon. A. F. Griffith	Hon. H. L. Roche
Hon. H. Hearn	Hon. J. McI. Thomson
Hon. C. H. Henning	Hon. H. K. Watson
Hon. J. G. Hislop	Hon. C. H. Simpson
Hon. A. R. Jones	

(Teller.)

Clause thus negatived.

Clause 3—Section 5 amended:

Hon. H. K. WATSON: I move an amendment—

That after the figure "(1)" in line 2, the following be added:—

and by substituting therefor the following paragraph:—

(d) premises (being a dwelling-house or a self-contained flat and not being a room or rooms leased with or without the use of a kitchen or bathroom) leased for the purpose of residence.

The clause proposes to repeal paragraph (d) of Section 5 (1) of the Act, which sets out the premises to be excluded from the provisions of the Act. Caravans were dealt with in the clause that was negatived. The Committee will be well advised not to delete paragraph (d) of the existing provisions without inserting the paragraph appearing on the notice paper. The purpose of the amendment is to exclude from the provisions of the Act dwelling-houses and flats, but to leave rooms under control.

While there may be some reason for retaining business premises and rooms under control—because I concede there is merit in what the Chief Secretary pointed out, and in the illustrations he gave where the letting of rooms had certainly been exploited—I feel that houses let since 1951 are carrying fair rentals, and there is no reason why the landlord should desire any such tenant to be

evicted. The time has arrived when the same privilege should be extended to owners of homes which have been let since 1939. Home-owners are the ones substantially affected by this amendment. The time has come when business premises and rooms should remain under the Act, but ordinary dwelling-houses should be excluded.

The CHIEF SECRETARY: I hope the amendment will not be carried. I have a list of places which were advertised recently, some of which are furnished. The list is as follows:—

Unfurnished house, Scarborough—
£7 7s. a week.

Unfurnished house, Mt. Lawley—
£8 8s. a week.

Two bedroom flat, suit 2 families—
£7 7s. a week.

Hon. H. K. Watson: They are all under the control of the Act at the moment.

Hon. Sir Charles Latham: Are they advertisements?

The CHIEF SECRETARY: Yes. The hon member says houses should be exempt from the Act. I am just telling members what is happening today. It is said that there is no need to control rents.

Hon. L. Craig: Those instances occur under the present Act. How will the Bill change that position?

The CHIEF SECRETARY: Because complaints at present are not made to the rent inspector for fear of eviction. If the Bill be passed, such cases can be investigated and fair rents fixed for them.

Hon. L. A. Logan: People go into those places with their eyes open.

The CHIEF SECRETARY: Of course they do, for the simple reason that they have nowhere else to go.

Hon. L. C. Diver: What would be the capital value of that property?

The CHIEF SECRETARY: I do not know, but it is a two-bedroom house.

Hon. H. Hearn: Is the Scarborough property a two-bedroom house?

The CHIEF SECRETARY: Those particulars are not given.

Hon. J. M. A. Cunningham: It sounds like a good proposition as against a caravan for the same amount.

Hon. L. A. Logan: What is the date of those advertisements?

The CHIEF SECRETARY: They are of recent date; one I have quoted appeared on the 8th December. Any rent can be commanded because of the shortage of houses. All we desire is to ensure that people get a fair deal, and to that end control is still needed. I have numerous advertisements, but shall not quote any more.

Hon. L. CRAIG: I support the amendment. A great injustice is being inflicted upon owners of houses that were let in 1939. The Chief Secretary's eloquence and evidence influenced members to agree to the second reading. Under the amendment the rooms will be covered, but houses will be exempted. What is the difference between living in a house built years ago and in a new place? Windsor Castle was built 600 years ago, and would anyone expect to get it at a low rental on account of its age? I have a comfortable house that was built 40 years ago.

A person might own two houses. He might have lived in one of them in 1939 and let the other. Since 1951, he might have decided to let the house he had been living in because a smaller home would be sufficient for his needs. The house let in 1939 would probably be returning him a rent of 25s. a week, whereas the one just vacated might be let for six, seven or eight guineas a week. Where is the justice of that?

Hon. F. R. H. LAVERY: In my province there are some old stone houses that were built probably in the 1850's or 1860's. They were let at 15s. or 18s. a week, and, it is admitted that an increase of 32 per cent. has been allowed. The owners have not approached the court and are complaining that the present rents are unjust. I have been amazed at the number of members who have been requested to find homes for people through the Housing Commission. Quite a lot has been said about the rents that the commission is charging, but I have not heard one member state that those are the economic rents.

Midnight.

Rents are fairly low in Melville camp. The Housing Commission, when it gets houses built, attempts to shift tenants from this, and other camps, but some of them, when they get the offer to go to a home, say they cannot afford the rent. I know of one instance of a woman with three children, who are working, and an invalid husband, who is on a pension. The gross income of the family is £21 per week. The formula which is applied by the Housing Commission reduces the total amount by one third, so that the gross income coming into the home, according to the formula, is £14. The rent being paid by this woman, instead of being £3 6s., is reduced to £2 8s. Ask me, and I cannot say why, but not one individual house-owner is prepared to do that.

Hon. L. Craig: Why should they make gifts? This is a social service by the Commonwealth.

Hon. F. R. H. LAVERY: It was the war that brought about this position. Immediately the time comes when we can get rid of any one of these controls, I shall be the first, irrespective of party politics, to vote for its abolition.

Hon. H. S. W. Parker: You are not allowed to.

Hon. F. R. H. LAVERY: If any members throw the Bill out tonight, they will, at a time not far distant, regret their action. An officer of the State Housing Commission who deals with eviction cases said to me on Sunday, "I am not concerned whether the Bill passes or goes out, but I am concerned with the housing of the people, and if the Act goes out it will not be possible for me to house them."

Hon. H. S. W. Parker: That has nothing to do with the question.

Hon. F. R. H. LAVERY: From the experience I have had in my own district, I know what I am talking about.

Hon. E. M. HEENAN: A considerable number of members voted against the second reading, and it is to be assumed that they will vote for the amendment. I point out that the amendment is a far-reaching one, and I earnestly hope that the members who voted for the second reading will not deviate by supporting the amendment, because if it is carried it means practically the end of the Act.

Hon. L. Craig: Oh, no!

Hon. E. M. HEENAN: The Act at present controls rentals and evictions, and it gives special consideration to what are called protected persons. Those are the three main elements in the Act. The principal purpose of the Bill is to renew the Act and to make certain amendments to it. If Mr. Watson's amendment is carried, it will mean that people who live in the ordinary dwelling or flat will be excluded from the provisions of the Act.

Hon. L. Craig: I said that myself. I said, "Confine it to rooms."

Hon. E. M. HEENAN: If everyone is clear on that, I am satisfied, because that is what the amendment means: No more rent control; no more protection as regards evictions; and no protection for the widow—totally dependent upon her pension—of a man killed at the war. Those who favour continuance of the principle of the present Act cannot logically support the amendment.

Hon. J. M. A. CUNNINGHAM: In any daily paper from 1948 onwards there are columns of houses advertised for sale, but only one or two instances of rooms or houses to let and that is most significant. People are prepared to sell, but have been penalised for so long that they will not trust any tenant to give them a fair go. I have here a letter dated the 10th December and addressed to a member of this House. The people concerned are both pensioners in excess of 70 years of age. One son was killed at the war.

The house they are renting was built in 1939 and so they are pegged at the 1939 rental, but sewerage and water and

municipal rates have been increased from time to time, not at the 1939 values but at the increased value as decided by the department concerned or the municipal authority. The Government increased water 2d. in the £1 and sewerage 3d. in the £1, and now the municipality has increased its rates 2d. in the £1, not on the rateable value as at 1939, but at the present value.

In consequence the rates have practically doubled and in spite of the fact that they are rearing a family of seven, without child endowment they cannot get the old-age pension because of the means test, yet their income does not equal the pension. Had members gone into this matter as the Chief Secretary has done I believe they could have got hundreds of letters like this.

The Minister for the North-West: They can take the tenant to court for an increase in rent—

Hon. J. M. A. CUNNINGHAM: These people cannot do anything because of the 1939 pegging.

Hon. E. M. Davies: They could go to court.

Hon. J. M. A. CUNNINGHAM: It is only in isolated instances that such people have got relief, and the hon. member knows it.

Hon. E. M. Davies: I do not know it.

Hon. J. M. A. CUNNINGHAM: Nowadays houses fall into two categories, those for sale and those to let, but rooms cannot be sold; they can only be let. Mr. Watson is attempting to give these people the same protection as the Minister wants. The so called housing shortage no longer exists.

Hon. E. M. Davies: You do not know much about it.

Hon. J. M. A. CUNNINGHAM: In any daily paper today from 50 to 100 houses are advertised for sale with vacant possession.

The Minister for the North-West: How many workers can afford to buy a house today?

Hon. J. M. A. CUNNINGHAM: The Minister knows many people are prepared to pay £7 or £8 per week for a caravan so surely they could afford to obtain finance and buy a house. There are many who a few years ago boasted they were not interested in buying houses while they could rent one for 25s. or 30s. a week under the Commonwealth scheme and now they are caught in their own net.

Hon. F. R. H. Lavery: Hundreds of ex-servicemen today could not find the deposit.

Hon. J. M. A. CUNNINGHAM: Since the war a great many have been offered assistance and priorities and I believe more

houses have been built self-help than in any other way, but some just want the Government to build houses for them. I built my own house.

The Minister for the North-West: You were lucky.

Hon. J. M. A. CUNNINGHAM: I was not lucky. I applied myself to the job. I built my house when I was working for wages and others could have done the same thing. There are isolated cases where people could not do that but those people had a good case to put before the Housing Commission. In every part of the State there are dozens of houses bearing "For Sale" notices. In the majority of those instances the purchase price is no more than £1,100.

The Minister for the North-West: How many will you have in Kalgoorlie if the price of gold goes up?

Hon. J. M. A. CUNNINGHAM: But it has not gone up. A firm in Kalgoorlie made a profitable business out of pulling down houses, transporting and re-erecting them on farms at a cost of £1,200 each.

The Minister for the North-West: You would not expect city people to go to Kalgoorlie to live.

Hon. J. M. A. CUNNINGHAM: Most city workers would not live in the houses I am talking about even though they are substantial dwellings. Those people want the Government to build for them and so long as the Government is prepared to do that I do not blame them. If a person owns a house and desires to live in it, or wants to rent it, he is entitled to do so and to obtain a reasonable return. Most houses built from 1930 onwards are good substantial dwellings and in many cases better than modern homes built for a cost of £3,000.

Hon. R. J. Boylen: What has that to do with the Bill?

Hon. J. M. A. CUNNINGHAM: I admit it would be difficult to link it up. However, I think the amendment has a good deal of merit and I shall support it.

Hon. N. E. BAXTER: I do not propose to support this amendment because, as I said on the second reading, I do not believe that the time is ripe for us to throw out this legislation. I ask members to look at Mt. Watson's amendments on the notice paper. If it is good enough to exclude dwelling-houses from rent control it is good enough to exempt business premises. Many firms in this city who started off with a weekly tenancy of their premises foresaw what would happen in the future and by careful planning have purchased their own premises. Business people who have not done that deserve short shrift and less consideration than families who have roofs over their heads. I oppose the amendment and I hope members will do likewise.

The CHIEF SECRETARY: I do not want to delay the debate but I want to reply to Mr. Craig who said there was no necessity to keep houses under control. He said that all we should be concerned about was the letting of rooms. I have a number of cases listed in front of me and they all illustrate how important it is to control the letting of houses. I could give members the addresses of the persons concerned, if necessary, but the first case I notice is an asbestos-brick house, unfurnished, let at £6 a week.

Hon. H. S. W. Parker: What would be the capital value?

The CHIEF SECRETARY: I have not those figures.

Hon. H. S. W. Parker: Rates and taxes have to be paid.

Hon. L. Craig: Some are let at £14 a week and are worth every penny of it.

The CHIEF SECRETARY: In the main these are four-and five-roomed houses. In this case the tenant was evicted immediately inquiries were started. I do not want to quote furnished houses because, generally speaking, that is a joke. There are some genuine ones but in many instances the furniture is a blind. I have one case here where the house is furnished and the tenant hires the furniture at six guineas a week and pays rent of two guineas a week. That is how it is worked. There is another one, a four-roomed house, barely partly furnished, let at five guineas a week and twelve guineas had to be paid before occupation. That is another trick. Here is another unfurnished house in West Perth let at six guineas a week; an asbestos, unfurnished house at Osborne Park, with lounge, dining-room, kitchen and two bedrooms, let at six guineas a week. One case shows that the furniture is valued at £200 and the tenant has to pay ten guineas a week rent.

Hon. L. Craig: It must be a big house.

The CHIEF SECRETARY: There is only £200 worth of furniture. The man concerned was brought here from the Eastern States to work at Kwinana. There is another case of an unfurnished house behind a shop, £5 a week; another unfurnished and unfurnished house with a bedroom, lounge, kitchen and dining-room, for £4 a week. An unfurnished asbestos house with two bedrooms, dining-room, lounge and kitchen, six guineas a week, and another of two rooms, bathroom and enclosed verandah at £4 10s. a week. So members can see the necessity for keeping houses under control. Admittedly the position is worse with rooms, but it is bad enough in regard to houses.

Hon. L. CRAIG: I think the Chief Secretary picked out the worse cases he has.

The Chief Secretary: No.

Hon. L. CRAIG: The Chief Secretary mentioned a house in West Perth let at £6 a week. In West Perth land is valued at a high figure.

Hon. J. G. Hislop: It may be over the line.

Hon. L. CRAIG: And it may not be. I live in a house on a quarter-acre block in West Perth and the rating value of it is £2,500. If a house is let at £6 a week, and the value of the house is £3,000, that means it is returning 10 per cent. on the capital outlay, but what sort of a house can one get for £3,000 today? Most small cottages, generally built by artisans, range in value from £3,400 up to about £3,800. The one quoted by the Chief Secretary, which is in West Perth, is let at £6 a week and, as I have said, if the house is worth £3,000, that is only a return of 10 per cent.

That used to be the accepted rent for a house of that value, out of which rates and taxes are paid, which would leave a net 6 per cent. Those rents are not excessive, and I assume that the house which was quoted by the Chief Secretary would be worth about £10,000. That would give a maximum return of 8 per cent. gross, and a net return of about 5 per cent., which I think is reasonable.

I know a man who is connected with one of the oil firms and he is paying £14 a week rent; but the house cost £14,000 to build, which gives a return of 5 per cent. gross on the capital value. That may sound a great deal of rent to pay, but the tenant is glad to be able to get the house at that rental. I think we have to be reasonable.

The Chief Secretary: That oil man was not the West Perth case.

Hon. L. CRAIG: No; this man lives in another suburb.

The Chief Secretary: The hon. member does not know the place that I quoted.

Hon. L. CRAIG: Although these cases that are quoted are supposed to be bad examples it must be remembered we are living in difficult times. The Chief Secretary would have us on 1952 wages and salaries, but 1939 rents. That is not fair.

Hon. E. M. Heenan: What is your view about unrestricted evictions?

Hon. L. CRAIG: I want notice of that question. They may be perfectly justified in some cases. The hon. member raised the question of the eviction of soldiers. It would not be too much of an obligation on the Government to instruct the Housing Commission to accept full responsibility for the housing of soldiers who have returned from Korea. There would not be many of them. That is a responsibility the State Government should gladly accept.

The CHIEF SECRETARY: I was unfortunate enough to instance the suburb of West Perth. It allowed the hon. member to build up a case. He did not know where the property that I quoted was situated but he was able to build up a case on what I said.

Hon. J. G. Hislop: You do not know the capital value.

The CHIEF SECRETARY: Let us say the hon. member won that round.

Hon. L. Craig: My modesty will not permit me to accept that.

The CHIEF SECRETARY: The house that I quoted was one in a terrace of five semi-detached buildings.

Hon. H. L. Roche: But it would be good, like all you old things.

The CHIEF SECRETARY: The hon. member apparently thinks we are all Johnnie Walkers, does he? The rent for each house in that terrace of five was 25s. a week, but today it is £4 10s. Such an instance can be multiplied many times. Each house consists of only three rooms and a kitchen.

Hon. L. Craig: That rental might be reasonable if the house is furnished.

The CHIEF SECRETARY: I personally know of that case, and there are dozens of others. One could not build up a case against my argument by citing the value of the property, because all of the five houses could have been bought for £1,000 in 1939. I have here a list, which covers many pages, of cases that were taken to the court because of rent overcharging.

Hon. L. Craig: They were houses built prior to 1939. If they had been 1951 houses the owners would not have been fined.

The CHIEF SECRETARY: The owners concerned knew they would be convicted and took the risk. As a result a great many refunds had to be made. I merely pointed out to the hon. member that overcharges are being made in rents not only for rooms, but also houses. However, I will leave the matter in the hands of members.

Hon. E. M. HEENAN: I again emphasise that Mr. Watson's amendment is not confined to rents. If the amendment is carried it will no longer be necessary for an owner to give six months' or 28 days' notice. There will be unrestricted eviction on seven days' notice.

Hon. H. S. W. Parker: They may be monthly tenants.

Hon. E. M. HEENAN: If they are, they will be entitled to a month's notice, but the great majority of tenants will be entitled to only a week's notice. If members are happy about the housing position, as Mr. Cunningham is, they will have a clear conscience if they support the amendment. I

am only sorry that Mr. Cunningham was not present with me at the local court on Tuesday morning when there was not sufficient seating accommodation for the unfortunate people who were appearing before the magistrate on the hearing of applications for evictions. I understand that that state of affairs goes on week after week.

Hon. H. S. W. Parker: I suppose someone else gets into those houses?

Hon. E. M. HEENAN: I think Parliament has recognised over a number of years that it owes an obligation to certain people who are called "protected persons." Among them are the dependants of soldiers serving outside the Commonwealth. I am a member of the Returned Soldiers' League, and I know a number of other members are also members of that fine body. For years we have recognised the principle that returned servicemen are entitled to some special consideration. If Mr. Watson's amendment is carried, we adopt the principle that our obligation to those people is at an end, and I would not feel happy about that at all.

I hope that people who voted for the second reading will vote against this amendment, because if it is carried it will virtually mean the end of rent control; the end of eviction control as we have known it for years past. In spite of its many imperfections, it has got us over a very difficult period and I for one do not subscribe to the idea that that difficult period is at an end. Western Australia is growing at a tremendous rate. The rate is gaining impetus week after week; and with that growth of population, the housing situation, in my opinion, is as acute as it has ever been in the last five or six years.

Hon. Sir CHARLES LATHAM: I move—
That the Committee do now divide.

Motion put and a division taken with the following result:—

Ayes	....	....	....	22
Noes	....	....	....	3
Majority for	....	....	....	19

Ayes.

Hon. C. W. D. Barker	Hon. J. G. Hislop
Hon. G. Bennetts	Hon. A. R. Jones
Hon. L. Craig	Hon. Sir Chas. Latham
Hon. J. Cunningham	Hon. J. Murray
Hon. L. C. Diver	Hon. H. S. W. Parker
Hon. G. Fraser	Hon. H. L. Roche
Hon. Sir Frank Gibson	Hon. C. H. Simpson
Hon. A. F. Griffith	Hon. H. C. Strickland
Hon. H. Hearn	Hon. J. McI. Thomson
Hon. E. M. Heenan	Hon. H. K. Watson
Hon. C. H. Henning	Hon. R. J. Boylen

(Teller.)

Noes.

Hon. L. A. Logan	Hon. N. E. Baxter
Hon. A. L. Loton	(Teller.)

Motion thus passed.

The CHAIRMAN: I will now put the question before the Chair.

Amendment (to insert words) put and a division taken with the following result:—

Ayes	....	....	....	17
Noes	....	....	....	10
Majority for	....	....	....	7

Ayes.

Hon. L. Craig	Hon. Sir Chas. Latham
Hon. J. Cunningham	Hon. L. A. Logan
Hon. L. C. Diver	Hon. J. Murray
Hon. Sir Frank Gibson	Hon. H. S. W. Parker
Hon. A. F. Griffith	Hon. H. L. Roche
Hon. H. Hearn	Hon. C. H. Simpson
Hon. C. H. Henning	Hon. H. K. Watson
Hon. J. G. Hislop	Hon. J. McI. Thomson
Hon. A. R. Jones	(Teller.)

Noes.

Hon. N. E. Baxter	Hon. E. M. Heenan
Hon. G. Bennetts	Hon. F. R. H. Lavery
Hon. R. J. Boylen	Hon. A. L. Loton
Hon. E. M. Davies	Hon. H. C. Strickland
Hon. G. Fraser	Hon. C. W. D. Barker
	(Teller.)

Amendment thus passed; the clause, as amended, agreed to.

Clause 4—Section 13 amended:

Hon. H. K. WATSON: I move an amendment—

That all words after the word "amended" in line 2 be struck out, and the following inserted in lieu:—

by repealing subsection (3) and substituting therefor the following subsection:—

(3) In determining the amount of the rent, the inspector or the Court, as the case may be, shall take into consideration—

- (a) the annual rates and insurance premiums paid in respect of the premises;
- (b) the estimated annual cost of repairs, maintenance and renewals of the premises and fixtures thereon;
- (c) the estimated amount of annual depreciation in the value of the premises and the estimated time per annum during which the premises may be vacant;
- (d) the capital value of the premises as at the date of the application and, having regard to the nature and locality of the premises and the purposes for which the premises are leased or are to be leased, what is a fair net annual return (being not less than three per centum per annum and not more than eight per centum per annum) on such capital value;

- (e) any services provided by the lessor or lessee in connection with the lease;
- (f) any obligation on the part of the lessee to effect improvements, alterations or repairs to the premises at his own expense;
- (g) any amount charged as a bonus, fine, premium or other like sum;
- (h) the relationship of the rent of the whole of the premises;
- (i) such other factors as the inspector or the Court may consider relevant.

Provided that during the term of any lease of premises which has been or may be entered into for a fixed term exceeding twelve months, the rent shall not be altered during the period of that fixed term.

In substance, Clause 4 provides that the rent inspector may determine the rent of any rooms, and that the court shall determine the rent of all other premises. In 1951 there was a discussion on that point, and Parliament decided that the activities of the rent inspector should be confined to rooms and that the court should have power in regard to all other premises. Clause 4 seeks to give the rent inspector unlimited power to deal with the rent of any premises, with a right of appeal to the court.

We should not disturb the present position, because the court has done a good job, and the rent inspector, in my opinion, could be fully occupied in dealing with the question of rooms. Rooms on the one hand and business premises on the other are entirely separate matters.

Having regard to the previous vote of the Committee, the fixing of rentals of business premises remains with the court and the court alone. My amendment seeks to delete paragraphs (a) and (b) of Clause 4; and at the same time it proposes to amend Section 3 (3) which provides that either an owner or a tenant may apply to the court, and the court may take into consideration such factors as the inspector or the court considers relevant. From 1939 to 1951 that subsection read as it appears in the amendment on the notice paper, with the exception of the paragraph (d). In 1951 we left out the various factors which the court had to take into consideration. It was provided that in reviewing an application the court should take into account such factors as it considered relevant.

It was the opinion of everyone, even the legal fraternity, that Parliament said the court should take into consideration such factors it thought necessary or relevant. However, as a result of an appeal

heard before the Supreme Court, it was revealed that the magistrate, on hearing an application for an increase in rent, can have regard to nothing else but the statutory increases sanctioned by Parliament, which is the standard rent, plus 20 per cent., plus 10 per cent. I notice that question again crept up in the Supreme Court yesterday, and Mr. Justice Wolff has instructed counsel to state a case for decision by the Full Court. Whatever the outcome may be, in view of the decision which has been given, Parliament should state in the Act the various factors which the magistrate shall take into consideration.

The items contained in my amendment appeared almost entirely in the Act up till 1951. One material suggestion I inserted is paragraph (d) in my amendment. That makes it clear that the magistrate has a discretion regardless of the limit fixed in any other section of the Act. The magistrate has power to hear an application by an owner or a tenant and he has a discretion to fix a fair rent anywhere between not less than 3 per cent. per annum, and not more than 8 per cent. per annum net on the capital value of the premises as at the date of application for review. With a discretion of that nature we can safely rely on the magistrate to give a decision which is satisfactory both to the owner and the tenant.

1 a.m.

THE CHIEF SECRETARY: I explained the position regarding the rent inspector when replying to the second reading debate, so I shall not repeat those arguments. The other phase has been explained by Mr. Watson. This is what would occur if the amendment were accepted. The solicitor appearing for a claimant in the court said that she had asked for an increase of rent from £2 18s. to £6 13s. a week for each flat. That was based on the formula proposed by Mr. Watson.

Hon. L. Craig: It might have been quite all right.

THE CHIEF SECRETARY: I am merely giving the actual figures, and that would occur in other cases.

Hon. C. H. Simpson: Could or would occur?

THE CHIEF SECRETARY: Would occur. If members are content to see these rents go sky high, it will be their own funeral. I have told them what the effect will be.

Amendment put and a division taken with the following result:—

Ayes	....	....	....	18
Noes	....	....	....	8
Majority for				10

Ayes.

Hon. N. E. Baxter	Hon. A. R. Jones
Hon. L. Craig	Hon. Sir Chas. Latham
Hon. J. Cunningham	Hon. L. A. Logan
Hon. L. C. Diver	Hon. J. Murray
Hon. Sir Frank Gibson	Hon. H. S. W. Parker
Hon. A. F. Griffith	Hon. H. L. Roche
Hon. H. Hearn	Hon. J. McL. Thomson
Hon. C. H. Henning	Hon. H. K. Watson
Hon. J. G. Hislop	Hon. C. H. Simpson

(Teller.)

Noes.

Hon. C. W. D. Barker	Hon. E. M. Heenan
Hon. G. Bennett	Hon. F. R. H. Lavery
Hon. R. J. Boylen	Hon. H. C. Strickland
Hon. G. Fraser	Hon. E. M. Davies

(Teller.)

Amendment thus passed; the clause, as amended, agreed to.

Clause 5—Section 17 amended:

Hon. H. K. WATSON: I hope members will reject the clause, which is designed to go back on a decision of Parliament in 1951. We then decided to exclude from the recovery restriction any property which had been let for the first time after the 1st January, 1951. That provision has worked satisfactorily over the past two years.

The Chief Secretary: Who said it has?

Hon. H. K. WATSON: That is shown by general experience. The clause proposes to make the premises subject to 90 days' notice.

Hon. A. F. GRIFFITH: I think the amendment is undesirable. If a person went away for three or six months and let his house, would it be subjected to the Act when he returned? Would he find that he could not regain possession of it?

Hon. H. S. W. Parker: The measure applies only to business premises or rooms.

Hon. A. F. GRIFFITH: That is so. Let us assume that this person let business premises.

The CHIEF SECRETARY: In certain circumstances he would be able to get possession of his premises, but not in others. If the tenancy were an ordinary weekly one, he would come under the provisions of the Act, but if he entered into an agreement with his tenant he would only have the protection given by the agreement. I hope the Committee will not agree with Mr. Watson. People are afraid to make any move about their rents because of the possibility of being evicted, and that is why some protection has been put in here. If the Committee considers that 90 days is too long, we would be prepared to accept some slight modification—perhaps 28 days would be preferable—but we want something more than the period of seven days which now operates.

Clause put and negatived.

Clause 6—Section 19 amended:

Hon. H. K. WATSON: Section 19 is the one which enables an owner to obtain possession of his premises if he requires them for his own use. This clause is unnecessary.

The CHIEF SECRETARY: I hope the Committee will not agree to delete this clause, because the section in the Act has given a certain amount of protection. People have committed offences under the provision, even going to the extent of wrongly signing declarations that they required the premises for their own use or that of their families. We should not help the wrongdoer, and that is what we will do if we strike out the clause.

Hon. H. K. WATSON: Of the cases referred to by the Chief Secretary, 99 per cent. would relate to houses; and, inasmuch as houses have gone out of the measure, we would find that 99 per cent. of the mischief which the Bill is aimed at preventing has also disappeared.

Clause put and negatived.

Clause 7—Section 20 amended:

Hon. H. K. WATSON: I think the Committee should delete this clause because it is consequential on Clause 5. The substance of the clause is to require 90 days' notice even with respect to premises let since the 31st December, 1951. I move an amendment—

That paragraph (a) be struck out.

Amendment put and passed.

Hon. H. K. WATSON: I move an amendment—

That paragraph (b) be struck out.

Amendment put and passed.

Hon. Sir CHARLES LATHAM: I move an amendment—

That a new paragraph be added as follows:—

(d) by inserting a new paragraph (g) as follows:—

(g) any other ground which may be deemed satisfactory to the Court.

I know of a man who purchased 17 acres of land and allowed another to erect a hut on it, but he now refuses to leave and no one will buy the land because of the difficulty of getting rid of him. In another instance, premises have been condemned, and the local authority is taking action against the owner, who cannot get rid of the tenants as the magistrate will not evict them. In the Fremantle district an owner desires to demolish a building and erect a new one but cannot get rid of his tenants. In another case the premises are not considered habitable, but the landlord might be required by the local authority to erect lavatory accommodation, including septic tanks, although the building does not justify the expenditure. I think power should be given to deal with such cases.

Hon. H. K. WATSON: I think some re-drafting would be necessary if the amendment were agreed to because all the preceding provisions relate to the person in occupation.

The CHIEF SECRETARY: I hope the Committee will not agree to the amendment.

Hon. H. K. Watson: Look at Subsection (5).

The CHIEF SECRETARY: If we agree to the words "any other ground which may be deemed satisfactory to the court", no one will know where he stands.

Hon. H. K. WATSON: I agree in principle with Sir Charles. There are extraordinary cases where the landlord is precluded from doing anything. I suggest, however, that the manner in which the amendment is being made requires some variation.

Amendment put and negatived.

Clause, as previously amended, agreed to.

Clause 8—agreed to.

Clause 9—Section 22 amended:

Hon. H. K. WATSON: As the Committee has excluded houses from the provisions, this clause now becomes unnecessary.

Clause put and negatived.

Clause 10—Section 24A added:

Hon. H. K. WATSON: I think the powers of the rent inspector are sufficient in the Act as it stands and that these further powers are unnecessary. I oppose the clause.

Clause put and negatived.

Clauses 11 and 12—agreed to.

New Clause:

Hon. H. K. WATSON: In view of the Committee's decision and the amendments it made to Clause 4, I feel we should amend Section 11—particularly in view of the Supreme Court judgment I mentioned—to bring the section into line with the rest of the Act by indicating what is a fair rent based on present-day capital values. I move—

That the following be inserted to stand as Clause 4:—

4. Paragraph (a) of subsection (2) of section eleven of the principal Act is amended by deleting subparagraphs (i), (ii) and (iii) and by inserting the following words after the word "exceed" in line five:—

a rent producing or calculated to produce an annual amount equivalent to a gross return of six per centum per annum on the capital value of the premises as at the thirty-first day of December, one thousand nine hundred and fifty-three and in addition increased outgoings, if any.

The CHIEF SECRETARY: I think we have dealt fully with this earlier in the debate, but I want to issue a final note

of warning. Members are taking the lid entirely off and, my word, that will have a quick reaction in this State! Members have done it with their eyes open, and they will rue the day, because it will help the inflationary trend in this State. There will be many months to repent before this action can be undone. The basic wage is pegged, and yet members allow this sort of thing to happen.

Hon. L. Craig: This deals with business premises.

The CHIEF SECRETARY: Yes, but it will react on everything else.

Hon. H. K. Watson: I suggest we are facing up to reality.

The CHIEF SECRETARY: Unreality.

Hon. L. Craig: Providing a little justice.

The CHIEF SECRETARY: Next year there will be a different tone in this Chamber in regard to this legislation.

Hon. L. Craig: You will remember those words.

The CHIEF SECRETARY: I will remind the hon. member of them, too. I have tried to keep the Committee on the straight and narrow path, but members will not listen. I only hope my anticipations will be proved wrong, but I do not think they will.

Hon. G. Bennetts: Increased rents on business premises will mean an increased cost of living.

The CHIEF SECRETARY: Members think they know what they are doing.

Hon. J. G. HISLOP: Before I would vote on the amendment I would like to be assured that there is not some difference between the gross interest that should be allowed to owners of business premises as against the gross interest allowed to owners of houses. My view on city property has been that the difference between the rentals on houses and those charged for city accommodation has considerably diminished because of the rapidly increasing values of city properties. That trend will not stop, despite inflation. From what I can gather from real estate agents, it is considered that between 2 and 3 per cent. is a good net return on the capital value of city property; and I am wondering whether, if we provide a six per cent. return plus all outgoings—

Hon. H. K. Watson: No, increased outgoings.

Hon. J. G. HISLOP: If that means it would bring the net return down to 3 or 4 per cent. it would be more equitable and I would be in agreement with the amendment.

Hon. Sir CHARLES LATHAM: I do not know whether the Chief Secretary is aware that in some of these group buildings that are being erected by the State Housing Commission the rentals being

charged are £12 a week. They are lock-up shops with no residences attached. So the Government is not very generous in charging a rent such as that.

Hon. J. G. Hislop: £12 a week for a lock-up shop!

Hon. Sir CHARLES LATHAM: Yes, the group includes a greengrocer's shop, a butcher's shop and, I think, a newsagency.

The Minister for the North-West: Where are they?

Hon. Sir CHARLES LATHAM: At Medina. The Chief Secretary did make some inquiries.

Hon. F. R. H. Lavery: The shops at Medina are not even finished.

Hon. Sir CHARLES LATHAM: But tenders have been called.

The Minister for the North-West: You said the Commission was charging those rents.

Hon. Sir CHARLES LATHAM: It is hardly likely that Government officials would take less than the top price. Where there is a willing lessee and a willing lessor, that is the price that is being paid.

The Chief Secretary: They are not paying that rent; tenders have to be called.

Hon. Sir CHARLES LATHAM: I think the shops will be occupied in January.

The Chief Secretary: Have they officially accepted the tenders?

Hon. Sir CHARLES LATHAM: I understand that one man has obtained a lease at £12 a week.

Hon. F. R. H. LAVERY: It is all very well for Sir Charles to speak like that, but he should tell the complete story. A number of butchers desire to have the shop at Medina and the maximum tender was £28 a week.

Hon. Sir Charles Latham: Will the Government take it?

Hon. F. R. H. LAVERY: I am not interested in what the Government will take. I am telling the hon. member what the highest tender was.

Hon. Sir Charles Latham: But I am interested in what the Government will take.

Hon. F. R. H. LAVERY: The Chief Secretary has pointed out to members how inflation will increase if these rents are charged. It makes me stone raving mad when the hon. member tries to tell the Committee that the shops are being let at £12 a week. Will not the hon. member admit that it is definitely an inflationary trend when someone offers to pay £28 a week for a small lock-up shop?

Hon. Sir CHARLES LATHAM: The hon. member has stated that the highest tender was £28 a week for the shop, yet he complained when I said that the rent was less than half that figure.

Hon. F. R. H. Lavery: Why did you not tell us the whole story?

Hon. Sir CHARLES LATHAM: That is a rental charge on a competitive market. The hon. member need not lash himself into a fury merely because I mentioned that the rental was £12 a week, because that is the market value for those premises. The Government need not accept the tender of £28 a week; it could accept £4 per week.

Hon. E. M. Heenan: Now you are lashing yourself into a fury.

Hon. Sir CHARLES LATHAM: I am trying to outdo the hon. member. However, if the Government will not let it at £4 a week, well and good.

The CHIEF SECRETARY: Like Mr. Lavery, I still accuse Sir Charles of not telling the full story.

Hon. Sir Charles Latham: I think I have told all I know.

The CHIEF SECRETARY: Oh, no! We are dealing with premises that are now let and the rental that we now propose shall be charged; that is, 6 per cent. on the capital value. The point that the hon. member made was that an option has been given for a lease of the property. There are special circumstances at Medina. That is a new suburb and there are no business premises there. That is entirely different to what we are dealing with in this Bill. The tenants of those shops will not only gain occupation of the premises, but they will also obtain a monopoly of the business in that area.

Hon. H. HEARN: As a result of the discussion that has taken place tonight, the Government has revealed what is in its mind. I have listened almost with tears in my eyes to the impassioned plea made by the Chief Secretary. Yet the Government is prepared to say to private owners of business premises, "Thou shalt not charge this rent, but we as a Government are allowed to charge what we like." Mr. Lavery gets impassioned about our not telling the truth. If anybody is offered £28 a week from private enterprise for a shop, we can rest assured that that person will make a go of the business. But that is no justification for the Government taking the £28. If we let the law of supply and demand work in free enterprise, these things will find their own level, and will preserve a freedom, and that is what we are striving to do.

The Government cannot have it both ways; it cannot say, "We are going to have an economic rent on what we are building, and we are going to make a small fraction of the people who were unfortunate enough to enter into contracts prior to 1939 bear the burden of the inflationary spiral and keep the 'C'

series index down." We have heard that too long. Some of the poor workers about whom we hear so much earn more than do the executives of those businesses.

Hon. A. F. GRIFFITH: If I remember rightly, the premises at Medina were advertised and tenders were called for rents people were willing to pay. Mr Lavery said one man offered £28 a week for a monopoly business. If the Government trying to sell monopolies? Is there anything to stop a man going round Medina with a cart and selling meat? The idea of a monopoly is ridiculous.

Hon. N. E. BAXTER: I move—

That the Committee do now divide.

Motion put.

The CHAIRMAN: There being no dissentient voice, I declare the motion carried. I will now put the question before the Chair.

New clause put and a division taken with the following result:—

Ayes	15
Noes	10

Majority for 5

Ayes.

Hon. L. Craig	Hon. Sir Chas. Latham
Hon. L. C. Diver	Hon. J. Murray
Hon. Sir Frank Gibson	Hon. H. S. W. Parker
Hon. A. F. Griffith	Hon. C. H. Simpson
Hon. H. Hearn	Hon. J. McL. Thomson
Hon. C. H. Henning	Hon. H. K. Watson
Hon. J. G. Hislop	Hon. J. Cunningham
Hon. A. R. Jones	(Teller.)

Noes.

Hon. C. W. D. Barker	Hon. E. M. Heenan
Hon. N. E. Baxter	Hon. F. R. H. Lavery
Hon. G. Bennetta	Hon. L. A. Logan
Hon. E. M. Davies	Hon. H. C. Strickland
Hon. G. Fraser	Hon. R. J. Boylen
	(Teller.)

New clause thus passed.

Title—agreed to.

Bill reported with amendments and the report adopted.

BILL—INDUSTRIAL DEVELOPMENT (RESUMPTION OF LAND) ACT AMENDMENT (No. 1).

Received from the Assembly and read a first time.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. G. Fraser—West): I move—

That the House at its rising adjourn till 2.30 p.m. today.

Question put and passed.

House adjourned at 2.2 a.m. (Friday).

Legislative Assembly

Thursday, 10th December, 1953.

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

QUESTIONS.

TIMBER.

As to Rights on Land for Agriculture.

Mr. BOVELL asked the Minister for Lands:

With reference to my previous questions concerning the proposal to grant timber royalties to farmers, will he inform the House what the Government's intentions are in this matter?

The MINISTER replied:

It is intended to refund portion of the royalties on timber removed from farmers' holdings under terms and conditions yet to be arranged between the Forests and Lands and Surveys Departments.

A conference between the Forests Department and Lands Department has been arranged immediately after the conclusion of this parliamentary session.

RAILWAYS.

As to Freight on Shooks and Effect of Subsidy.

Hon. A. F. WATTS asked the Minister for Railways:

(1) Referring again to freight on shooks, will he state what subsidy was hitherto paid by the Treasury and if such subsidy